

Proceedings of Sub-Committee Meeting

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Venue : Virtual Mode

STATE LEVEL BANKERS' COMMITTEE OF ANDHRA PRADESH

CONVENER: UNION BANK OF INDIA



**FGM Office, 2nd Floor, Andhra Bank Building
RR Apparao Street, Vijayawada**

**Phone: 0866 - 2562522, 2562518
Email: slbc@unionbankofindia.com**

Website: www.slbcap.nic.in



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A virtual meeting of SLBC Sub-committee was held on 23.11.2021. AGM from RBI, Executives & Senior officers from major Banks and DGM from NABARD have participated in the meeting.

The Asst. General Manager and Coordinator, SLBC of AP extended a warm welcome to the participants and initiated discussion on agenda items.

Agenda 1 : National Strategy for Financial Inclusion – NSFI – 2019-2024

Assistant General Manager, SLBC, informed that Reserve Bank of India had brought "The National Strategy for Financial Inclusion 2019-2024" (NSFI) Approach paper, which sets forth the vision and key objectives of the financial inclusion policies in India. It aims to provide access to formal financial services in an affordable manner, broadening & deepening financial inclusion and promoting financial literacy & consumer protection. He narrated the following action points of the document and appraised their importance to the bankers. He requested all Bankers to implement the recommendation according to the fixed time lines.

Milestone	Stipulated Time	Advisory
Strengthen ecosystem for various modes of digital financial services in tier -II to tier-VI centres to create necessary infrastructure to move towards less cash society by March 2022.	March 2022	Banks to focus to enable at least one digital product for their clientele similar to the digital district project witnessed in YSR Kadapa district.
Leverage on the developments in fin-tech space to encourage financial service providers to adopt innovative approaches for strengthening outreach through virtual modes including mobile apps so that every adult has access to a financial service Provider through a mobile device by March 2024.	March 2024	The network availability and usage of mobile phones by the public is widespread in AP. Therefore banks can leverage this reach to work with fin-tech companies to strengthen the outreach through digital modes including mobile apps.
Move towards an increasingly digital and consent-based architecture for customer on boarding by March 2024.	March 2024	Banks to focus for 100% mobile seeding of their CASA accounts.



Providing Basic Bouquet of Financial Services:

Action Plan and Milestone	Stipulated Time	Present position/ Road Blocks
Every willing and eligible adult who has been enrolled under the PMJDY (including the young adults who have recently taken up employment) to be enrolled under an insurance scheme (PMJJBY, PMSBY, etc.), Pension scheme (NPS, APY, etc.) by March 2020.	March 2020	As part of Jan Suraksha saturation campaign, all eligible PMJDY account holders to be enrolled under an insurance and pension scheme based on eligibility.
Capacity building of all BCs either directly by the parent entity or through accredited institutions by March 2020.	March 2020	NABARD is reimbursing the training cost and examination fee to Bank Mitras under FIP program. Banks can use this facility to ensure all BCs have undergone the capacity building training program to sharpen their skills for better performance.
Make the Public Credit Registry (PCR) fully operational by March 2022 so that authorized financial entities can leverage on the same for assessing credit proposals from all citizens.	March 2022	Banks are advised to take up the issue with their respective central offices for compliance.

Access to Livelihood and Skill Development:

Action Plan and Milestone	Stipulated Time	Present position/ Road Blocks
All the relevant details pertaining to the on-going skill development and livelihood Generation programmes through RSETIs, NRLM, NULM, PMKVY shall be made available to the new entrants at the time of account opening. The details of the accountholders including unemployed youth, and women who are willing to undergo skill development and be a part of the livelihood programme may be shared to the concerned skill development centres/ livelihood mission and vice versa by March 2020.	March 2020	Banks are advised to sensitize their public facing staff to educate the customers about the available livelihood generation programs in their respective areas.
Keeping in view the importance of handholding for the newly financially included SHGs/Micro entrepreneurs, a framework for a focused approach ensuring convergence of efforts from		Not Applicable



civil society/ banks/ NGOs to increase their awareness on financial literacy, managerial skills, credit and market linkages needs to be developed by National Skill Development Mission by March 2022.	March 2022	
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Financial Literacy and Education:

Action Plan and Milestone	Stipulated Time	Progress/ Road Blocks
Develop financial literacy modules through National Centre for Financial Education (NCFE) that cover financial services in the form of Audio-Video content/ booklets etc. These modules should be with specific target audience orientation (e.g. children, young adults, women, new workers/ entrepreneurs, senior citizens etc.) by March 2021.	March 2021	Not Applicable
Focus on process literacy along with concept literacy which empowers the customers to understand not only what the product is about, but also helps them how to use the product by using technology led Digital Kiosks, Mobile apps etc. through the strategy period (2019-2024)	March 2019-2024	Banks are advised to take up the issue with their respective central offices for compliance.
Expand the reach of Centres for Financial Literacy (CFL) at every block in the country by March 2024.	March 2024	In order to customize the financial education in local language and local settings targeting different groups in the society RBI has launched pilot project namely, Centres for Financial Literacy (CFL). Accordingly 112 CFLs have been opened in the State of AP in Phase 1 where each CFL will serve 3 adjacent blocks. LDMs are monitoring CFL activities. All banks shall sensitize their field staff about the CFL concept so that more and more people can come into the banking fold.



Customer Protection and Grievance Redressal:

Action Plan and Milestone	Stipulated Time	Progress/ Road Blocks
Strengthening the Internal Grievances Redressal Mechanism of financial service providers for effectiveness and timely response by March 2020.	March 2020	RBI has issued detailed guidelines vide circular dated 01.01.2021 on strengthening of grievance redressal mechanism in banks. RBI also introduced integrated ombudsman scheme 2021 integrating the existing 3 ombudsman schemes viz. Banking ombudsmen scheme 2006, The ombudsmen scheme for NBFCs 2008 and Ombudsman scheme for digital transactions 2019. Any complaint, if not resolved to the satisfaction of the customer within a period of 30 days would be escalated to the ombudsman.
Develop a robust customer grievance portal/ mobile app which acts as a common interface for lodging, tracking and redressal status of the grievances pertaining to financial sector collectively by all the stakeholders by March 2021. (Existing sachet)	March 2021	Banks are advised to take up the issue with their respective central offices for compliance.
Operationalize a Common Toll-Free Helpline which offers response to the queries pertaining to customer grievances across banking, securities, insurance, and pension Sectors by March 2022.	March 2022	Banks are advised to take up the issue with their respective central offices for compliance.
Develop a portal to facilitate inter-regulatory co-ordination for redressal of customer Grievance by March 2022.	March 2022	Banks are advised to take up the issue with their respective central offices for compliance.

Effective Co-ordination:

Action Plan and Milestone	Stipulated Time	Progress/ Road Blocks
Clearly articulate the responsibilities/ expectations of each of the stakeholders at the grass-root level to ensure convergence of action between the Government/ Regulators/financial service providers/ Civil Society etc. With the	March 2019-2024	Not Applicable to banks



Lead Bank Scheme completing 50 years in 2019, SLBCs may review and implement the vision, action plans and the milestones to be achieved during the NSFI period (2019-24).		
With advancements in Geo-Spatial Information Technology, a robust monitoring framework leveraging on the said technology can be developed for monitoring progress under financial inclusion with special emphasis given to Aspirational Districts, North Eastern Region and Left -Wing Extremist affected Districts. A monitoring framework and a GIS dashboard to be developed by March 2022.	March 2022	Banks are advised to take up the issue with their respective central offices for compliance.

Agenda: 2 National Strategy for Financial Education – NSFE – 2020-2025

AGM SLBC, highlighted that,

Reserve Bank of India had introduced document on "National Strategy for Financial Education 2020-25" which intends to support vision of Government of India and financial sector regulators by enabling various sections of population to develop skill, knowledge, attitude and behaviour that are required in managing money in a better way and planning for the future. Action plan to achieve the strategies of NSFE document is as under:

- a. Develop financial literacy content for school children, teachers, young adults, women, new entrants at workplace / entrepreneurs (MSMEs), senior citizens, persons with disabilities, illiterate people etc.
- b. Develop the capacity of various intermediaries who can be involved in providing financial literacy
- c. Evolve community led approaches for disseminating financial literacy in a sustainable manner
- d. Use technology, mass media channels and innovative ways of communication for dissemination of financial education messages
- e. Preparation of information dashboard & integration of financial education content in school curriculum, various professional & vocational courses

All banks are advised to design their adoptable strategies to achieve the above objectives.



PRAGATI (Pro-active Governance and Timely Implementation) meeting – Review of Social Security Schemes:

Under the scheme following are adoptable action points:

- Conduct periodic publicity campaigns with special focus on rural areas at regular intervals for creating awareness about benefits of Social Security Schemes
- Ensure that no eligible Jan Dhan account holders are left out from availing the risk covers under PMJJBY & PMSBY
- Use SMS and other digital platforms to make account holders aware of the schemes and also to seek auto debit mandate from them
- Leverage marketing channels like Banking Correspondents (BCs) for ensuring Pan India coverage and innovative ways be devised for motivating the field level functionaries for enhancing enrolments, especially under PMJJBY & PMSBY
- Ensure that every willing and eligible adult who has been enrolled under PMJDY to be enrolled under an insurance scheme (PMJJBY, PMSBY etc.), Pension scheme (APY, NPS etc.)
- RBI is monitoring the progress on half yearly basis, Banks to ensure compliance with project directives.

All member Banks are advised to cover all eligible PMJDY accounts under respective insurance and pension schemes as part of Jan Suraksha saturation campaign.

Agenda: 3 Revamp of Lead Bank Scheme –Developing a Standardized System for data flow and its management by SLBC Convener Banks on SLBC websites.

AGM, RBI highlighted that RBI advised SLBC Convener Banks to develop a standardized system on the websites maintained by each SLBC to enable uploading and downloading of the data pertaining to the Block, District as well as the State by the member banks. This mechanism helps in hassle free, accurate submission of data more so conducting the DCC and SLBC meetings as per the stipulated time norms of 45 days from the quarter end.

AGM SLBC informed that presently following banks have uploaded data for Sept 21 in the new portal (slbcindia.com)

1	Bank of Baroda	11	Axis Bank	21	Kotak Mahindra
2	Bank of Maharashtra	12	Catholic Syrian Bank	22	KBS Bank
3	Canara Bank	13	DCB Bank	23	RBL Bank
4	Central Bank of India	14	Federal Bank	24	South Indian Bank
5	Indian Bank	15	HDFC Bank	25	Tamilnad Mercantile
6	Punjab National Bank	16	IDBI Bank	26	Yes Bank
7	Punjab & Sind	17	IDFC First Bank	27	CGGB
8	UCO Bank	18	Indus Ind Bank	28	SGB
9	Union Bank of India	19	Karnataka Bank	29	Fincare SFB
10	State Bank of India	20	Karur Vysya Bank	30	Airtel Payment Bank



He also advised APGB, APGVV, APCOB, ESAF, FINO banks to get on boarded on the new portal by December 2021.

The following action points emerged in the meeting.

1. All banks shall submit CQR data on both portals for December 2021 quarter until all banks are on-boarded on to the new portal.

Agenda 4 : Review of Operations of Business Correspondents

AGM, RBI highlighted that Bank Mitras are an extended arm of Bank branches, rendering various banking services like opening of savings accounts, cash withdrawal and cash collection, social security schemes enrolments, canvassing for bank products etc. at villages at affordable cost. Banks to closely monitor the BC functioning and to initiate suitable action to replace the inactive BCs to ensure that uninterrupted banking services are available in the villages, more particularly at places where it is the sole banking facility.

AGM, SLBC of AP highlighted that there are 469 inactive BCs in our State. Due to inactive BCs, the people in that locality will be subject to the hardships for availing the basic banking needs and also defeats the basic objective of the FI concept.

He also highlighted that now banks can appoint BCs at non SSA locations and appealed to the banks to appoint as many BCs at needful locations to ensure that each corner of the state and the RBK locations are covered with banking facilities.

The following action points emerged in the meeting.

- ❖ Banks to closely monitor the BC functioning and to initiate suitable action to replace the inactive BCs to ensure that uninterrupted banking services are available in the villages more particularly at places where it is the sole banking facility.

Agenda 5 Digital districts (Phase 2) Expanding and deepening of the Digital Payments Ecosystem

AGM, SLBC informed that as part of expanding and deepening of the payment ecosystem, conceived by RBI, YSR Kadapa district was selected for enabling 100% digitalization of the banking clientele by providing at least one digital product to all. The project was successfully completed with support and active participation of all stakeholders.

In similar fashion, the same facility should be extended to one or two other districts as well, in consultation with state Government administration and other stake holders. The district may be chosen after feasibility assessment after considering factors such as



availability of digital infrastructure/internet connectivity, literacy level among population etc.

Accordingly, SLBC analysed various parameters prescribed by Reserve Bank of India and identified the Srikakulam & Guntur Districts for Expanding and Deepening of the Digital Payments Ecosystem (**Phase 2**).

The project timelines and road map are to be finalized.

Now the LDMs have to spearhead the project in the districts concerned for successful digitalization of the districts. Banks may also sensitize their field staff for submission of monthly data to LDMs in the format designed by RBI.

RBI AGM requested the LDMs of both districts to appraise the concept and significance of the project to the district administration to enlist their cooperation and support to accomplish the program.

He also advised them to place the subject as an agenda item in the DCC meetings for regular review of the progress.

The following action points emerged in the meeting.

Banks need to submit the accurate data on the selective parameters in the prescribed format on monthly basis to LDMs.

Bank controllers shall sensitize their field staff for their active involvement and to motivate the customers and review the progress with their concerned branches on a regular basis.

Agenda 6: Jan Suraksha Saturation Campaign

AGM SLBC informed that "**Hon'ble Prime Minister, in his Independence Day 2021 speech, has announced we have to achieve saturation and all the households should have bank accounts. We have to connect every entitled person with the government's insurance and pension schemes. We have to move ahead with a mind-set of cent per cent achievement.**"

DFS has suggested getting the electoral data which includes all local adults along with their address details to focus on opening of PMJDY accounts for the eligible people. However, the electoral data could not be obtained hence, all banks are advised to extract the all PMJDY accounts (Average Balance of above Rs 1000) and Standard PMMY state wise data and share to SLBC to cover under PMJJBY & PMSBY& APY based on eligibility.

Monthly targets shall be fixed for achieving the saturation by SLBC. In parallel, the beneficiaries of major Govt schemes like MNAREGA, etc. shall be focused to enrol under PMJJY & SBY duly coordination with respective department for data base. Banks need to assign enrolment targets to each individual field functionary. The good performance of the staff shall be mentioned in their service record for each of the appraisal years.



Banks are also advised to develop auto prompt feature across channels (branch, BC and IVR) to alert the teller/BC/customer that an uncovered customer is transacting, so that the bank executive/BC may enrol him/her or the customer may self-enrol.

Following action points emerged in the meeting.

- ❖ Bank shall accord utmost priority to the campaign to ensure all eligible PMJDY accounts holders to be covered under respective insurance and pension scheme based on eligibility.
- ❖ Banks to share the information to SLBC in the prescribed formats on weekly basis to upload the same in DFS PORTAL.

Agenda 7 : Solar Power Unit / UPS Unit to APGB -NABARD financial assistance

NABARD AGM informed that NABARD is providing financial assistance for procurement of Solar Power Units / UPS units under Financial Inclusion Fund in areas where there are frequent power outages and to ensure uninterrupted banking services to the public.

Under the scheme, banks are eligible to get maximum grant support of Rs 1 lakh per VSAT and solar power units in SF Districts. He advised banks to submit the proposals with due recommendations of respective LDM to consider to sanction the grant support based on eligibility.

AGM SLBC, submitted that APGB is operating in five districts i.e., Ananthapuramu, Kadapa, Kurnool, Nellore and Prakasam with a network of 552 Branches and 995 Business Correspondents. **APGB submitted a proposal for 136 Solar Power Unit / UPS unit in Bank's operational area.**

He requested all other banks that are in need of such grant support for solar power units and UPS units may submit their proposals through proper channel.

The following action points emerged in the meeting.

Banks that are in need of NABARD grant support for solar power units and UPS units may submit their proposals with the recommendation of LDM to SLBC for onward recommendation to NABARD.

The meeting concluded with vote of thanks.

