

**MINUTES OF THE 1st MEETING OF
STATE LEVEL FINANCIAL INCLUSION COMMITTEE (SLFIC)
MADHYA PRADESH HELD ON 2nd JUNE, 2016**

The 1st meeting of State Level Financial Inclusion Committee, Madhya Pradesh was held on 02.06.2016 at Room No. 216, Vallabh Bhawan, Mantralaya, Bhopal under the chairmanship of Shri A. P. Srivastava, Additional Chief Secretary, Govt. of Madhya Pradesh, Finance Department. Senior officials from the Govt. of Madhya Pradesh, State level heads of commercial banks and officials from other related agencies also attended the meeting. A list of the participants is annexed hereto.

At the outset, Shri Ajay Vyas, Convenor, SLBC & Field General Manager, Central Bank of India welcomed all the participants. Dwelling on the financial inclusion, Shri Vyas stated that this is the first meeting of SLFIC in the State and we should ensure access to services needed by all sections of the society in general and vulnerable groups' viz. weaker sections and low income groups in particular in a fair manner. Banking services are essentially for welfare of the public. It is imperative, therefore, to ensure hassle free availability of banking and payment services to the entire populace of the State. Thereafter, Shri A. P. Srivastava, ACS, Finance addressed the house. ACS, Finance stated that although banks have covered all households through 11864 Sub Service Area, still penetration in Tribal areas is not up to the satisfactory level. As such banks should ensure to access remote locations of tribal areas by their Business Correspondents. As regard frequency of the meeting of the Committee, it was apprised that the GOI has advised to hold meeting on a half-yearly basis. It was decided that the meeting may be convened on quarterly basis. Next meeting may be convened in the month of August, 2016. Thereafter the agenda items were taken up for discussion:

Item no. 1: Progress under Pradhan Mantri Jan Dhan Yojana.

Convener, SLFIC mentioned the progress under PMJDY before the house. ACS, Finance mentioned that the all families have been covered but we require to open the account of all family members because under the DBT, benefits are to be passed on to individuals. It was also mentioned that the progress of Madhya Pradesh should be at par with the national average or above.

Item no. 2: Challenges for Pradhan Mantri Jan Dhan Yojana.

Convener, SLFIC mentioned that there are certain challenges before the banks like activation of RuPay Cards, Conversion of zero balance account into regular operational account, Aadhaar and Mobile number seeding in PMJDY accounts, connectivity issue, financial literacy, making BC model viable and others. ACS, Finance mentioned that there are certain banks, which are below the state average in issuance of RuPay Cards, activation of RuPay cards, seeding of Aadhaar and Mobile number etc. As desired by Gol, Panchayat & Rural Development Department is organizing camps for seeding of Aadhaar and Mobile number and also obtaining consent from the account holders. All banks were advised to ensure that the Branch Managers and other staff is coordinating with the District Administration and participating in the camps being organized at Gram Panchayat level, so that RuPay cards and pins are distributed there itself, get the consent form filled for seeding of Aadhaar and mobile number, and also organize literacy camps. It was also decided that the banks should provide a village/gram Panchayat wise list of accounts already opened by the bank branch to the local administration, so that they may ensure participation of account holder in camps.

As regard viability of BCAs, it was decided that all banks should provide BC wise number and amount of monthly transactions to ensure their viability. It was also suggested that during the course of weekly Haat Bazar, BCAs of the area should ensure his sitting in that village/town, so that the public visiting to Haat Bazar may withdraw their money at the place of Haat Bazar itself. It was also discussed that the penetration in forest area is very less and BCAs will not be viable if restriction of area of operation is limited to 5 kilometers. BCAs should have at least 1,000 families account to ensure his viability.

Item no. 3: Engaging alternate channel as Bank Mitras (BCAs)

It was also decided that the Banks may explore possibilities for appointment of Dak Sevaks as BCAs through their Corporate BC, so that services are ensured in the

villages. Director, Postal Services informed that there are around 8000 Gramin Dak Sevak in the State. ACS advised to Director, Postal Services to examine the viability for engaging Gram Dak Sevak as business correspondents and submit the proposal to State Level Bankers Committee at the earliest.

As regard assigning the responsibility of BCA to School Teachers/Guruji, it was decided that the DIF will refer this matter to School Education Department and if the Department agrees then the banks may move ahead in appointing them only in difficult areas.

It was also suggested by the ACS, Finance that the BCA wise transaction details and District wise transaction details may be placed before the Committee in its next meeting. It was further suggested that the Secretary of Gram Van Samitee may be appointed as BCA by the banks, especially in the forest areas. PCCF, Social Forestry may also be invited in the next SLFIC to discuss on the issue.

Item no. 4: Aadhar Seeding/Mobile Seeding in PMJDY Accounts

Aadhar seeding in the PMJDY accounts is only 48% in the State. Banks informed that there are multiple accounts of majority of the customers therefore it is difficult to seed all such accounts with aadhar. ACS, Finance advised banks to remove such accounts; otherwise we shall always remain laggard under this parameter. Banks conveyed that this is a herculean task for bankers to remove such accounts. It was suggested by ACS to initiate Branch wise exercise with Date of Birth, Surname etc. available in the CBS system. All banks assured to take action in this regard. Mobile seeding of State Bank of India was observed very low as compared to number of PMJDY accounts. All banks were advised to improve their position.

Item no. 5: Activation of RuPay Cards, distribution of cards and pins

Despite regular follow-ups in the Core Committee Meeting on every Monday and putting all efforts, situation is not picking up. ACS stated that people are unable to proceed because they are not aware about the advantages of RuPay card activation. ACS

desired to know that why there is a compulsion to use the card within 90 days prior to incidence? Since beneficiaries are belong to very vulnerable group, how they can use it. Banks are advised to complete the tasks of pending Rupay cards and PINs by 30th June 2016. Further, banks to ensure RuPay card enabled & AEPS device at all BC points at the earliest.

Item no. 6: Connectivity problems in the Sub Service Area (SSA).

Initially, 12 banks had informed to SLBC that they have connectivity problem in total 1030 sub service area (SSAs). SLBC vide their letter no.ZO: FI: 2015-16:785 dated 11.03.2016 advised all concerned banks to submit their proposal to NABARD, Bhopal for Solar Powered V-SATs. As on date, only four banks namely Central Bank of India, State Bank of India, Syndicate Bank and Union Bank of India submitted their proposal to NABARD. NABARD has accorded in-principal approval to these banks for procurement of Solar Powered VSAT in their 268, 41, 6 and 35 sub service areas respectively. The Committee decided that the remaining banks should submit their proposal if any to NABARD by 15th June 2016. Thereafter, it will be construed that there is no such issue and concerned banks have to ensure undisrupted banking services in respective SSAs. It was also decided that the BSNL may also be invited in the next meeting of the SLFIC.

Item no. 7: Financial Literacy

ACS, Finance mentioned that with the advent of financial inclusion drive at a mass level, there is a need to support to the people, especially those living in tribal areas for making right choices of financial products. If financial inclusion is to be achieved, financial literacy has to be addressed first. He advised banks to approach “Gramin Van Samiti” for financial literacy.

Item no. 8: Pending applications for attachment of property under section 14 of SARFAESI pending with district magistrates & their disposal.

Banks stated that Public Sector Banks are burdened with huge Non- performing assets. Things had worsened to a great extent during March 2016, which is reflecting in the results of the banks. Banks informed that such matter was also raised during the 159th SLBC meeting; thereafter the Chief Secretary issued a letter to all District Collectors to initiate immediate action in this regard. But situation is not improved and still 413 cases are pending with Collectors for attachment of property under section 14 of SARFAESI Act. ACS advised banks to submit district wise and borrower wise details of such account for taking action in this regard.

Vote of thanks

Vote of thanks was offered by Shri B. L. Gupta, Deputy General Manager, Bank of Baroda who thanked the Additional Chief Secretary for sparing his valuable time and stated that his pointed discussions with respect to financial inclusion have been very sharp and would definitely help banks in improving their performance under financial inclusion.

(Minutes approved by Additional Chief Secretary, Finance)

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List of Participants to the meeting dated 2nd June, 2016

No.	Name	Designation	Bank/Dept.
1	Shri A. P. Srivastava	Additional Chief Secretary	-in Chair
2	Shri Amit Rathore	Commissioner	Institutional Finance
3	Shri Satish Gupta	Joint Director	Institutional Finance
4	Shri R. K. Jayabhaye	Director	Postal Services
5	Shri A. R. Deshmukh	Asst. Director	Postal Services
6	Shri K. T. Ajit	Chief General Manager	State Bank of India
7	Shri Ajay Vyas	General Manager	Central Bank of India
8	Shri Vikas Kumar	General Manager	Allahabad Bank
9	Shri D. P. Sharma	Zonal Manager	Bank of India
10	Shri B. L. Gupta	Deputy General Manager	Bank of Baroda
11	Shri V. K. Tripathi	Deputy General Manager	Central Bank of India
12	Shri K. V. Prasad	Deputy General Manager	State Bank of India
13	Shri D. S. Dutta	Asstt. General Manager	Punjab National Bank
14	Shri R. G. Mishra	Dy. Zonal Head	Union Bank of India
15	Shri B. S. Rajput	Chief Manager	Bank of India
16	Shri Raghvendra Shukla	Senior Manager	Union Bank of India
17	Shri G. K. Banti	Senior Manager	Central Bank of India
18	Shri C. K. Sahu	Senior Manager	Allahabad Bank