

AGENDA ITEM NO: 01

FINANCIAL INCLUSION PLAN (FIP) OF J&K STATE:

(I) Provision of banking services to villages with population below 2000:

The FIP-II target for coverage of 5,582 identified unbanked villages in J&K State having population less than 2000 for which 3-year Road Map was devised in March, 2011; stands already completed by the respective FIP participating banks, details of coverage of the said villages are tabulated below:

S.No.	Name of Bank	Total villages identified/ allocated for coverage	Total No. of villages covered	Mode of coverage			No. of Brick & Mortar branches required to be opened (**)	Shortfall as on 31 st Dec., 2015 (Col.8 minus Col.5)
				Branch / Brick & Mortar mode	BC mode	Others mode		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	J&K Bank	3271	3271	119	3152	0	164	45
2	SBI	753	753	0	753	0	38	38
3	PNB	294	294	2	242	50	15	13
4	JKGB	1026	1026	41	985	0	51	10
5	EDB	238	238	6	12	220	11	05
	TOTAL	5582	5582	168	5144	268	279	111

(**) As per RBI directive 5% of total allocated villages have to be covered through brick & mortar mode.

The detailed district-wise progress is given under **Annexure-A**.

- **PNB to clarify which type of coverage has been provided to 50 villages reportedly covered through “other mode”.**
- **In the last meeting representative of PNB had assured that target of covering required number of villages through brick & mortar model would be met by 31st December, 2015 and the Regional Director, RBI while taking note of the commitment of PNB, had advised that complete and comprehensive business proposals for opening such new branches be submitted by PNB to their Head Office/SLBC urgently. But there has been no progress, so far.**
- **SBI and PNB may assign reasons for not complying with the regulatory requirement of covering 5% of allocated villages through brick & mortar mode.**
- **J&K Bank may convey their plan for completing the requirement of opening remaining 45 Brick & Mortar branches.**
- **In the last meeting representative of EDB had assured that they will switch over to BC/ Kiosk Model for coverage of their allocated villages, for which they have already finalized 56 locations. But data as of 31.12.2015 indicates that only 12 villages have been covered through BC mode. EDB may inform timeframe for switching over to BC mode.**

- **Coverage of villages by RRBs through brick & mortar mode falls short of 15 (10 by JKGB and 5 by EDB).**

II) Re-allocation of villages pertaining to two RRBs (decision of 99th SLBC meeting):

The aforesaid tabulated information reveals that two RRBs operating in the State, namely JKGB and EDB were required to cover 51 and 11 villages, respectively, through brick & mortar mode against which the concerned RRBs have succeeded in opening 41 and 6 brick & mortar outlets respectively, leaving a total shortfall of 15 branches.

The issue had come up for deliberation in the 99th SLBC meeting held on 16.11.2015 wherein Regional Director, RBI pointed out that **these RRBs will not be able to open new branches owing to their financial parameters** and desired that other banks like HDFC Bank, ICICI Bank, Central Bank of India etc. operating in the State need to share that responsibility and open required number of brick and mortar branches in the allocated areas of these banks. It was accordingly 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.

- **Forum is requested to deliberate the issue and re-allocate the 15 centers (previously allocated to two RRBs) among other banks like HDFC Bank, ICICI Bank, Central Bank of India, Canara Bank etc. Modus Operandi for allocation of 5% of uncovered villages to be discussed by the forum.**

(III) Fresh RBI directive for providing banking services through Brick & Mortar branches in villages with population of more than 5000:

Reserve Bank of India, Central Office, Mumbai vide their Circular No. RBI/2015-16/277 (bearing Ref. FIDD.CO. LBS.BC. No. 82/02.01.001/2015-16) dated December 31, 2015 has observed that coverage of banking services in unbanked villages is skewed towards the BC model and the ratio of branches to BC is very low. For increasing banking penetration and financial inclusion, brick and mortar branches are an integral component. Therefore, RBI has advised SLBC Convenor Banks to identify villages with population above 5000 without a bank-branch of Scheduled Commercial Banks. The identified villages are to be allotted among scheduled commercial banks (including RRBs) for opening of branches. **Opening of bank branches under this Roadmap has to be completed by March, 2017.**

Accordingly, in J&K State, SLBC Secretariat has identified a total of 235 villages in J&K State having population more than 5000 (as per Census 2011).

In order to ascertain whether any branches of scheduled commercial banks are presently operating in the said identified 235 villages, the said district-wise lists have already been forwarded on 01.01.2016 to all the Lead District Managers in J&K State with the advise to submit the requisite information to SLBC Secretariat by January 6, 2016, so that arrangements for allocating the uncovered villages to various scheduled commercial banks operating in J&K State for opening brick & mortar outlets are made. The data has so far been received from 16 districts only.

The exercise of collecting data from the Lead District Managers is likely to be completed soon. As soon as the list of un-banked villages having population more than 5000 in J&K State is finalized the bank-wise allocation of the same shall be made by J&K SLBC among the scheduled commercial banks as per RBI guidelines for opening of brick and mortar branches. Roadmap in this regard has to be submitted to RBI by 31.1.2016 and opening of branches under the said Roadmap has to be completed by 31.03.2017. Progress on the Roadmap shall be reviewed on quarterly basis beginning from Quarter ended March, 2016.

- **Banks are advised to be in the state of preparedness for complying with the said Roadmap.**
- **Forum may deliberate the issue**

IV) Funding of Solar Powered VSAT connectivity in unbanked Sub-Service Areas (SSAs) through Financial Inclusion Fund (FIF):

DFS, MoF, Government of India vide communication bearing F.No. 6/19/2012-FI (C-54072) dated: 23rd November 2015 have conveyed that Government of India has merged the erstwhile **Financial Inclusion Fund** and **Financial Inclusion Technology Fund** to form a single **Financial Inclusion Fund (FIF)** with new scope of activities and the draft guidelines proposed by Reserve Bank of India. The new Financial Inclusion Fund (FIF) is administered by the re-constituted Advisory Board of Government of India and is maintained by NABARD. The revised guidelines of new Financial Inclusion Fund (FIF) have already been circulated by Reserve Bank of India vide their letter dated 15.10.2015 (**Copy enclosed**).

In the said communication Gol has conveyed that as the Financial Inclusion is an important priority of Gol and the uncovered SSAs are proving hurdle in extending financial services to the large hitherto unserved population of the Country, it has been decided to consider for funding of VSAT connections from Financial Inclusion Fund, for branches / business correspondents to be made operational in these SSAs. It has been advised that in case there is a power connectivity problem, requests can also be made for solar power in these areas. Department of Financial Services, Ministry of Finance, Gol has identified 894 such SSAs across the country, which include 15 SSAs of SBI in J&K State.

Accordingly, the matter was taken up by SLBC Secretariat vide mail dated: 26/11/2015 with the concerned banks in J&K State to provide the detailed list of SSAs, which are uncovered due to connectivity or power problems, so that the consolidated list is provided to NABARD.

In order to avail support for Solar Power VSAT connectivity from the FIF, NABARD vide their communication dated 22 December, 2015 addressed to Convenor, SLBC all State, have provided the following clarifications for banks submitting proposals under FIF to Kiosk/Fixed CSPs:

- 1. The Banks have to first get the proposal approved from NABARD.**
- 2. Regarding eligible branches. There are two possible scenarios:**
 - i) In case of 894 SSAs identified by DFS, banks may submit the proposal directly to the concerned regional office of NABARD, (which include 15 SSAs of SBI in J&K State).**

ii) In case of SSAs without connectivity but are not a part of the list given by DFS, the banks may approach the respective SLBC and obtain a certificate stating that the SSA has no connectivity and submit the proposal along with the certificate to concerned regional office of NABARD.

3. The VSAT to be installed by the banks are preferably required to be solar powered VSAT because of erratic power supply in most of these locations. However, in case any bank does not want solar powered VSAT as stable power is available, they will also be extended support subject to fulfilling other conditions. Support available in such cases would be on an item wise basis.

(I) Support for setting up of solar powered VSAT is to address the issue of connectivity as also power supply in the SSA.

(II) The support for the scheme will be on reimbursement basis.

(III) The banks will have to complete the procurement as per their policy and submit the claim to NABARD regional Office as per the format enclosed along with the relevant documents.

➤ Keeping in view that in case of SSAs without connectivity but are not a part of the list given by DFS, J&K SLBC has to certify that the SSAs have no connectivity. Forum is requested to discuss the issue.

➤ NABARD may devise the procedure to be followed by J&K SLBC for said certification.

(V) Pradhan Mantri Jan Dhan Yojana (PMJDY)

Pradhan Mantri Jan Dhan Yojana (PMJDY) a comprehensive Financial Inclusion Package was launched across the country on 28th of August 2014 for ensuring access to financial services by all and timely adequate credit to the excluded sections, i.e. weaker sections and lower income groups of the country. It emphasizes the need to push the Financial Inclusion among the financially excluded segment of the society so as to have financial stability and sustainability of economic and social order.

The consolidated progress on number of accounts opened under Pradhan Mantri Jan Dhan Yojana upto 31st December, 2015 is given below:

S. No	Bank	No. of A/Cs opened			No. of Rupay Debit Cards issued	No. of Zero balance accounts
		Rural	Urban	Total		
1	Public Sector Banks	211296	146608	357904	309618	85780
2	Private Sector Banks	1135158	125660	1260818	1123132	618466
3	RRBs	97734	33836	131570	64378	58892
4	Cooperative Banks	8065	2768	10833	150	6038
	Total	1452253	308872	1761125	1497278	769176

The detailed bank-wise progress as on 31.12.2015 is given in **Annexure-B**

- **J&K Bank with 1253386 accounts contributes 71% of the total accounts opened under the scheme by all the banks together upto 31st December, 2015.**
- **During Q3 No. of Zero Balance Accounts have been reduced from 8,60,129 as on 30.09.2015 to 7,69,176 as on 31.12.2015**

This is for information of the forum

AGENDA ITEM NO: 02**Financial Literacy initiatives in J&K State:**

In J&K State 22 Financial Literacy Centres (FLCs) are operating – 12 FLCs established by J&K Bank and 10 FLCs established by State Bank of India in their respective lead districts.

(i) Progress achieved by the 22 FLCs as at the end of December, 2015:

The achievements under Financial Literacy initiatives during CFY 2015-16 are given hereunder as per the revised reporting format of RBI:

Name of the Sponsoring Bank	No. of Literacy Camps undertaken as per RBI Guidelines using Standardized Financial Literacy Material				No. of Persons participated in Literacy Camps				Out of (3) No. of persons already having bank A/C at the time of attending the camp			
	(2)				(3)				(4)			
(1)	Q1	Q2	Q3	Total	Q1	Q2	Q3	Total	Q1	Q2	Q3	Total
J&K Bank	314	212	237	763	28349	19067	15582	62998	18645	14402	11753	44800
SBI	119	164	117	400	4726	10228	8722	23676	2689	7278	5589	15556
Total	433	376	354	1163	33075	29295	24304	86674	21334	21680	17342	60356

Name of the Sponsoring Bank	Out of (3) No. of persons who opened bank A/C after attending the camp				Out of (3) persons provided Credit Linkage				Out of (6) persons who started their business venture.			
	(5)				(6)				(7)			
	Q1	Q2	Q3	Total	Q1	Q2	Q3	Total	Q1	Q2	Q3	Total
J&K Bank	5100	3029	1824	9953	1208	1209	1076	3493	862	788	794	2444
SBI	832	1538	1440	3810	251	220	461	932	107	121	374	602
Total	5932	4567	3264	13763	1459	1429	1537	4425	969	909	1168	3046

District-wise progress of FLCs is given in **Annexure-C**.

(ii) Financial Literacy initiatives by rural branches of banks in J&K State:

In terms of RBI guidelines all the rural branches of banks operating in the State are required to hold at least one financial literacy programme per month. Progress achieved by the rural branches of scheduled commercial banks in J&K State during the Q3 is awaited from all the banks. However, progress during Q2 of CFY is given below for information of the forum:

S. No.	Name of the Bank	No. of Rural branches as on 30.9.2015	No. of FL Camps required to be conducted as per regulatory requirement during the Quarter @ one camp per rural branch per month	Number of FL Camps Conducted during the quarter ended Sept. 2015 using Standardized Financial Literacy Material of RBI	No. of Persons participated
(i) Public Sector Banks:					
1	State Bank of India	85	255	199	5628
2	Punjab National Bank	34	102	100	1284
3	UCO Bank	3	9	6	155
4	Central Bank of India	4	12	0	0
5	Canara Bank	6	18	12	320
6	Punjab & Sind Bank	3	9	11	323
7	Union Bank of India	2	6	5	306
8	OBC	4	12	3	224
9	Bank of India	2	6	5	128
10	Allahabad Bank	1	3	0	0
11	Indian Overseas Bank	1	3	2	85
12	Indian Bank	1	3	0	0
SUB-TOTAL (i)		146	438	343	8453
(ii) Private Sector Banks:					
13	J&K Bank	440	1320	704	23712
14	ICICI Bank	5	15	14	83
15	HDFC Bank	18	54	9	582
16	Axis Bank	11	33	19	367
SUB-TOTAL (ii)		474	1492	746	24744
(iii) Regional Rural Banks					
17	J&K Grameen Bank	173	519	385	11694
18	Ellaquai Dehati Bank	106	318	207	11824
SUB-TOTAL (iii)		279	837	592	23518
Total Rural Branches		899	2697	1681	56715

Note: Progress for Q3 awaited from concerned banks so far.

Most of the banks have failed to comply with regulatory stipulation of conducting at least one camp per rural branch per month. District-wise position is enclosed as **Annexure-D**.

House may deliberate the issue.

AGENDA ITEM NO: 03

Rural Self-Employment Training Institutes (RSETIs) in J&K State – Performance at the end of Q3 of CFY - Allotment of land by State Govt. for permanent infrastructure for RSETIs:

In compliance with the guidelines issued by Ministry of Rural Development, Government of India vide Ref. No. No.I.12011/19/2008-SGSY (C) dated 07.01.2009, Rural Self Employment Training Institutes (RSETIs) with the objective of providing self-employment training programmes to the youth for their skill development have already been established in 21 districts of J&K State leaving only one district (i.e. District Kargil) yet uncovered.

District Kargil stands allocated by J&K SLBC to State Bank of India. In the 99th SLBC meeting 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.**

But expressing disagreement with the contention of DGM SBI, the house made it clear that delaying the RSETI in a district like Kargil is not acceptable and SBI was advised to take concerted measures to make the RSETI in District Kargil operational as soon as possible.

SBI to inform latest status regarding operationalizing the RSETI in district Kargil.

Performance of RSETIs in J&K State:

Name of the Bank	Target 2015-16		Progress during CFY 2015-16 (Q1+Q2+Q3)			
	No. of Programmes	Candidates	Total No. of Programmes conducted	Total No. of Persons Trained	No. of persons credit linked	Out of which No. of persons started the ventures
JKB	245	6910	147	4052	862	862
SBI	145	3490	108	2345	533	526
TOTAL	390	10400	255	6397	1395	1388

Name of the Bank	Position since inception till 31.12.2015			Out of total Settled Candidates upto 31.12.2015			
	No. of candidate trained	No. of Candidates settled	%age of Settlement	No. of Candidates availing Bank Finance	No. of Candidates Self-financed	No. of Candidates in wage employment	%age of Credit linked to total settled
JKB	18,814	11,100	59%	4,329	3,992	2,779	39%
SBI	10,129	5,825	58%	1,478	3,217	1,283	25%
TOTAL	28,943	16,925	58%	5,807	7,209	4,062	34%

District-wise details of RSETIs are given in **Annexure-E**.

In light of the above figures the forum is requested to deliberate the issue.

Allotment of land by State Govt. for creating permanent infrastructure for RSETIs: Status regarding allotment of land by State Government

As per MoRD, GoI Guidelines on setting up of RSETIs the land for establishing RSETIs has to be provided by the concerned State Government, free of cost, with nominal registration expenses. GoI will provide one-time-grant-assistance to the RSETIs, upto a maximum of Rs.1.00 Crore for meeting the expenditure on construction of building and furniture for the same.

The GoI guidelines provide that ***“if allotment of land by State Government to RSETIs takes time, banks may start functioning immediately from hired premises. Rent for hiring of premises may be borne upto a maximum of Rs.10.00 lakh, for a period not exceeding three years, out of the Rs.1.00 Crore grant of GoI.”***

The issue is being discussed and reviewed regularly in every meeting of J&K SLBC and various Sub-Committees but there has been no progress in the matter, so far. The detailed report is provided in **Annexure-F**

Decision of last meeting held on 6.8.2015 at RBI Office, Srinagar:

In the last meeting of the forum held on 6th August, 2015 at Srinagar, the Special Secretary Finance representing J&K Government, had informed that Hon'ble Minister for Rural Development has taken a meeting at Srinagar on 10th July, 2015 wherein Divisional Commissioners of Jammu and Kashmir divisions were advised to take speedy actions for processing the papers related to transfer of land to identified agency in the districts for the RSETIs and submit the papers to the Financial Commissioner Revenue, who will forward them to Commissioner Secretary Revenue by 22nd July, 2015 for issuing the orders. Subsequently, the Forum had decided that **“the Special Secretary, Finance, should take up the issue of allotment of land to RSETIs with the State Government and convey them that the issue be resolved before the concerned sponsoring banks become hesitant to invest more money in this and loose interest in carrying this initiative forward”**.

Minutes of the said meeting were circulated on 28.8.2015 for desired action by the concerned. Subsequently, a reminder was also sent to the Special Secretary Finance Department, Civil Secretariat, Jammu on 18.12.2015 requesting therein to intimate the latest status regarding allotment of land to the RSETIs.

Forum is requested to deliberate upon the issue

AGENDA ITEM NO: 04

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

b) Progress achieved in issuance of AADHAAR Cards in J&K State as on 31.12.2015

c) Seeding of Aadhaar numbers to the Bank Accounts:

a) Implementation of Electronic Benefit Transfer (EBT) Scheme in J&K;

Strategy, guidelines on Financial Inclusion issued by Gol, MoF, DFS vide Circular dated 21.10.2011 require that benefits and subsidies under various Government Schemes must be transferred electronically into the accounts of the beneficiaries and such basic banking accounts have to be opened by banks under Financial Inclusion to facilitate direct transfer of such benefits and subsidies.

Operational Guidelines on implementation of Electronic Benefit Transfer (EBT) and its convergence with Financial Inclusion Plan (FIP) were issued by RBI vide Circular No.RBI/2011-12/253 dated 12.8.2011. In accordance with the said guidelines:

- **Finance Department, J&K Govt. has been designated as the umbrella department to coordinate, oversee and facilitate roll out of EBT in the State.**
- **J&K Bank stands designated as Leader Bank for all districts of the State.**
- **MoU between Finance Department, J&K Govt. and J&K Bank was signed on 26th November 2013, as per the mutually agreed format for hassle-free implementation of EBT Scheme.**

Progress achieved:

In the first phase the EBT Scheme was 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. In the 99th SLBC meeting the house was informed that the scheme is being implemented in 5 more districts of Doda, Ramban, Samba, Udhampur and Shopian very shortly.

But T&ISD Department of the J&K Bank (Leader Bank) has informed that the transaction file for these five districts has not been received yet from the State Govt. to carry out EBT.

The data validation in respect of remaining Districts is under process. The District-wise progress of validation of beneficiaries' accounts as on 30th December, 2015 in all the 22 districts for implementation of the Scheme is given in **Annexure–G**.

The forum may deliberate the issue

b) Progress achieved in issuance of AADHAAR Cards in J&K State:

The latest progress report received from the IT Department, J&K Government indicates as under:

1	Total population of the State	1,25,41,302
2	Population whose records stand already digitized	1,09,43,114
3	Total citizens enrolled	82,86,280
4	Total No. of Aadhaar Cards issued	65,01,873
5	%age of Aadhaar Cards issued	51.84%

The district-wise statistical data received from IT Department, J&K Government, is tabulated in **Annexure-H** for information of the house.

c) Progress achieved in seeding of Aadhaar numbers into Bank Accounts:

As per progress reports received from various banks operating in the State, upto end of December, 2015 total number of bank accounts where Aadhaar Number has been seeded is **2,96,484**, which include **2,11,035** Aadhaar Seeded Accounts of J&K Bank in J&K State.

The Bank-wise progress of seeding of Aadhaar numbers into the Bank accounts is given in the **Annexure-I** for information of the house.

The progress achieved in the matter is quite dismal. All member banks need to take measures for seeding of Aadhaar numbers into their bank accounts at the earliest.

This is for information of the House.

Agenda Item No. 05

Any other issue with the permission of Chair.
