**MINUTES OF THE 2ND MEETING OF THE SUB-COMMITTEE**

**ON DIGITAL PAYMENTS** HELD ON 18.12.2019 AT

STATE BANK OF INDIA, LOCAL HEAD OFFICE, PATNA

The 2nd meeting of Sub-Committee on Digital Payments was held on 18.12.2019 from 03:30 Hrs in the conference hall, 7th floor of State Bank of India, Local Head Office, Patna. It was presided over by Sri Prasad Tonpe, General Manager & Convenor, State Level Bankers’ Committee, Bihar.

The list of participants is attached as Annexure-1.

In his opening remarks, Mr. Tonpe outlined the background of formation of the Sub-Committee and its intended role and objectives. He detailed the matter of making Jehanabad District 100% digitally enabled well before the deadline of August 2020. He told that this goal could be achieved through planned efforts put in through active participation of all banks operating in Jehanabad district. Pointing out towards the need of assessing the current status of digitization in the district, he appealed all banks to send at the earliest to SLBC Bihar the data called for in this regard. He desired that the Sub-Committee should proceed further agenda wise.

Agenda wise discussion was started by Sri R.K. Das, Assistant General Manager, SLBC. First of all, the Sub-Committee adopted the minutes of the last meeting which was already circulated among members. Thereafter, action taken on various action points of the last meeting was discussed one by one.

2. Deliberating on failed DBT transactions, PFMS representative explained that the processes at their end are automated and by liaison with the concerned agencies the number of failed transactions was coming down gradually. He advised that where banks were required to verify the PPAs (Print Paper Advices), they should do it promptly because PFMS was constrained to decline entries which remained pending for authentication beyond 10 days. He said that more than 45,000 entries were pending with PNB.

3. The representative from Rural Development Department told that though some banks had provided dual authentication for withdrawal by SHG at CSPs, still a good number of banks were yet to roll out this functionality. He requested banks to allow withdrawal from loan accounts also using dual authentication. He told that banks are yet to arrange issuance of passbooks for SHG loan accounts. He also requested that banks should give priority to SHG members while selecting BC Agents.

4. Talking of digitization, representative from Agriculture Department told that sale of fertilizers and transactions in Public Distribution System (Bihar Food & Civil Supplies) were being done through PoS. Also, all subsidy / grants/ reliefs etc. from Agriculture Department was being done through DBT. Thus Agriculture Department is contributing a lot in augmenting digital payments in the State. He wanted to know whether there was any functionality on UIDAI portal where by inputting the account number it could be known if the account was Aadhar seeded or not. Representative from UIDAI told that a person having Aadhar number can log on to UIDAI with authentication credentials and can check.

5. AGM SLBC requested to make available the list of Mandis so that the availability of digital infrastructure thereat could be assessed. The Agriculture Department representative assured to send the list.

It was also decided to call for data on G2M, G2P, P2G, M2G etc, and transactions from Finance Department, GoB to consider increasing them.

6. Representative from Education Department informed that they were switching on DBT with the help of PFMS and planned to make payments online to 2 Crore beneficiaries which might be a record number. He appealed banks to authenticate the registration uploaded on PFMS portal at the earliest.

7. Representative from India Post Payment Bank (IPPB) informed that they were committed to promote digital payments in a big way through their vast network of Grameen Dak Sewak / Postmen. IPPB had already launched Saksham Gram Abhiyan to give impetus to digital payments in select villages which focused on merchants as well. Customers can make payment directly by just scanning the QR code or by just by an OTP received on their basic phone. An account can be opened in just 3 minutes and transactions can be performed immediately thereafter. AGM SLBC requested to share with SLBC the details of branches district-wise. IPPB representative told that this data was available as on 30.11.2019 and would be shared with SLBC soon. Regarding Jehanabad district, he suggested that we should find out the less digitalised area and concentrate first on them for fast improvement.

8. The NABARD representative told that they had done a survey in 2016-17 in which it transpired that 7% people used debit cards, 1% used Mobile Banking, 1% used Mobile Wallets and 1% used Digital Remittance. There might be improvement during last a few years but still the gap might be big. Regarding 100% digitally enabling Jehanabad district, the present infrastructure needed to be scanned first. The real issue was in on-boarding merchants which needed to be taken care of. We should issue Rupay Cards in all KCC accounts. Banks desirous of doing FLC programmes may put forward proposals to NABARD and they will provide funds for the same.

9. RBI representative spoke at length on efforts of RBI in popularising digital payments. He concurred to the views expressed by SLBC Convenor that a very focussed and participated-by-all stakeholders approach needed to be taken to make Jehanabad district 100% digitally enabled within the stipulated time frame. In this regard, he put forward the following suggestions:

(a) An Implementation Committee should be formed with banks having 3 or more branches in Jehanabad district. Official not less than the grade of Assistant General Manager be nominated a member of the Committee. The Implementation Committee should meet more frequently say at fortnightly intervals.

(b) Considering their reach and accessibility, IPPB should also be a member in the Implementation Committee.

(c) BMs of the banks having single branches and BMs of the bigger branches of banks having 2 branches should act as the nodal officers for digitization exercise in Jehanbad.

(d) Banks should send immediately to SLBC the data called for consolidation and should take care of the data integrity.

(e) We need to focus mainly on 3 areas: Awareness for capacity building, Infrastructure and Confidence building. We may concentrate on target groups like BCs, SHGs, Traders, Asha Workers, and Postmen etc. We can target shopkeepers / traders, schools, colleges, hospitals, hotels, dhabas etc. Which have maximum visitor foot falls for digital on boarding.

(f) Providing PoS to traders must be explored extensively.

(g) All branches in Jehanabad District should organise at least one awareness camp latest by 31.03.2020.

(h) Report on progress made by the branch(es) of a particular bank towards making Jehanabad 100% digitally enabled be put up to the controlling heads.

(i) RBI is mooting to felicitate branches that contribute significantly in the 100% digitalization drive. Banks may plan similar felicitations for exemplary performance by their staff members / branches to boost the tempo.

10. Agriculture Department representative requested that RBI might circulate a one page flyer containing details of digital modes that wee to be targeted and the role of related stakeholders therein so that it could be circulated by related departments to all concerned as ready reckoner.

After the above deliberations, SLBC representative extended vote of thanks to all participants for their active participation and thereafter the meeting was declared concluded.

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**: ACTION POINTS:**

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| **SL. NO.** | **A C T I O N P O I N T** | **ACTION TO BE TAKEN BY** |
| 1 | Banks should validate PFMS data on PFMS portal latest within the prescribed 10 days | All Banks |
| 2 | List of Mandis in the State be made available to SLBC | Agriculture Department |
| 3 | Details of G2M, G2P, P2G, M2G, transactions be made available to SLBC | Finance Department |
| 4 | IPPB to share their branch details , block-wise, district-wise with SLBC | IPPB |
| 5 | An Implementation Committee be made to steer the task of 100% digitalization of Jehanabad district | SLBC |
| 6 | Banks should submit to SLBC immediately the data called for in respect of Jehanabad District. Correctness of data be ensured | All Banks operating in Jehanabad district |
| 7 | All branches in Jehanabad District should organise at least one awareness camp latest by 31.03.2020 | All Banks operating in Jehanabad district |
| 8 | Report on progress towards making Jehanabad 100% digitally enabled made by the branch(es) of a particular bank be put up to the controlling heads. | All Banks operating in Jehanabad district |
| 9 | An one page flyer containing details of digital modes that are to be targeted in Jehanabad district and the role of related stakeholders therein be circulated so that it can be circulated by related departments to all concerned as ready reckoner. | RBI |