



**Reserve Bank of India**  
**Financial Inclusion and Development Department**  
**Jammu**

**Minutes of the 8<sup>th</sup> meeting of Steering Sub-Committee of J&K SLBC to monitor IT-enabled Financial Inclusion, FLCCs & Credit Plus Activities**

A meeting of the “**Steering Sub-Committee of J&K SLBC to monitor IT-enabled Financial Inclusion, FLCCs & Credit Plus Activities**” was held on **25<sup>th</sup> January, 2017** in the Conference Hall, Reserve Bank of India, Regional Office, Railhead Complex, Jammu. The meeting was chaired by Mr. N.K.Sahu, Regional Director, Reserve Bank of India and attended by Shri S S Seghal, Executive President, J&K SLBC, Shri, Vijay Kumar, CGM, NABARD, Mr. M.S. Sheikh, Special Secretary, Finance Department, J&K Govt, along with the representatives of some other major Public Sector, Private Sector Banks and RRBs operating in the State. The list of the participants is given in **Annex-A**

At the outset Mr. N.K.Sahu, Regional Director, RBI, welcomed the participants of the meeting and briefed them about the objective of convening the meeting. He also invited their attention to earlier meetings held on January 12 and 27, 2016 in RBI and SLBC office at Jammu and Srinagar respectively. He advised that the Committee, being the monitoring authority regarding the progress made in financial inclusion, should meet on quarterly basis before the conduct of SLBC meetings. All members welcomed the suggestion and unanimously approved the same. Thereafter, agenda of the meeting was taken up for discussion as under:

**AGENDA ITEM NO: 01**

**Roadmap for opening brick and mortar branches in villages having population more than 5000 without a bank branch of a scheduled commercial bank**

RBI vide Circular No. RBI/2015-16/277 dated December 30, 2015 had advised the SLBC Convener Banks to identify villages with population more than 5000 without a bank branch of a scheduled commercial bank and allot these to scheduled commercial banks for opening of branches and process of opening the branches was to be completed by March 31, 2017.

SLBC had identified 104 villages and allotted these villages among 8 major scheduled commercial banks for opening of branches. The process of opening the branches is to be completed by March 31, 2017. Against the target of 104 branches, banks have managed to open only 3 branches till date. Out of these 02 branches were opened by J&K Bank in Chinari Bagh (Pulwama) and Wuyan (Budgam) and 01 branch was opened by SBI in Bagla (Samba). The Chairman expressed his deep concern over the dismal performance of concerned banks in opening the brick and mortar branches in these allotted villages. The issue was discussed and serious concern was expressed in the 102<sup>nd</sup> J&K SLBC meeting held on November 24, 2016. Major issues in opening the branches which were shared by banks were civil unrest in the valley, recent demonetization process due to which energies were diverted, staff constraints, surveys of allotted villages not done by banks and some delay on the part of banks in initiating the process. Expressing his displeasure, Chairman advised banks that reasons are not valid as most of the banks have not done even basic surveys of the respective areas, etc. In case law and order was the main problem, then banks could have laid focus on remaining 12 districts of Jammu and Laddakh

regions. Against target of 47 branches earmarked for Jammu (46) and Ladakh (1), only one branch has been opened. He emphasised that since no objection was raised by banks at the time of allocation of villages and this being the third phase of implementation of the scheme, banks are duty bound to complete initial survey in their respective villages, identify the site for opening the branches and submit a feedback / objections if any, any specific issues to Convener, SLBC on or before February 10, 2017. Thereafter reallocation, if required, may be initiated by SLBC and steps may be taken to open the branches at an early date. The respective targets in respect of branches must be attained by March 31, 2017.

**(Action: All 8 banks and J&K SLBC)**

## **AGENDA ITEM NO: 02**

### **Financial Literacy initiatives in J&K State:**

The performance of FLCCs established in J&K State was placed on record. The House was informed that under RBI revised guidelines dated January 14, 2016 FLCs and rural branches of banks have to conduct a minimum of one special camp for newly included people in the financial system for a year and one camp for each of group of farmers, SHGs, Micro and Small Entrepreneurs, Senior citizen, School Children per month with an effort to cover maximum number of participants. Chairman and CGM, NABARD praised the effort put in by JKGB who have excelled in conducting the camps even during period of unrest in valley and demonetization. House was of view to felicitate the person who have done the good job. Regional Director advised SLBC to give a letter of appreciation to the field persons on behalf of the forum. AGM, RBI requested all the FLCs and lead banks to intimate the calendar of camps to RBI in advance on a continuous basis so that participation from RBI is also ensured, wherever possible. State Project Director, NRLM also requested to be kept informed about the camps so that SHGs member can be benefitted from such financial literacy camps.

Chairman also advised SBI to deploy their independent FLCs in Kargil, Kishtwar and Doda districts early and J & K Bank may be contacted for any help in this regard.

**(Action: All lead banks / FLCs/SBI)**

## **AGENDA ITEM: 03**

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

The House was informed that a total of 16,49,255 accounts were opened under PMJDY scheme. Banks have issued Rupay Debit cards to 14,38,241 PMJDY beneficiaries of which around 8.85 lakhs cards are active. Chairman advised the banks to hold special camps for disbursing the cards to remaining PMJDY account holders along with creating awareness on its usage and benefits linked with it since Department of Financial Services also monitoring the same and has set the deadline of March 22, 2017 for distribution and activation of 100% Rupay Cards. Chairman also expressed concern about around 4.84 lakh Zero balance accounts and advised banks to consider them for credit linkage, etc.

**(Action: All banks)**

## **AGENDA ITEM: 04**

### **Status of Bank Mitras in J&K State**

Chairman emphasized that against the total of 1470 Bank Mitras, number of Micro ATMs deployed is only 940 and out of these only 386 are working which needs focused attention of all the concerned banks. It was observed that there were some discrepancies in the figures submitted regarding the number of Micro ATMs and AEPS devices with the Bank Mitras. Chairman advised J&K SLBC to reconcile the figures and submit again.

**(Action: J&K SLBC)**

## **AGENDA ITEM NO: 05**

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

Performance of RSETIs operating in J&K State during the first three quarters of CFY was placed on record. Additional Secretary, Revenue Department, J&K Government informed that every District Commissioner has been advised to allot up to 5 kanals land for each RSETI of J&K State. The decision was appreciated by the House. He also apprised that vide their letter dated December 19,2016 all DC's have been advised to submit latest status of land provided /proposed to be provided to RSETIs. CGM, NABARD informed that under Financial Inclusion Fund, NABARD is giving grant support to RSETIs for training and training equipment and advised the bank to send the proposal for availing the same. Chairman expressed concern over low credit linkage (32%) and advised banks to address the problem.

**(Action: J&K Bank & SBI)**

## **AGENDA ITEM NO: 06**

- 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 31.12.2016**
- c) Seeding of Aadhaar numbers to the Bank Accounts:**

The forum observed that performance of the concerned stakeholders regarding issuance and seeding of Aadhaar numbers to the bank accounts was not satisfactory. Total population of the State is 1,25,41,302 and total number of Aadhaar Cards issued is 88,41,676 and percentage of Aadhaar cards issued is 71 %. Shri S. S.Seghal, Executive President, J&K Bank pointed out that some of the Aadhaar cards issued were not delivered due to the disturbances in the valley. It was observed that only 17% Aadhaar cards were seeded to Saving Bank accounts. The house was apprised that seeding of Aadhaar cards with banks accounts needs to be completed by March 31, 2017. The position is also being monitored by GOI.

Chairman advised the banks to conduct more public awareness campaign to ensure Aadhaar seeding of accounts of all those people who have acquired it. Chairman also deliberated that this issue shall be reviewed thoroughly in the next meeting of the forum.

**(Action: All banks)**

#### **AGENDA ITEM NO: 07**

##### **Inclusion of Department of Food and Civil Supplies in the meetings of State Level Bankers Committee on Financial Inclusion.**

In order to spread awareness and sensitize the States on the advantage of engaging the Fair Price Shops as Banking Correspondents, Government of India, MOF, DFS advised that Department of Food & Civil Supplies shall be included in the SLBC on Financial Inclusion.

The Chairman welcomed the Addl. Secretary, Food and Civil Supplies to the forum and requested him to apprise the status of Fair Price Shops as BCs. Addl. Secretary, Food & Civil Supplies informed the house that they were in the process of buying 6000 PoS machines for Fair Price Shops across the state in the first phase and 4000 POS machines in the second phase. Chairman recommended proactive usage of PoS machines by Fair Price Shops which in turn will result in activation of Rupay Card and inherent benefits of insurance. This will act as a fillip to digital banking as well as social security.

**(Action: Department of Food & Civil supplies)**

#### **AGENDA ITEM NO: 08**

##### **Financial Inclusion Fund (FIF)-NABARD Support for deployment of PoS terminals in Tier 5 & Tier 6 Centre**

House was informed by CGM, NABARD that to promote digital banking NABARD is giving subsidy on purchase of PoS machine to commercial banks and the subsidy is on "First cum First basis". He requested all the banks to come forward and give application for the same so that maximum villages can be covered through PoS machines.

CGM, NABARD informed the House that under various incentives from GoI to promote digital banking, NABARD shall be extending support from FIF for deployment of two PoS machines each in one lakh villages (TIER-5 & TIER-6) of the country and the scheme shall be implemented in J&K State accordingly. NABARD has requested Convener Bank of J&K SLBC to allocate villages/SSAs to eligible banks in J&K State for availing support under the scheme and also advise them to submit proposals which will be sanctioned on first-cum-first service basis up to March 31, 2017. The Chairman advised that SLBC should provide adequate support, by ensuring coordination among all the stakeholders for the proper implementation of the scheme and act as a platform to address the roadblocks in its implementation, if any.

**(Action: J&K SLBC)**

#### **AGENDA ITEM NO: 09**

##### **Dark/Grey areas to be selected by respective banks for procurement of Very Small Aperture Terminals (VSATs)**

Representative of NABARD apprised the house that uncovered Sub Service Areas (SSAs) allotted to the banks having telecom connectivity problems are providing hurdle in extending financial services to a large population of the country. NABARD has decided to fund VSATs out of Financial Inclusion Fund (FIF) with solar power and without solar power. Consequently, J&K SLBC advised all the FI participating banks to identify the dark and grey areas among the Sub Service Areas allocated by J&K SLBC. There were 15 dark areas and 180 grey areas identified

by DFS & banks respectively. The representative of SBI advised that out of 14 dark areas 9 were in Leh district and VSATs will be installed by June 2017. Remaining 5 dark areas will be provided VSAT connectivity by March 31, 2107.

Chairman advised all the concerned banks to provide VSAT connectivity at the earliest. SLBC was advised to follow up the same with other participating banks.

**(Action: Banks/SLBC)**

Since there was no other agenda item, the meeting ended with a vote of thanks proposed by Shri S. S. Sehgal, Executive President, 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 25<sup>th</sup> January 2017

#### **S. No. Name of Participant ... Designation/ Organization**

##### **Reserve Bank of India**

- 1) Mr. N.K.Sahu ... Regional Director (for J&K State)
- 2) Mr. Satya Narain ... Dy. General Manager

##### **Convenor Bank - J&K SLBC**

- 3) Mr.S.S.Sehgal ... Executive President

##### **NABARD**

- 4) Mr. Vijay Kumar ... Chief General Manager
- 5) Mr. Kiran Bijutkar ... Dy. General Manager

##### **J&K Government**

- 6) Mohd. Ishaq Shah ... Addl. Secretary to Govt. Revenue Deptt.
- 7) Mr. M. S. Sheikh ... Special Secretary, Finance
- 8) Mr. T.K.Bhat ... Addl. Secretary, Finance Department
- 9) Mr. Ramesh Chander ... Addl. Secretary, Food & Civil Supplies
- 10) Mr.Madan Gupta ... State Project Manager, NRLM
- 11) Mr.Shoeab Afra ... State Project manager, SRLM

##### **State Bank of India**

- 12) Mr. M. K. Bhat.... Chief Manager, Lead Bank, Z.O., Jammu

##### **Punjab National Bank**

- 13) Mr. B.S.Raina ... Circle Head
- 14) Mr.Satpal Sharma ... District Coordinator

##### **J&K Grameen Bank**

- 14) Mr. Janak Raj Angural ... General Manager

##### **Ellaquai Dehati Bank**

- 15) Mr. F.A. Bandak.... Regional Manager.

##### **Other Banks**

- 16) Mr. S. K. Bhanu .... Div. Manager, Canara Bank
- 17) Mr. R Vardharajan ... Head Key Accounts,HDFC Bank
- 18) Mr. Sachin Mahajan ... Cluster Head, HDFC Bank
- 19) Mr. Vivek Gupta ... Cluster/Branch Manager, ICICI Bank
- 20) Mr. Vishal Mengi ... Cluster/Branch Mnager, ICICI Bank
- 21) Mr. Sandeep Kumar ... Incharge, RD/FI, Central Bank of India
- 22) Mrs. Anita Rani ... Chief Manager, UCO Bank

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