

Minutes of the 9th meeting of Steering Sub-Committee of J&K SLBC to monitor IT-enabled Financial Inclusion, FLCCs & Credit Plus Activities

The 9th meeting of the "**Steering Sub-Committee of J&K SLBC to monitor IT-enabled Financial Inclusion, FLCCs & Credit Plus Activities**" was held on 11th October, 2017 in the Conference Hall, Reserve Bank of India, Amir Manzil, Srinagar. The meeting was chaired by Mr. P. Shimrah, Officer-Incharge, Reserve Bank of India, R.O. Jammu and attended by Mr. A. K. Mattu, General Manager, Reserve Bank of India, Mr. Rakesh Gandotra, Vice President, J&K SLBC, Shri, Pushphas Panday, DGM, NABARD, Senior representatives from Finance Department, Revenue Department and Rural Development Department, J&K Govt., and representatives of major banks operating in the State. The list of the participants is given in **Annexure-A**

At the outset Mr. P. Shimrah, Officer In-charge, RBI, extended warm welcome to the participants and briefed them in detail about various measures taken by Reserve Bank of India from time to time with regard to the financial inclusion of those people who had no access to the formal financial system and about the objective of convening the meeting.

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:

Forum noted that against the target of covering 104 villages the participating banks have been able to cover only 10 villages, which include 4 villages covered by J&K Bank (through Brick & Mortar model) and 6 covered by State Bank of India (one village covered through brick & mortar and 5 villages covered through CBS-enabled banking outlets). Chairman expressed his deep concern over the dismal performance of concerned banks. Asking for the reasons for the dismal performance, Chairman stressed upon the concerned banks to ensure that the target is accomplished within the stipulated timeline of 31st December, 2017.

Mr. Rakesh Gandotra, Vice President, J&K Bank informed that 4 villages stand already covered through Brick & Mortar branches and 3 more branches are ready to be opened shortly, while as for opening 12 more branches J&K Bank has already issued advertisement for acquiring space. He expressed his optimism that J&K Bank will accomplish the target through brick & mortar / CBS-enabled banking outlets by December 31, 2017.

SBI informed that they are facing difficulties for covering some of the villages owing to disturbances. He assured that SBI will complete the target within the above scheduled timeframe.

Representative from PNB also assured the forum to complete the target by 31st December, 2017.

HDFC Bank stated that they can complete coverage of their allocated villages by March, 2018, which was not acceded to by the Chairman, who emphasized that matter had been discussed previously also and HDFC Bank had not raised any issue at that point of time. He clarified that now at this juncture timelines fixed by RBI cannot be relaxed. He

strictly advised HDFC Bank to ensure coverage of all their allocated villages by 31st December, 2017.

ICICI Bank did not make any commitment for coverage of their allocated villages and stated that the issue has been already taken up with their higher ups. However, Chairman made it clear that there was no scope for any extension in the stipulated timeline of 31st December, 2017. He advised bank to intimate their senior officers, of RBI instructions in this regard and ensure adherence to timelines.

Representatives of Canara Bank and UCO Bank assured the forum that they will be able to complete the assignment within the prescribed timeline.

Representative of Central Bank of India pleaded that their Central Office does not consider opening of branches as viable. Expressing his disagreement with the contention of Central Bank, the Chairman clarified that RBI does not necessarily want coverage of the allotted villages by opening of brick and mortar branches but the banks were permitted to open CBS enabled banking outlets. The representative of Central Bank of India was directed to apprise RBI concerns to their seniors in this regard and ensure opening of banking outlets by December, 2017.

- All Participating Banks were impressed upon to take the initiative seriously and ensure coverage of their respective allocated villages within the prescribed timelines of 31st December, 2017, failing which RBI could consider certain penal action against the banks which failed to respect the said timeline.
- Taking a strong note of the junior level participation from the banks, General Manager, RBI directed that henceforth all the banks and Government Agencies should ensure to attend the meetings of this forum at senior and appropriate level to facilitate fruitful deliberations and proper decision making.

(Action: All participating banks/ Concerned Govt. Departments)

AGENDA ITEM NO: 02

Financial Literacy initiatives in J&K State:

(1) Financial Literacy Centres (FLCs):

Performance of FLCs established in J&K State was placed on record. It was observed that as far as conducting of special camps (going digital) is concerned banks have performed well by conducting 350 camps against the quarterly target of 180, but with respect to the Target-group-specific camps the performance of banks has remained very dismal. Forum noted that J&K Bank has done 126 camps against the target of 180, SBI has done only 56 camps against target of 150, PNB has conducted 23 camps against the target of 60 while performance of both the RRBs has remained zero against the target of 30 each.

AGM, RBI Mr. Satish Sharma pointed out that in some districts of SBI, FLCCs have retired and substitute arrangements are yet to be made. SBI was advised to take necessary measures urgently posting suitable substitute at these FLCs to make them functional.

(Action: State Bank of India)

(2) Financial Literacy camps conducted by rural branches of banks:

The forum noted that during the quarter ended June 2017, 920 rural branches of various banks operating in the State have together conducted 1614 camps in the State against

the quarterly target of 2760 camps (@ one camp per month). The position was not considered satisfactory. It was observed that almost every bank had shortfall in conducting the camps as per RBI guidelines.

General Manager, RBI stressed upon the banks to ensure that all their rural branches strictly adhere to RBI guidelines and conduct the requisite number of financial literacy camps in their respective areas of operation. Representatives of all the banks assured to conduct the camps as per RBI guidelines and make good the shortfall in the remaining quarters.

(Action: All Member Banks)

Agenda Item No. 03

Performance of RSETIs - allotment of land for RSETIs:

Performance of the 21 Rural Self Employment Training Institutes (RSETIs) operating in the State during the Quarter ended September, 2017 was taken on record. It was noted that against the target of conducting 303 skill development programme for providing training to 7996 candidates, the RSETIs have conducted 188 programmes wherein 3,753 persons have received skill development training and 753 persons were provided credit linkage by banks, out of whom 740 persons started their individual ventures. The forum also noted that since inception 40,261 candidates have been trained by various RSETIs and 67% of that number has already settled either through bank finance, self-finance or wage employment.

- General Manager, RBI impressed upon State Bank of India to initiate necessary measures urgently for operationalizing the RSETI in District Kargil as soon as possible.

(Action: DGM, State Bank of India)

Allotment of land for the RSETIs:

Chairman pointed out that the issue of Allotment of land for building permanent infrastructure for the RSETIs was a long pending issue, which was yet to be addressed by the State Government despite being deliberated at various fora.

Under Secretary to Govt., Revenue Department informed that land for 6 RSETIs had already been transferred by the State Government to concerned banks and recently for 8 more RSETIs allotment of land was approved and handed over by the Government to concerned Banks, taking the total number of districts to 14, thus leaving only 8 districts which were without the requisite land for RSETIs; namely, Pulwama, Budgam, Srinagar, Doda, Anantnag, Kupwara, Kishtwar and Jammu. He stated that in 6 districts some deficiencies were observed in revenue papers, and their papers were returned to the Financial Commissioner, Revenue for necessary amendments.

Commenting on the MoRD, Gol grant assistance of Rs.1.00 Crore for each of the RSETIs, which as per RSETIs guidelines was subject to allotment of land by the State Government, the General Manager, RBI emphasized that State Government should expedite allotment of land to the RSETIs, so that RSETIs which were operating in the hired / rented premises, were able to construct their own buildings and acquire other relative infrastructure to facilitate proper skill development and handholding of the youth.

Mr. Gandotra, Vice President, J&K Bank/ J&K SLBC, informed the forum that land allotment for some more RSETIs was under process and in this regard the Chief Secretary, J&K Government took a meeting at Civil Secretariat Srinagar on 26th September, 2017

regarding status of SLBC decisions pertaining to State Government, wherein the issue of allotment of land to the RSETIs was also deliberated upon and all concerned District Development Commissioners were directed to finalize the land allotment to the RSETIs.

- **A.K. Mattu, General Manager, RBI advised that in the districts where State Government has already allotted land for the RSETI, measures should be immediately initiated for construction of permanent buildings for the RSETIs as envisaged as per guidelines.**

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

Agenda Item No. 04

Implementation of EBT Scheme in J&K:

In-charge Data Centre, J&K Bank (Leader Bank for the purpose of EBT process in the State) informed the forum that EBT for IGNOAPS in respect of 16 districts of the State was completed, but for the last about six months the beneficiaries' data files for validation purposes in respect of the remaining six districts, (viz. Budgam, Anantnag, Kulgam, Poonch, Reasi and Kathua), were not being received from Social Welfare Department, which had delayed the process in respect of these 6 districts. He requested that Nodal Department of the State Government should coordinate with the Leader Bank and expedite the data files so that EBT Scheme was implemented in these districts also.

Vice President (Lead Bank/ J&K SLBC) informed the house that last time during the meeting taken by the Chief Secretary, Finance Department had assured to look into the issue to ensure that the requisite data files were submitted by Social Welfare Department, J&K Government to the J&K Bank for validation purposes. He reminded that implementation of EBT Scheme in all the districts was imperative keeping in view the reports that henceforth the Government would pass on all the subsidies and other social security benefits to the beneficiaries through EBT/DBT mode only.

Representative of Rural Development Department, J&K Government assured the forum that the concerns expressed by the forum were brought into the notice of Social Welfare Department. He, however, desired that Vice President, J&K Bank/ J&K SLBC should at their level also address a communication in this regard to Social Welfare Department.

- **General Manager, RBI advised SLBC Secretariat & Social Welfare Deptt. to urgently send a communication in the matter to Finance Department, J&K Govt., requesting them to ensure urgent submission of the beneficiaries' data files in respect of the aforesaid remaining 6 districts to J&K Bank. In the event of their failure to send the requisite data files to J&K Bank, the Social Welfare Department should be advised to participate in the next meeting of this Steering Sub-Committee for deliberations on the issue.**

(Action: Rural Dev. Deptt. J&K Govt./ SLBC Secretariat/ Data Centre, J&K Bank)

Agenda Item No. 05

Progress achieved in issuance of Aadhaar Cards in J&K State - Seeding of Aadhaar & Mobile Numbers into the bank accounts:

Mr. Rakesh Gandotra, Vice President (J&K Bank/J&K SLBC) informed that total Aadhaar enrolments made by banks in the State have been to the extent of 76% of the total population of the State, whereas only 72% of the population was provided with Aadhaar Cards so far. As regards seeding of Aadhaar numbers with the operative individual SB accounts, it was noted that 40% of the total operative individual Savings Bank Accounts in the State were already seeded with Aadhaar numbers and 72% accounts seeded with Mobile Numbers till date.

As per the new arrangements to speed up Aadhaar enrolment/ updation, Unique Identification Authority of India (UIDAI) had allocated the job of enrolment and updation of Aadhaar to banks and 165 branches of 10 banks operating in the State were designated for Aadhaar Enrolment and Updation facility. But it was observed that the facility to be provided by their designated branches for speeding up the enrolment/ updation was far from satisfactory.

Regarding training and certification of staff, Mr. Gandotra informed that UIDAI has accepted our request to conduct more training camps at Srinagar and Jammu with a view to impart training to personnel of other member banks, getting them certified for the purpose and enabling them start the enrolment/ updation process.

Sh. A.K. Mattu, General Manager, RBI expressed his displeasure that so far only some branches opened these enrolment centers. He pointed out that against the target of operationalizing 80 and 31 branches by J&K Bank and SBI respectively, J&K Bank has opened only 14 such centers and SBI had not opened any such center till date.

SBI was advised to look into the matter urgently and intimate RBI through a letter regarding the plan devised by the bank for starting Aadhaar enrolment/ updation at their branches.

(Action: J&K Bank, State Bank of India and other banks)

Canara Bank informed that they have already started the process at their two branches and that the remaining branches are also being operationalized very soon. Similarly, ICICI bank stated that their designated branches are scheduled to start enrolment before 31st October, 2017.

Representative of HDFC informed that they had designated 11 branches for the purpose and the staff had already received requisite training. He stated that HDFC Bank intends to start enrolment/ updation for Aadhaar by middle of November, 2017, which was not acceded to by RBI. **HDFC Bank was strictly advised to ensure that the process is started well before the stipulated timeline of 31st October, 2017.**

Central Bank of India pointed out that their bank staff has not received any training/ certification from UIDAI till date.

Summing up the proceedings, Mr. A. K. Mattu, General Manager, RBI advised as under:

- SLBC Secretariat should send instructions to concerned banks once again advising them to get their staff trained/ certified from the UIDAI for starting the process of enrolment/ updation for Aadhaar well before the 31.10.2017.
- Banks were advised to issue suitable advertisements for awareness of general public through print and electronic media as well as by placing suitable banners in the branch premises regarding the availability of Aadhaar enrolment/ updation facility at their designated bank branches.
- All concerned banks were advised to simultaneously expedite the process of seeding Aadhaar and Mobile numbers into the operative individual SB accounts of the people and ensure that the job is completed by 31st Dec, 2017.

(Action: All concerned banks/ SLBC Secretariat)

Agenda Item No. 06

Progress under Pradhan Mantri Jan Dhan Yojana (PMJDY):

Progress achieved by banks on number of accounts opened under PMJDY in J&K State upto the end of September, 2017 was placed on record. It was observed that the number of RuPay Cards issued is quite low, which needs focused attention of banks, so that financial inclusion for weaker sections of the society takes place in real sense.

General Manager, RBI pointed out that J&K Bank being the major bank has opened 14.49 lakh PMJDY accounts and issued 11.32 lakh RuPay Cards upto the end of September, 2017, as such the bank is yet to issue 3.00 lakh RuPay Cards more, for which he desired to know the timelines within which bank intends to issue these.

Mr. Gulzar Ahmad, AVP, J&K Bank informed that J&K Bank was already on the job and efforts were being made to make people aware for availing the facility of RuPay Cards for which FLC Centres are also being roped in. He assured that by the end of December, 2017 the number of RuPay Cards issued is likely to get substantially increased.

DGM, NABARD pointed out that issuance of RuPay Cards to the account holders was imperative, keeping in view that in absence of the RuPay Card the account holders would be deprived of the Accidental Insurance benefits.

HDFC Bank stated that they have already issued RuPay Cards to all their beneficiaries.

- **Summing up the deliberations on the issue, General Manager, RBI advised all the banks to ensure issuance of RuPay Cards to all the account holders as soon as possible and also ensure that Zero Balance Accounts were also activated.**
(Action: All Member Banks)

OTHER ISSUES DELIBERATED IN THE MEETING

1) Pending Claims with NABARD under FIF

AVP, FID, J&K Bank stated that after receiving instructions from RBI, J&K Bank has submitted the claims to NABARD for disbursement of funds under Financial Inclusion Fund (FIF) for having conducted around 3,700 Financial Inclusion Camps across the State during the Current Financial Year, but the same are pending with NABARD without any confirmation.

Responding to this, DGM, NABARD admitted that the proposed claim of J&K Bank was forwarded to Regional Office, NABARD for necessary action. He stated that upto the last FY as per NABARD, Jammu Office used to disburse funds to banks for conducting FL awareness camps. But now the Steering Committee of Financial inclusion Fund (FIF) has stopped the disbursal of funds to commercial banks and FLCs on the pretext that Commercial Banks should do these camps on their own. During the discussions it was brought to the notice of the forum that claims of various other banks on this account were also pending with NABARD.

- **It was decided that NABARD would convene meeting of the Coordination Committee for discussing the issue of pending claims under FIF.**
(Action: NABARD, R.O. Jammu)

General Manager, RBI advised that acquiring more than one PAN Card by a single person simultaneously was not allowed and that it was rather a punishable offence.

2) **Opening of Bank Branch at Basgo village, Leh:**

AGM, Reserve Bank of India pointed out that in terms of the decision taken in the 102nd Meeting of J&K SLBC held on 24.11.2016 J&K Bank had to open a branch at Village Basgo of District Leh, but the bank has not opened the same till date. He desired to know progress in the matter from J&K Bank.

Vice President, J&K Bank informed that the branch at Village Basgo could not be opened owing to staff constraints and connectivity issues faced by the bank.

General Manager, RBI advised that the matter be looked into by J&K Bank expeditiously.

(Action: J & K Bank)

3) AGM, RBI informed the house that from August 29 to September 03, 2017 Regional Director and senior officers from RBI had visited Leh for interaction and participation in financial literacy programmes at Leh, Hunder (Diskit) and Tangste village (Durbuk). Villagers complained about insufficient ATMs, non- functioning of BCs, etc. Residents and Local MLA at Hunder wanted a branch of SBI in their area, which reportedly was promised by SBI Officers on their earlier visits to Hunder. Residents at Tangste village suggested use of mobile ATMs for improvement in banking services. Improvement of telecom connectivity was sought by banks and residents.

GM, RBI advised J&K Bank, SBI and SLBC to look into the issues and take necessary action at the earliest.

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

The meeting ended with a vote of thanks, which was presented by Mr. Rakesh Gandotra, Vice President (LBD/SLBC), J&K Bank.

Assistant Vice President
Lead Bank/ J&K SLBC

Annexure "A"

List of Participants of the Steering Sub-Committee of SLBC to monitor IT-enabled Financial Inclusion, FLCs & Credit plus Activities, held on 11th October, 2017 at Srinagar

<u>S.No.</u>	<u>Name of Participant</u>	<u>...</u>	<u>Designation / Organization</u>
<u>Reserve Bank of India</u>			
1)	Mr. P. Shimrah	...	Officer Incharge, RBI, R.O., Jammu
2)	Mr. Ashok Kumar Mattu	...	General Manager, FIDD, Jammu
3)	Mr. Satish Sharma	...	Assistant General Manager
4)	Mr. Rakesh Raina	...	Assistant General Manager
5)	Mr. Rajnesh Mahotra	...	Manager
<u>Convenor Bank - J&K SLBC</u>			
6)	Mr. Rakesh Gandotra	...	Vice President
<u>NABARD</u>			
7)	Mr. Pushphas Pandey	...	Dy. General Manager
8)	Mr. S. M. Zaffar	...	Manager.
<u>J&K Government</u>			
9)	Mr. Rafiq Ahmad Hakeem	...	Secretary, Rural Dev. Department
10)	Mr. Anil Chandail	...	Dy. Secretary, Finance Department
11)	Mr. Malik Suhail Ahmad	...	T.O. / Under Secretary, Revenue Deptt.
12)	Mr. S. Shabir Shafi	...	Joint Director, Rural Dev. Department
<u>J&K Bank</u>			
13)	Mr. Gulzar Ahmad Zargar	...	AVP, Financial Inclusion Deptt. J&K Bank
14)	Mr. Shadab Mehboob	...	In-charge, Data Centre, J&K Bank
15)	Mr. Nissar Ahmad	...	Sr. Executive, S&BD, J&K Bank
16)	Mr. Riyaz Ahmad Bhat	...	Sr. Executive, LBD/ SLBC
<u>Other Participating Banks</u>			
17)	Mr. R. K. Chhibber	...	Chairman, J&K Grameen Bank
18)	Mr. Parvinder Bharti	...	Chairman, Ellaquai Dehati Bank
19)	Mr. Sandeep Vig	...	AGM, State Bank of India
20)	Mr. Pawan Kohli	...	AGM, Punjab National Bank
21)	Mr. Shahbaz Rizgine	...	Chief Manager, R.O., Srinagar
22)	Mr. Owais Rehman	...	Cluster Head, HDFC Bank
23)	Mr. Adil Nissar	...	Asstt. Vice President, HDFC Bank
24)	Mr. Malik Saidain	...	Chief Manager, ICICI Bank
25)	Ms. Anjali Lubar	...	Branch Manager, Central Bank of India
26)	Mr. Rakesh Kumar	...	Chief Manager, Canara Bank
27)	Mr. Ranjit Kumar	...	Sr. Manager, Canara Bank

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