

## Minutes of 10<sup>th</sup> meeting of the Steering Sub-Committee of J&K SLBC to monitor IT-enabled Financial Inclusion, FLCs and Credit plus Activities in J&K State

10<sup>th</sup> meeting of the 'Steering Sub-Committee of J&K SLBC to monitor IT-enabled Financial Inclusion, FLCs and Credit plus Activities in J&K State' was held on 25<sup>th</sup> July, 2018 at Reserve Bank of India, Regional Office, Railhead Complex, Jammu. The meeting was presided over by Mr. A. K. Mattu, General Manager, Reserve Bank of India and proceedings were steered by Mr. Sunil Gupta, President (LBD/SLBC) of the Convenor Bank (J&K Bank). All members of the Steering Sub-Committee who attended the meeting included GM, NABARD, Finance Department, Revenue Department, Rural Development Department and Social Welfare Department, Reserve Bank of India and the participating banks. Detailed list of participants is enclosed as Annexure-A.

At the outset Mr. A. K. Mattu, General Manager, Reserve Bank of India, R.O. Jammu extended a warm welcome to all the participants of the meeting. Describing the objective of convening the meeting, he stated that J&K State was a large state having diverse geographies, topographies and weather conditions where a large section of the population was living in far flung areas who were lacking the basic banking facilities. With a view to provide banking services to the said population, Reserve Bank of India under the recommendations of the Committee headed by Smt. Usha Thorat, ex- Deputy Governor, RBI came out with Financial Inclusion Plans (FIPs), whereby initially the villages having population >2000 were considered for coverage, followed by the coverage of villages having population <2000 through BC-model, which was confronted with various problems like connectivity issues, schedule of BCs at the allocated places, number of visits etc. Therefore, for coverage of the large unbanked villages having population >5000, Reserve Bank of India on the basis of experience gained from earlier initiatives, proposed the brick & mortar model for providing banking services. However, subsequently in view of difficulties expressed by some banks particularly those which were under PCA, Reserve Bank of India vide its Circular dated June 08, 2018 permitted the banks to provide banking services to these villages either through brick & mortar branches or CBS-enabled banking outlets, which were to function for minimum 4 hours a day for a minimum of 5 days a week (minimum 20 hrs per week).

Mr. Mattu stated that under this RBI initiative, 104 villages having a population of >5000 but without any branch of Scheduled Commercial banks were identified in J&K State which were allocated by J&K SLBC to various banks for coverage, for which the deadline of 31<sup>st</sup> December, 2017 was fixed, but he expressed concern that the target was still far behind, which had been viewed seriously by the top management of RBI. He stated that the present meeting was convened to workout necessary measures in this regard, so as to avoid any stringent action being initiated by RBI against the defaulting banks. He stressed upon the concerned banks to expedite the process of opening the banking outlets in their respective allocated villages as soon as possible.

Apart from that, Mr. Mattu also expressed serious concern that despite clear instructions issued during the last meeting of the forum that the banks responsible to implement this important programme were to be represented at the appropriate level. There were certain banks which had not followed this up with the result the quality of deliberations and decision making got affected. He emphasized, that in future only the state heads of implementing banks only need to attend these meetings. Thereafter, agenda of the meeting was taken up for deliberation as under:

### **Agenda Item No: 01**

#### **Roadmap for coverage of 104 identified villages having population over 5000 in J&K State which are without a bank branch of Scheduled Commercial Banks:**

Mr. Sunil Gupta, President (LBD/SLBC) J&K Bank stated that against the target of covering 104 identified villages the concerned banks were able to open 18 such outlets, which included 9 villages covered by J&K Bank, 6 by State Bank of India and 3 by UCO Bank, whereas Punjab National

Bank, HDFC Bank, ICICI Bank, Canara Bank and Central Bank of India were yet to indicate any progress.

Mr. A. K. Mattu (Chairman of the meeting) pointed out that although in the last meeting of the forum held in October, 2017 all the participating banks had assured that the target will be completed by 31<sup>st</sup> December, 2017, but six months down the line the progress was still dismal. He desired to have comments of J&K Bank and all other participating banks in this regard.

Mr. Nissar Ahmad, representative of J&K Bank informed that initially J&K Bank was allocated 40 villages and subsequently in a meeting taken by Regional Director, RBI on 10<sup>th</sup> March, 2017, in view of the difficulties experienced by some banks, with the concurrence of all those present, J & K Bank was allocated 8 additional locations by reducing corresponding number of outlets from the other banks. Thus the revised allocation done in the above meeting was final and binding. However, keeping in view the difficulties expressed by the J&K bank in other 3 centres viz: Farkan, Mindian and Gagrian, other banks could consider and take any / all of the offered locations from J&K bank for opening a branch / banking outlet.

Chairman further pointed out that after the revised allocations was done in the meeting dated 10<sup>th</sup> March, 2017; J&K Bank had not pursued this issue in the last meeting and stated that if the 3 locations of Furkan, Mindian and Gagrian were indicated in the minutes of that meeting, as described by J&K Bank, then the concerned banks were bound to accept those centres accordingly.

Mr. Shiv Kumar Gupta, Finance Department, J&K Govt. stated that barring these three locations J&K Bank was left with 45 locations against which they had covered 9 locations, leaving 36 locations to be covered and advised the J&K Bank to come out with the action plan for coverage of these villages.

Responding to this representative of J&K Bank assured that the bank has already drawn a Board Approved Action Plan, whereby 13-14 locations shall be covered by the end of September, 2018 and the rest of locations will be rolled out by 31<sup>st</sup> December, 2018.

DGM, State Bank of India informed that they have already opened banking outlets in 7 villages, which included one location which was covered recently. He stated that for the remaining villages SBI had already initiated the process and assured to complete the target by the end of September, 2018.

**(Action: State Bank of India)**

DGM, Punjab National Bank stated that out of the 11 locations allocated to them the Bank was already having a branch functional at one village namely Forlain. Regarding remaining 10 locations PNB intended to provide fixed-point CBS-enabled BC model, for which the bank had already initiated the process. He assured that 5 locations would be covered by 15<sup>th</sup> September 2018 and the remaining by 31<sup>st</sup> December, 2018. Regarding the issue of the 3 villages offered by J&K bank, DGM, PNB desired to know the names of the villages so as to consider the feasibility of these locations and would revert back.

**(Action: PNB)**

Mr. Sachin Mahajan, representative of HDFC Bank stated that they could not open any banking outlet in the allocated 11 villages owing to connectivity issues. Representative of Finance Department pointed out that despite their commitment in the last meeting to cover all their allocated villages by December, 2017 no progress was reported by HDFC Bank so far. Stressing that mere commitment would not serve the purpose, the representative of Finance Department desired to know the measures undertaken by HDFC Bank towards coverage of these villages.

**(Action: HDFC)**

Representative of ICICI Bank stated that the villages allocated to them were not feasible for opening of banking outlets as there were no branches of ICICI Bank operating in those villages. He stated that ICICI Bank had requested for swapping these 5 locations with J&K Bank whose branches were located within 5 kilometers whereas branches of ICICI Bank were located more than 100 kilometers away from these locations. Stating that ICICI Bank would be ready to take locations in District Budgam, Baramulla, Ganderbal and Samba he reiterated his request for swapping of villages with J&K Bank, which the J&K Bank did not agree to on the plea, that against two villages to be taken from them, J&K Bank had offered them 9 locations to choose from but they had rejected all of them.

Mr. A. K. Mattu (Chairman) desired that J&K Bank should not out-rightly reject the request of ICICI Bank and requested them to re-consider swapping of these locations with ICICI Bank in case J&K Bank branches were operating nearby.

**(Action: J&K bank & ICICI bank)**

Representative of Canara Bank informed the forum that they had already conducted survey of the allocated 5 locations and had sought permission from their Head Office, which was expected within a week's time. He assured that subject to approval by their Head Officer, all the allocated locations would be covered by 30<sup>th</sup> September, 2018.

**(Action: Canara bank)**

Representative of UCO Bank stated that they have already opened banking outlets in 3 out of their 5 allocated villages and assured that the remaining two villages would be covered by the end of September, 2018.

**(Action: UCO bank)**

Representative of Central Bank of India stated that they could not open any outlet in the allocated 5 villages owing to PCA.

The plea put forth by CBI was not found tenable by the Chairman, who clarified that RBI had already relaxed the stipulation and now the bank could open CBS-enabled banking outlets for coverage of these allocated villages, which was economically cost-effective than the brick & mortar set up. He remarked that a number of banks were under PCA and the obligation of coverage of the allocated villages was to be met by all the banks. He advised CBI to talk to their higher ups and come up with the timeline for coverage of their allocated 5 villages as soon as possible.

After threadbare discussions on the issue Mr. Mattu advised as under:

- SBI and PNB would consider accommodate few locations from J&K Bank as the J&K Bank had already taken some villages from them earlier. Similarly, ICICI Bank and Central Bank of India would also try to accommodate few locations of J&K Bank. For this purpose J&K Bank would immediately send details of all these locations to SBI, PNB, ICICI Bank and CBI, which would consider and finalize taking up additional allocation of some villages and revert back within a week's time, so that the issue was finalized as soon as possible.
- J&K Bank would ensure coverage of 13 locations by the end of September, 2018. The bank will draw out a detailed plan for coverage of remaining villages by 31<sup>st</sup> December, 2018 positively;
- Canara Bank and UCO Bank would also ensure to complete their respective targets by 30<sup>th</sup> September, 2018;
- HDFC Bank would draw out a detailed plan to ensure coverage of all the allocated villages by the end of December, 2018.

**(Action: J&K Bank, SBI, PNB, HDFC, ICICI, Canara Bank, UCO Bank and CBI)**

Mr. A. K. Mattu (Chairman of the meeting) clarified that the deadline of 31<sup>st</sup> December, 2018 allowed to the banks by the forum shall be subject to the instructions that may come from Reserve Bank of India, Central Office, Mumbai and in case the Central Office prescribes any other timeline earlier than 31<sup>st</sup> December, 2018 or any other stipulation, the same shall override the present decision of this forum and would be binding on all the participating banks.

**Agenda Item No. 02**

**Performance of Rural Self Employment Training Institutes (RSETIs) - allotment of land by the State Government for permanent infrastructure for the RSETIs.**

**(i) Setting up of RSETI in District Kargil:**

Mr. Sunil Gupta, President (LBD/SLBC) pointed out that setting up of the RSETI in District Kargil was long pending issue and the candidates of the said district were deprived of the training facility. He stated that the issue was being deliberated in all the SLBC meetings and SBI was continuously assuring to establish the RSETI, but so far there was no progress at all. He sought comments of SBI on the issue.

DGM, SBI informed that the RSETI in District Kargil could not be set up by the bank owing to the fact that District Administration did not allocate land for the RSETI so far. He, however, informed that SBI had already imparted training to almost 120 candidates of District Kargil by taking premises at Kargil on hire for a week or two weeks for holding training programmes and that the bank had decided to continue with the same arrangements for the time being. He stated that SBI Central Office, had accorded approval for the same. He assured that once land was allocated by State Government, SBI would take further action in the matter.

President, Convenor Bank clarified that none of the RSETIs had so far been formally allotted the land and all the 21 RSETIs were operating from rented premises so far. He desired that SBI should immediately take measures for hiring a suitable premises in District Kargil on the pattern of RSETI Leh and start the RSETI in the district, which was agreed to by SBI.

- Chairman directed DGM, SBI to take necessary measures immediately for setting up the RSETI in District Kargil and inform the SLBC Secretariat accordingly.

(Action: SBI)

**(ii) Funding Support from NABARD towards Capital Expenditure of RSETIs:**

Appreciating the contribution of RSETIs towards skill development of youth, GM NABARD stated that it enhances the employability of the youth and also provides good opportunity for the banks to enhance credit facilities. He informed the forum that NABARD had the policy of providing Rs.3.00 lakh to every RSETI towards capital expenditure. In this regard NABARD had already sanctioned Rs.34.00 lakh for the 9 RSETIs set up by SBI, out of which an amount of Rs.9.09 lakh stood released and in case of J&K Bank RSETIs, it had sanctioned Rs.25.00 lakh, but pointed out that no claims had been received from the concerned banks in this regard. He desired that both the banks needed to submit the claims to NABARD at the earliest.

(Action: J&K Bank / State Bank of India)

**(iii) Allotment of Land for creating infrastructure for the RSETIs:**

Mr. Afaq Ahmad, Deputy Secretary Revenue, J&K Govt. informed the house detailed status of the land so far allocated by the government in respect of the 13 RSETIs of the State. He, however, informed that for RSETI Pulwama the land earmarked by State Government required clearance of the Forest Department, whereas the land identified for the RSETI Kishtwar needed clearance from the NHPC.

In respect of RSETI Doda the land identified by the Government was reported to be earlier allotted to the Housing Colony, which was required to be taken up with the District Administration. Regarding RSETI, Leh that though the land stood allotted by DC Leh to SBI, but the DC Leh was not empowered to make such an allotment, as these powers are vested with the Commissioner/ Secretary, Rural Development Department. Regarding RSETI for Kargil district, Mr. Afaq stated that the Government had not received any formal proposal from State Bank of India so far.

Mr. Sunil Gupta, President (LBD/SLBC) pointed out that the land already allotted by Revenue Department in respect of 13 RSETIs, was put at the disposal of Rural Development Department, which was required to ensure its formal transfer to concerned RSETIs after entering into MOUs with the concerned banks, which was pending since long.

Expressing concern that formal transfer of the lands to concerned RSETIs continues to remain pending since long, Mr. Mattu, General Manager, RBI advised as under:

- Rural Development Deptt. could initiate necessary measures immediately and give a concrete plan of action to SLBC Secretariat to ensure that land was formally transferred to the concerned RSETIs as soon as possible, to enable the banks to start construction of buildings, otherwise it would prove very unpleasant for the Department in the ensuing SLBC meeting when the Chief Secretary was scheduled to review the progress in the matter.

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

- Regarding the constraints in respect of the land for RSETIs of Pulwama, Doda, Kishtwar and Leh as conveyed by the representative of Rural Dev. Deptt., the Chairman directed that concerned banks could identify the bottlenecks and take up the issues with the District Administration at the earliest for sorting out the same.

(Action: J&K Bank / State Bank of India)

#### iv) Performance of RSETIs in J&K State:

It was noted that the 21 RSETIs operating in the State had conducted 73 programmes during Q1 of CFY against the annual target of 292 programmes. During the said period 1957 persons were imparted skill building training, out of which 695 persons were credit-linked and 618 persons started their ventures. The forum also noted that since the inception of the scheme, 51,743 candidates had been trained by the RSETIs against which 35,320 persons (68%) have settled either through bank credit, self-financing or wage-employment. Though the performance was not bad, but the left outs could also be helped in their economic settlement, if necessary by handholding the unemployed youth. It was, however, observed that the youth trained from the RSETIs must be made aware of various schemes like CGTMSE, MUDRA scheme etc. which were beneficial for the budding entrepreneurs. After a brief deliberation Chairman advised that:

- Henceforth the performance data regarding RSETIs should include details of handholding support extended to the trained youth, so as to monitor whether the RSETIs were maintaining contact with trained persons, whether the trained youth were credit linked to banks, whether the trained youth had succeeded or failed in their ventures, so that necessary measures / support could be extended to them timely to make them succeed.

(Action: J&K Bank RSETIs/ SBI RSETIs/ SLBC Secretariat)

#### Multiple responsibilities assigned to RSETI Directors:

Mr. Anil Kumar Reshi, Manager FIDD, RBI, R.O. Jammu pointed out that a number of RSETIs set up by SBI were without Directors, whereas, in case of some RSETIs like Leh and Doda, the RSETI

Directors were entrusted with other multiple responsibilities like job of FLC /branch heads, which was defeating the purpose of RSETIs. DGM, SBI assured the house that all vacant positions of FLCs, RSETI directors had already been filled up and it may take them a while to takeover their new responsibilities. SBI was advised to ensure that all their RSETIs were manned by full-time Directors.  
(Action: DGM, State Bank of India)

### Agenda Item No. 03

#### Performance of Financial Literacy Centres (FLCs)/ Rural branches of banks J&K State/Non-availability of FLC Facilitators:

Forum noted that 31 FLCs conducted 1260 FLC camps against the target of 651 during Q1 of the CFY, which included 433 special camps on 'Going Digital' and 827 target group specific camps. Forum observed that the good performance of J&K Grameen Bank in having conducted 696 camps against the target of 42 with appreciation. However, performance of SBI with only 113 camps against a target of 210 was considered inadequate and SBI was advised to ensure that the stipulated target were fulfilled by it.

Chairman pointed out that the FLCs operating in six districts where SBI was the lead bank viz: Udhampur, Doda, Ramban, Kishtwar, Leh and Kargil and one where J&K bank was the lead bank viz: Rajouri; were functioning without the services of FLC Facilitators/ Counselors, which was bound to adversely impact the performance in these districts. Responding to this, DGM, SBI informed that interviews for appointment of FLC facilitators for three districts of Kargil, Udhampur and Doda had been scheduled on 8th of August, 2018 and assured that the FLC facilitators for all the districts would be appointed by the end of August, 2018.

(Action: DGM, State Bank of India)

Regarding the FLC Rajouri, Mr. Sunil Gupta President J&K Bank stated that the bank had selected an FLC Facilitator for a district, who failed to join the duties. Mr. Gupta, however, expressed optimism that the vacancy would be filled up by J&K Bank within a period of 15 days.

(Action: FID, J&K Bank)

Forum noted that the FLCs operated by PNB and JKGB were functioning smoothly, but the 2 FLCs of EDB were also without the Facilitators.

Chairman, EDB informed that the bank had already put the same on advertisement and would be filled up soon, for which the deadline of 31st August, 2018 was fixed by the forum.

(Action: Chairman, EDB)

#### FLC camps conducted by Rural Branches of Banks:

The forum noted that almost all the banks had indicated satisfactory performance, except J&K Bank which had conducted 891 camps against the target of 1425. President, J&K Bank attributed the sluggish performance of rural branches to the disturbed conditions in various southern districts of the State.

- Chairman advised that the banks where the performance had not been satisfactory, would make good the shortfall, during the next quarter of the current financial year.  
(Action: FID, J&K Bank/ Union Bank/ BOB/ Vijaya Bank)
- Chairman also directed that henceforth data on performance of rural branches of banks, for the whole financial year, should be presented in the Agenda for detailed deliberations by the forum.

(Action: SLBC Secretariat)

#### iii) Funding Support for Financial Literacy Camps from FIF of NABARD:

Giving status on the issue DGM, NABARD stated that the support from Financial Inclusion Fund (FIF) for conducting the financial literacy camps had been revised by NABARD vide its Circular dated 04.05.2017. The revised guidelines provided reimbursement upto 60% of expenditure or

Rs.5000/- per camp, whichever was less in the case of commercial banks while it was minimum of 80% and 90% for RRBs and cooperative banks respectively of the expenditure or Rs.5000/- per camp, whichever was less.

Regarding submission of claims by the banks, DGM, NABARD informed that claim of Rs. 8.70 lakhs in respect of J&K Grameen bank had been settled, and the claim in respect of SBI was under process. The house was informed that the claim by J&K bank for Rs.3.19 lakh was pending for want of some formalities. It was further informed that change in the terms and conditions for support from FIF, as requested by the banks, could not be considered.

- **J&K Bank was advised to depute a senior officer from their FID to discuss the issue with NABARD, complete the requisite documentation and settle the issue once for all.**  
(Action: FID, CHQ., Sgr. / NABARD, R.O., Jammu)

#### Agenda Item No.04

##### Implementation of EBT/DBT Scheme in J&K State:

President (LBD/SLBC) informed that the IGNOAPS scheme had completely switched over to EBT/DBT in the entire state. State Government was requested to indicate switch over of other social benefit schemes to EBD/DBT, so that the leakages could be plugged and the benefits transferred to the intended beneficiaries without any manual intervention. He, further desired to know the preparedness of the stakeholders, in this regard.

Shri Aamir Mattoo (Sr. Executive, T&ISD), J&K Bank informed that J&K Bank's technology platform for rolling over various other schemes under EBT/DBT was ready. However, he requested the forum for allowing a lead time of around one month for the purpose of testing and validating the data. He also requested for appointment of a Nodal Officer by the State Government for liaison in this regard.

Director, Social Welfare, Jammu indicated that the Integrated Social Security Scheme (ISSS), having three components, i.e. Old-age, widows and handicapped, would be brought within the ambit of EBT/DBT. He further stated that the State Government had already appointed Director, Social Welfare, Kashmir and Director, Social Welfare Department, Jammu as the nodal officers for respective divisions of the State for liaising with the IT Department, J&K Government, with a view to bring these schemes under EBT/DBT. He stated that the Social Welfare Department had already taken up the matter with the IT Department last week and the deadline prescribed by the Government was 31<sup>st</sup> March, 2019.

- **It was decided that T&ISD Department, J&K Bank (Leader Bank designated by State Government) shall henceforth liaise with the said Nodal Officers of Social Welfare Department in this regard.**  
(Action: Social Welfare, Finance Deptt. Of J&K Govt. / SLBC Secretariat/ J&K Bank)

#### Agenda Item No.05

##### Progress achieved in issuance of Aadhaar Cards in J&K & Seeding of Aadhaar and Mobile Numbers into the Bank Accounts:

The Forum noted that 81.20% of the population State had already been provided Aadhaar Cards and 61.58% of the total individual Savings Bank accounts in the State had already been seeded with Aadhaar. The mobile seeding in respect of individual Savings Bank accounts was at 81%.

##### ii) Setting up of Aadhaar Enrolment and Updation Centres by banks:

Mr. Sunil Gupta, President (LBD/SLBC), J&K Bank stated that J&K Bank had already deployed 95 Aadhaar kits against 100 designated branches.

Mr. A. K. Mattu, General Manager, RBI (Chairman of the Meeting) expressed concern that PNB had deployed only 4 out of the 24 branches designated by the Bank. He also desired to know the status of the remaining 35 branches of all other participating banks.

Mr. Aamir Mattoo, T&ISD, J&K Bank informed that in respect of 4 branches J&K Bank had the issues of user creation with UIDAI, which was likely to be resolved within a few days. He assured that by the end of August, 2018 all the branches of J&K Bank would be fully functional.

DGM, SBI stated that they had 4 branches pending due to certification issues and assured that the same would be made functional by the middle of August, 2018.

DGM, PNB stated that they had made arrangement with an Agency located outside the State with whom there were certain technical issues. He stated that their Corporate Office was in the process of appointing a new vendor for the purpose. The DGM assured that as soon as the arrangements were put in place by the PNB Central Office, all the 24 branches would be functional.

The Chairman pointed out that the number of total enrolment made by HDFC and ICICI banks had not been encouraging. Same was the case with other banks like Axis Bank, OBC, Indusind bank, Allahabad bank, Bandhan Bank, EDB, Syndicate Bank, BOB and CBI. It was decided as under:

- All participating banks resolved that all issues technical or otherwise would be sorted out urgently and the prescribed number of enrolment centres would be made functional without further delay.
- SLBC Secretariat would send a communication to all the banks, where enrolment figures were below the desired level, advising them to augment the awareness initiatives and ensure installation of banners regarding availability of Aadhaar enrolment facility at the designated branches, so that maximum people could avail Aadhaar enrolment/ updation facilities available in such centres.
- It was advised that in the next meeting of the forum HDFC Bank, ICICI Bank and all other these banks should necessarily be represented by their respective State Heads.

(Action: SLBC Secretariat/ All concerned Banks)

**iii) Request of EDB for exemption from setting up Aadhaar Enrolment/ Updation Centres:**

President (LBD/SLBC) informed that EDB, had operationalized 7 out of its 11 designated branches and had requested for exemption from operating Aadhaar Enrolment Centres, owing to its weak financial position. He further stated that EDB had already taken up the issue with UIDAI through their Sponsor Bank (SBI).

- Maintaining that there was no scope for exemption for any bank from this nationally important programme, Chairman advised EDB to activate all their 11 designated Centres immediately. He, however, remarked that in case the issue of exemption was pursued by State Bank of India with UIDAI, this forum would have no objection.

(Action: ELLAQAI DEHATI BANK/ STATE BANK OF INDIA/ UIDAI)

**Agenda Item No.06**

**Progress under Pradhan Mantri Jan Dhan Yojana (PMJDY):**

Forum noted that banks in J&K State had so far opened a total of 20,64,713 accounts under PMJDY upto the end of June, 2018. During this period banks had issued 15,86,175 RuPay cards to the PMJDY account holders.

President (LBD/SLBC), J&K Bank observed that performance of banks under this flagship programme had not been very encouraging and stressed upon the banks to take this programme seriously, keeping in view the fact that DFS, MoF, Government of India was continuously monitoring the progress under the scheme through EGSA on daily basis.

Chairman observed that performance of HDFC Bank and ICICI Bank under PMJDY had remained quite dismal and advised them to put in strenuous efforts to substantially improve their performance.



- A target of opening 10,000 PMJDY accounts by HDFC and 6,000 accounts by ICICI Bank was fixed by the forum to be achieved by them by the end of September, 2018. The banks were advised to fix monthly targets for their respective branches to ensure that a sizeable per branch-output was achieved.
- Both the banks were advised to install banners at their respective branches for awareness of the public.

(Action: HDFC Bank/ ICICI Bank)

- Chairman advised that henceforth the performance data regarding overdraft facility permitted by the banks through PMJDY accounts should also be captured in the Agenda/ Background papers for review in the meetings.

(Action: SLBC Secretariat/ all concerned banks)

#### Other Issues deliberated in the meeting:

##### i) Opening of branch at Village Basgo (Leh):

J&K Bank informed that opening of banking outlet at Basgo, Leh stands already included in the Branch Expansion Plan for 2018-19 and assured that the same shall be operationalized before 30<sup>th</sup> September, 2018.

- Chairman advised J&K Bank to fix a specific date for opening the banking outlet and inform the same through their Zonal Head Leh to the concerned MLA.

(Action: J&K Bank)

##### ii) Opening of a bank branch at Village Hunder (Diskit) and Mobile ATM at Village Tangste (Durbuk) in District Leh:

Chairman pointed out that during the visit of Regional Director, RBI to Leh from August 29 to September 03, 2017, the people of Hunder had sought opening of a bank branch of SBI. Accordingly, the Chairman sought status of the issue from SBI.

DGM, SBI informed that population of Village Hunder was less than 5000 and as such opening of a branch was not considered viable by SBI. He informed that the village would be considered for opening of a CBS-enabled banking outlet.

However, the representative of J&K Bank informed the forum that Village Hunder had already been included by J&K Bank in their Branch Expansion Plan for CFY, but as regards Village Tangste, J&K Bank already had a branch operating at Durbuk, which was adjacent to Tangste.

- It was decided that J&K Bank will assess the requirement and explore possibility of providing a Mobile ATM facility at Village Tangste, which could be deployed in the Tangste area occasionally - thrice a week or so.

(Action: J&K Bank)

##### iii) Status of Business Correspondents (BCs)/ Bank Mitras in J&K State:

Status of Business Correspondents/ Bank Mitras operating in J&K State was taken on record. The forum observed that out of 1475 BCs/ Bank Mitras engaged by six major banks only 1040 BCs were reportedly active. Chairman stated that out of the 970 BCs engaged by J&K Bank only 569 BCs were active and performing. Similarly, Punjab National Bank had only 46 BC active out of the 62; and EDB had only 10 BCs active out of the 28. Performance of SBI, JKGB and OBC was considered fairly satisfactory.

Responding to this, Chairman, EDB attributed lack of performance to disturbances prevailing in few districts of South Kashmir. DGM, PNB stated that there were certain issues hindering the process of engaging the BCs. He, however, assured that the remaining BCs would be activated soon.

(Action: Punjab National Bank)

Mr. Anil Kumar Reshi, Manager, FIDD, RBI stated that RBI had recently conducted a detailed survey on the Business Correspondents for which RBI officers' visited various districts of the State and

interacted with BCs as well as their customers, to ascertain the ground level feedback. Following observations were made by RBI:

- All the BCs indicated on the website were not physically active and a huge number of these BCs were not active;
- Most of the BCs engaged by J&K Bank were found doing documentation job only, for the business units to which they were linked; ignoring the core functions of the BCs, i.e. deposit and withdrawal, remittance etc.
- Most of the J&K Bank BCs were seen located outside their own business units;
- Complaints received by RBI officers revealed that even the business units were discriminating in giving out the documentation business to various BCs;
- As regards BCs of other banks, it was found that though BCs were functioning but their remuneration was too low to be economically viable for them to carry on their business. Compared to them the BCs engaged by J&K Bank were found generating adequate monetary benefits out of the documentation business;

Chairman advised that the number of banking transactions, i.e. deposits and withdrawals of cash) carried out by the Business Correspondents should be the criteria to monitor their functioning. In case there were no transactions made by a BC, the purpose of their functioning was defeated. He stated that RBI, R.O. Jammu intended to hold a programme at Leh, to monitor the functioning of the BCs, working there. He desired that the banking outlets established by the banks must be properly nurtured to ensure that these remain fully functional to provide intended services to the people. The Chairman directed that:

- All the banks operating the BCs in the State, particularly in Leh and Kargil districts, would ensure that all the BCs were physically active and performing. Constraints if any, faced on account of connectivity etc. should be conveyed to RBI, to enable appropriate follow up with the concerned authorities.

(Action: All Concerned Banks)

- Henceforth the information regarding the scale of operations of the BCs, their volume of business / volume and value of transactions carried out BCs was required to be incorporated in the Agenda/ background papers for deliberations by this forum.

(Action: FID, J&K Bank/ SBI/ SLBC Secretariat)

#### iv) Funding Support of NABARD for installing PoS machines in rural areas:

GM, NABARD stated that in order to support financial inclusion initiatives, NABARD had sanctioned some PoS machines for installation in the rural market areas of the State, to two banks, i.e. J&K Bank and J&K Grameen Bank; but no claims had been received by NABARD, in this regard, so far.

- Chairman advised J&K Bank and J&K Grameen Bank to take up the issue with NABARD as soon as possible to sort out the issue.

(Action: J&K Bank/ J&K Grameen Bank)

Meeting ended with a vote of thanks to the Chair, which was presented by President (LBD/SLBC), J&K Bank.

Assistant Vice President  
Lead Bank/ J&K SLBC

**Annexure-A**

**List of Participants**

**Meeting of the Steering Sub-Committee of SLBC to monitor IT-enabled Financial Inclusion, FLCs & Credit plus Activities, held on 25<sup>th</sup> July, 2018 at Jammu**

<b><u>S.No.</u></b>	<b><u>Name of Participant</u></b>	<b><u>...</u></b>	<b><u>Designation / Organization</u></b>
<b><u>Reserve Bank of India</u></b>			
1)	Mr. Ashok Kumar Mattu	...	General Manager, FIDD, Jammu
2)	Mr. Nand Lal	...	Assistant General Manager
3)	Mr. Vikram Danda	...	Assistant General Manager
4)	Mr. Ram Kuwar	...	Assistant General Manager
5)	Mr. Anil Reshi	...	Manager
6)	Mr. Gurinder Singh	...	Manager
7)	Mr. Neeraj Kumar	...	Assistant Manager
<b><u>Convenor Bank - J&amp;K SLBC</u></b>			
8)	Mr. Sunil Kumar Gupta	...	President
<b><u>J&amp;K Government</u></b>			
9)	Mr. Shiv K. Gupta	...	Addl. Commissioner, Commercial Taxes, Jammu
10)	Dr. Bharat Bushan (KAS)	...	Director, Social Welfare, Jammu
11)	Mr. Afaq Ahmad (KAS)	...	Deputy Secretary, Revenue Deptt.
12)	Ms. Champa Thakur (KAS)	...	Joint Director, Rural Dev. Jammu
<b><u>NABARD</u></b>			
13)	Mr. Suresh Chand	...	General Manager
14)	Mr. Kiran M. Bijutkar	...	DGM
15)	Mr. L. R. Dogra	...	AGM
16)	Mr. Rasheed Lekhi	...	Manager
<b><u>Other Participating Banks</u></b>			
17)	Mr. Abhay Pandey	...	DGM, State Bank of India
18)	Mr. S. K. Rana	...	DGM, Punjab National Bank
19)	Mr. Janak Raj Angral	...	Chairman, J&K Grameen Bank
20)	Mr. Parvinder Bharti	...	Chairman, Ellaquai Dehati Bank
21)	Mr. S. K. Bhanu	...	Divisional Manager, Canara Bank
22)	Mr. Sachin Mahajan	...	Asstt. Vice President, HDFC Bank
23)	Mr. Vivek Gupta	...	ICICI Bank
24)	Mr. Ashok Kumar	...	Central Bank of India
25)	Mr. V. K. Bhagat	...	Chief Manager, UCO Bank
26)	Ms. Atandrita Mishra	...	State Bank of India
27)	Mr. Satpal Sharma	...	Punjab National Bank
28)	Mr. P. K. Gupta	...	J&K Grameen Bank
29)	Ms. Priyanka Sharma	...	J&K Grameen Bank
<b><u>J&amp;K Bank</u></b>			
30)	Mr. Nissar Ahmad	...	Sr. Executive, S&BD,
31)	Mr. Aamir Mattu	...	Sr. Executive, T&ISD,
32)	Mr. Riyaz Ahmad Bhat	...	Sr. Executive, LBD/ SLBC

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