STATE LEVEL BANKERS’ COMMITTEE , BIHAR

 **4th MEETING OF**

**THE SUB - COMMITTEE ON DIGITAL PAYMENTS**

MINUTES

The 4th meeting of SLBC sub-committee on Digital Payments was held on 12.11.2020 through VC. It was chaired by the Deputy General Manager (FIMM), SLBC and was attended by RBI, NABARRD, Institutional Finance Deptt., Education Department, GoB, NPCI and members banks. The list of participants is attached as Annexure-I.

The DGM (FIMM) welcomed all the participants to the meeting of the SLBC Sub-committee on Digital Payments. He outlined, for the benefit of new representatives, the objectives of the Sub-Committee and started discussion as per agenda pre-circulated to participants. The discussions held are summarized below:

**1.** There are 11.60 Crore active bank accounts in Bihar of which 9.09 Crores are Aadhar seeded and of these 9.09 Crore 5.35 Crore accounts are authenticated by UIDAI as of 30.06.2020. The gap between Aadhar Seeded and UIDAI authenticated accounts should be bridged to improve coverage of DBT under various Govt. schemes. Also DBT failures should be minimized and failed transactions be reported by the originating banks to owner Govt. department promptly to enable them initiate suitable corrective action. He asked Govt. departments / banks to share difficulties being faced. However, no issue was flagged.

2. As per data received from Govt. of Bihar, there are 45816 villages falling under 8411 panchayats and there are 21,653 BC outlets in the State as advised by banks. There is no village uncovered by a banking touch point. However, as discussed in the last SLBC meeting , it was decided to map all the BC outlets to know whether there is any panchayat which does not have such an outlet.

SLBC has provided the member banks a list of districts, panchayats and villages of Bihar in excel sheet with dropdown facility and has requested to map their BCs therein. A prompt reply is solicited to put up a consolidated report in the forthcoming SLBC meeting. After the consolidated report is prepared, SLBC will provide a format on its website to update the status of BCs periodically by all banks.

**3.** Holding Financial Literacy Camps are of utmost importance especially in rural pockets and among target groups of DBTs. This also helps educate people and enables them avoid falling prey to financial frauds and hoax calls related to financial services / lotteries etc. FLCs are required to hold 2 special camps on going digital, rural branches 1 camp per month on FAME messages and digital and banks are required to hold 5 target group specific camps per month. But, during last two quarters, only 3830 camps have been organized, may be for constraints faced due to Covid, whereas 3054 rural branches are functioning in the State. However, situation of Covid is improving and we need to increase the number of camps now.

RBI representative also threw light on the various initiatives undertaken by RBI to increase digital penetration in the State e.g. :

(i) Advised banks to celebrate one day every year as Financial Services Day by each bank on which all new accounts opened on the day will be on boarded on digital platform.

(ii) Popularizing digital products through e-rickshaw.

(iii) Targetted Approach like - Train the Trainers & Training programmes for SHG leaders and their members.

(iv) Inter-regulatory Training Programmes for RSETIs.

 (v) Daily monitoring of digital penetration in the State.

 **4.** Airtel Payments Bank (APB) was invited to enlighten the Sub-Committee with details of its business model and their plan to extend their reach to people of Bihar. The details shared by Airtel Payments Bank representative is summarized below:

(i) APB has around 32000 active banking points in Bihar.

(ii) These banking points do AEPS enabled transactions and have done Rs 221 Crores worth AEPS transactions during October 2020.

(iii) APB has to its fold around 25000 QR Code enabled business establishments in Bihar through which transactions worth around Rs 10 Crore are being done per month.

(iv) APB has launched recently a Rural Banking Vertical to increase its penetration in rural areas of the State and will tread to many rural pockets very soon.

**5.** Fino Payment Bank (FPB) was also invited to share with the Sub-Committee their business model and future plans in the State of Bihar. The details shared by FPB representative is summarized below:

(i) FPB is operating in the State through two business models : Branch Outlets & Merchant Based Outlets. They have 35 branches and over 30000 active merchants in their fold in Bihar.

(ii) Business comprises of : CASA, Micro ATMs, m-ATM Cash Out, health insurance, AEPS, CMS.

(iii) Per month business : AEPS – 300 Crores, Micro ATMs – 375 Crors, CMS collections ( from micro finance Cos) - 4000 , new health insurance policies – 30000.

(iv) Targetting 100000 customer base to reach out all villages in Bihar

(v) Earlier DBT was getting credited to their SB accounts under MANREGA, Midday Meal, Mukhya Mantri Balika Posak Yojana but suddenly these have been deactivated.

The bank may take up the matter with concerned Govt. departments.

**6.** In the last meeting of the Sub-Committee it was advised by the Agriculture Department that Grain Mandis in the State be provided with sufficient digital infrastructure. NABARD representative mentioned that post abolition of APMC Act, mandis in Bihar are not working in organized way except Gulab Bagh Mandi where transactions are being done on digital mode. As representative from Agriculture department did not connect to VC, their feedback could not be known.

**7.** The issue of 100% digitization of Jehanabad district was also discussed at length. RBI representative mentioned that out of 10,30,704 Savings Bank and 13,917 Current operative Accounts with banks in Jehanabad district, 78.74% and 53.98% respectively are covered by at least one digital product. In addition, banks have given 125 PoS / QR codes to non-customers. They have held 51 digital camps in which 1380 people participated. This data includes data of Bandhan Bank as on 31.08.2020 and those of Central bank, Ujjivan SFB and State Cooperative Bank as on 31.08.2020 as they have not submitted latest data. As the deadline for completion of 100% digitization of Jehanabad district is approaching fast, he requested all the banks to bestow their focused attention to complete the task.

**8.** It was also discussed if any bank was facing any connectivity issue from DoT in any area of the State so that it could be advised to DoT. However, no bank flagged any issue.

**9.** As per instructions from RBI, the project of Standardization of SLBC data and its maintenance on SLBC website is being done. However, its pace is very slow and so far only BoB, CBI, Union Bank of India and UBGB have uploaded their data on new SLBC site. DGM (FIMM), SLBC requested all remaining banks to upload data in standardized formats for trial run of the SLBC web-site. Banks should advise their status of data standardization, he added.

**10.** The meeting ended with vote of thanks extended by DGM (FIMM), SLBC to all the participants.

Assistant General Manager (SLBC)

ACTION POINTS

1. All banks [ including CBI, Bandhan , Ujjivan SFB, Cooperative ] to submit data on Jehanabad Digitization latest within 5th days after month-end. *{ Action : All Banks }*

2. Banks to speed up their SLBC data standardization and also advise its status to SLBC.

 *{ Action : All Banks except those which have uploaded data on new SLBC site}*

3. Banks to submit the panchayat-wise / village-wise details of all their CSPs / BC Points to SLBC. *{ Action : All Banks }*

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**Annexure – I**

**STATE LEVEL BANKERS’ COMMITTEE, BIHAR**

**List of participants**

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