



Minutes of the Special SLBC meeting to Review the Status of Financial Inclusion and Financial Literacy in Jharkhand State held on March 26, 2021.

The Special SLBC meeting to review the Status of Financial Inclusion and Financial Literacy in Jharkhand was held on March 26, 2021 at Hotel BNR Chankya, Ranchi. Shri Mahesh Kumar Jain, Deputy Governor, Reserve Bank of India was the Chief Guest. Smt. Himani Pandey, Secretary Finance, Govt. of Jharkhand, Shri P R Rajagopal, Executive Director, Bank of India, Senior State Government officials, officials from Reserve Bank of India, Banks, BSNL, and SEBI participated in the meeting. The list of participants was given in Annexure-I.

2. In his inaugural remark, Shri Nitin Govind Rao Deshpande, General Manager, Bank of India, Head office briefed the house on various initiatives undertaken by banks towards ensuring access, availability and reach of financial inclusion and financial literacy. He highlighted that the number of Jan Dhan account holders in the state was over 1.53 crore as on December 31, 2020. With women accounts constituting more than 50% of total PMJDY accounts, efforts of banking industry had not only ensured financial inclusion but also economic empowerment of women. With nearly 16,000 Business Correspondents, 3251 bank branches, 3282 ATMs, the banking industry had been continuously providing banking facilities to 3.29 crore population of the state dispersed in 3724 Sub Service areas. Towards the progress in deepening of digital payments in East Singhbhum (identified to be made 100% digitally enabled by March 31, 2021) he informed that by March 15, 2021 more than 97% individual account holders had been linked with at least one mode of digital payments. He further informed that under PM Atma Nirbhar Scheme, 23000 applications under PM SVANidhi had been approved and digital onboarding of more than 20 thousand street vendors had been done. Further, banks had actively participated under ECLGS and CGSSD. Notwithstanding this, the agenda was yet unfinished as the enrollments under various social security schemes continued to be abysmally low in the state. On behalf of all the member banks, he assured that all the banks and SLBC would continue with their resolve and commitment towards Financial Inclusion and Financial literacy so as to ensure that these efforts reach to the last mile and the state was on a path of sustained growth and development. He stated that actionable emanating from the meeting would guide the efforts of banking industry towards sustainable and universal development of Jharkhand.

(Action: All Banks and SLBC)



3. Sri P R Rajagopal, Executive Director, Bank of India, in his address, dwelt upon various initiatives taken by the bank and SLBC in consonance with objectives enshrined under National Strategy for Financial Inclusion (NSFI). He complimented banks and other stakeholders for their unstinted service during COVID led disruption and highlighted that despite challenges such as lower rural tele density, 19 out of 24 districts being LWE affected, banks in Jharkhand had been relentlessly working towards universal financial inclusion. Trends observed in opening of PMJDY accounts, performance under NRLM and ensuring presence of banking infrastructure within radius of 5 km of village/ hamlet were encouraging. He further stated that COVID induced lockdown was a challenge but also presented opportunity in terms of increased adoption and usage of digital modes of transactions. He informed that nearly 90% of the accounts under PMJDY in the state were seeded with Aadhar. This presented a huge opportunity for increasing AEPS transactions. He briefed the house that during initial days of COVID-19 nearly 78 lakh women account holders in the state got financial support of Rs. 500 per month in their PMJDY accounts under Pradhan Mantri Garib Kalyan Package. For providing additional support to MSMEs, Agriculture sector, manufacturing industries and other sectors, Ministry of Finance directed all the banks to extend credit facilities to resume activities which were affected due to COVID-19 pandemic. He said that banks in Jharkhand were providing continuous support to all these sectors by extending the benefits to eligible constituents. He thereafter informed the house about establishment of 15 Center for Financial Literacy (CFL) in the State. He informed the house about the significance of the CFL centers in broadening and deepening of financial Inclusion/ financial literacy in the state. He further stated that under Phase II of Targeted Financial Inclusion Intervention Programme (TFIIP), 19 Aspirational Districts were identified for 100% saturation in four key performance indicators by September 2021. As per the data available with SLBC, the CASA and APY targets for September 2021 had been achieved in the 12 and 17 Aspirational Districts respectively. However, banks needed to put extra efforts towards enrollment under PMJJBY and PMSBY. On behalf of banking fraternity of the state, he assured the house that banks and SLBC would extend full support and co-operation to all concerned in overall development of the state.

(Action: All Banks and SLBC)

4. Shri Mahesh Kumar Jain, Deputy Governor, Reserve Bank of India, in his address, welcomed all the participants and dignitaries. He stated that COVID 19 clearly established that the priority of every government and policy maker was to save lives and ensure livelihood of citizens. He stated that financial inclusion was both an end and means for larger development of the society. Seven of the United Nations Sustainable Development Goals (SDG) of 2030 viewed financial inclusion as a key enabler for achieving sustainable development worldwide. While many



initiatives had been undertaken to increase financial inclusion in the country, more efforts were needed to ensure adequate access to financial services and usage of these services by various segments of under-served and un-served population of the country.

5. Mentioning about NSFI, he stated that the strategy document sets forth the vision and key objectives of the financial inclusion policies in India and proposes several recommendations to achieve, inter-alia, universal access to financial services through a bouquet of basic financial products and services; focused approach towards access to livelihood and skill development initiatives, improved level of financial literacy and education among people and strengthened customer protection and grievance redressal mechanism. He observed that considerable progress had been made in deepening the financial inclusion, manifold rise in banking infrastructure, and substantial increase in number of people getting linked with formal financial institutions through the Pradhan Mantri Jan Dhan Yojana (PMJDY), etc. However, the benefits of financial inclusion had not percolated uniformly. Since the SLBC forum undertakes regular review of the status and challenges faced in furthering financial inclusion, the Special SLBC meeting was convened to review the progress at granular level especially in Aspirational Districts, identify the road blocks/ impediments and draw up an actionable framework to achieve greater FI/ FL in State.

6. The Deputy Governor highlighted that credit penetration in the Eastern, North-Eastern and Central part of the country was low. Financial literacy and inclusion efforts, therefore, needed to improve in these areas as the masses were still excluded from the bouquets of the financial inclusion and financial services. More specifically, he emphasized on penetration of financial inclusion efforts in rural areas. He expressed happiness that all villages identified under "banking access to every village within a 5 KM radius/ hamlet of 500 households in hilly areas programme" had been covered in the state of Jharkhand. However, the number of bank branches, BC outlets and ATMs per lakh population for the state were lower than the national average. The Aspirational districts were faring worse than the State. The progress report indicated that except four aspirational districts, namely Garhwa (82.80), Godda (73.59), Latehar (78.55) and Sahibganj (64.78) the state fared poorly in the BC outlets per lakh population (47.87 per lakh to the national average of 130 per lakh). In terms of ATMs per lakh population, there was stark contrast with 9 out of 19 aspirational districts having less than 5 ATMs per lakh population. He stated that there was, therefore, a need for concerted efforts to improve on these indicators in the state in general and aspirational districts in particular and urged the banking fraternity and the state government to put in additional efforts to ensure achieving one of the goals of NSFI, viz., universal access to each and every individual in the state for various financial services.

(Action: All Banks and SLBC)



7. Referring to alternative delivery channels, he stated that banks continued to provide unhindered financial services during the pandemic owing to availability of digital banking products such as Debit cards, Mobile Banking, Internet Banking, AEPS etc. The increase in number of Internet Banking and Mobile Banking subscribers by more than 20% in the state during the short period of March 2020 to December 2020 indicated faster adoption of digital payments. However, that usage of digital modes of banking and furthering of financial inclusion was dependent on the quality of telecom and internet connectivity. He complemented Department of Telecom for the progress made in laying and operationalizing the Optical Fiber Cable (OFC) under Bharat Net Project. However, tele-density in rural area in the state was only 42.86%. With 76% population of the state predominately residing in the rural area there was a need to increase the level of tele-density in rural area to deepen financial inclusion. He urged the State Government and Department of Telecom to focus on this aspect.

(Action: Govt. of Jharkhand and Department of Telecom)

8. He also mentioned that for expanding and deepening of digital payment ecosystem in the country, Reserve Bank had advised all the SLBC convener banks during October 2019 to identify one district on pilot basis for making it 100% digitally enabled in one year and to provide every individual safe and secured digital banking access in a quick, affordable and convenient manner. About 97% of the eligible individuals saving account holders in the identified district of East Singhbhum had been provided at least one mode of the digital payment. He hoped that 100% of the target would be achieved by the end of the current financial year and suggested that SLBC may scale up the programme in other districts of the state based on the experience gained in the pilot programme conducted in East Singhbhum district.

(Action: All Banks and SLBC)

9. The Deputy Governor observed that average growth rate of bank deposits and credit in last five years in the state was comparatively higher than the national average. However, the CD Ratio of the state, which was already below the national average had continued to decline for last three financial years. CD ratio of Public Sector Banks was significantly lower at 33.95% whereas Private Sector Banks' CD ratio was 81.61% as on December 2020. The Public Sector Banks to strive to improve their CD ratio. The achievement under ACP for agriculture had consistently been lower than target during the past three financial years. The outstanding loans to MSME was lower in March 2020 vis-à-vis figures as on March 2018 despite achievement of targets under ACP. This clearly reflected that there was need to make ACP preparation more realistic to address the sectoral credit gaps for overall improvement in CD ratio. Further NABARD and state government



needed to make special efforts for improving credit penetration in the state. While observing that the credit linkages under Govt sponsored schemes were very poor, he emphasized the need for concerned sponsoring agencies as well as banks to take coordinated efforts for credit linkage of eligible beneficiaries as per potential of the area.

(Action: All PSBs, SLBC, Sponsoring Agencies, NABARD and State Government)

10. The Deputy Governor expressed concern over the NPAs position in the state. He stated that the NPA levels in PMEGP, NRLM and agriculture loans were significantly high and suggested that the respective implementation agencies must undertake adequate due diligence during identification of the eligible beneficiaries of government schemes. The Deputy Governor urged the State Government to provide full support to the banks for recovery of overdues for addressing the issue of high level of NPA. Regarding SHG Bank linkage programme, he observed that the performance at the state level in this aspect was better than the national average. But the average ticket size of loans to SHGs was only Rs 69000 as against national average of Rs 190000. He made a mention of initiatives taken in SHG Bank Linkage by the state government of Bihar and suggested state government officials to study the scheme implemented in Bihar. He emphasized that proactive involvement and support of State Government was critical for success of the SHG Bank Lending Program.

(Action: Govt of Jharkhand and Respective Implementation Agencies)

11. With a view to move towards universal financial inclusion, NSFI envisions that all willing and eligible PMJDY account holders were enrolled under an insurance (PMSBY & PMJJBY) and pension scheme (NPS & APY). The Deputy Governor urged concerned sectoral regulators to provide necessary impetus to improve on the coverage of insurance and pension at national as well as regional level.

(Action: PFRDA and IRDAI)

12. Referring to agriculture production in the state, the Deputy Governor observed that almost 80% of the cultivated area of the state was used for single crop of paddy (kharif) in a year. There is thus, huge untapped potential to increase the farm production. Under allied activities too, there is huge potential. He suggested the State Government agencies and NABARD to collaborate with agriculture research institutes to explore the possibility of growing multiple crops, increase cultivable area under irrigation, diversifying cropping pattern and growing crops which needed lesser water. Further, SLBC was advised to allocate separate targets for the lending to agri-allied activities.

(Action: Govt of Jharkhand, NABARD and SLBC)



13. The Deputy Governor highlighted that the state has completed digitization of land records and providing access to these digitized land records to banks operating in the state would enable them to verify land title and create charge for providing bank credit in an effective and efficient manner. He requested State Government to expedite the process for providing access to digitized land records to banks. He further stated that the small and marginal farmers comprised nearly 83% of total land holding. It was, therefore, desirable that the State Government may consider adoption of the legislation on the lines of the Model Land Leasing Act which had the potential to enhance credit flow to agriculture, augment agricultural productivity and income levels of the agriculturists.

(Action: Govt of Jharkhand & all Banks)

14. The Deputy Governor thereafter mentioned that with a view to address the regional disparities in the flow of priority sector credit, an incentive framework has been put in place for banks in the revised guidelines on Priority Sector Lending issued by Reserve Bank in September 2020. In the State of Jharkhand 12 districts has been identified where per capita PSL credit was comparatively lower. He advised banks to assess the lending potential and avail the opportunity to lend in those 12 districts.

(Action: All Banks)

15. He stated that with a view to assess and address the challenges that currently beset our financial inclusion initiatives in this region and understand the gaps/ limitations in the path of financial inclusion, it was desirable that all concerned stakeholders (Government, RBI, other sectoral regulators, Banks and Development Financial institutions) come together on a common platform and draw up a holistic actionable framework for promoting financial inclusion and financial literacy.

(Action: SLBC in Consultation with all Stakeholders)

16. The Deputy Governor thereafter stated that the Reserve Bank had released National Strategy for Financial Education for the period 2020-2025 which intends to realize the vision of a financially aware and empowered India by developing adequate knowledge, skills, attitudes and behaviour of the people so that they manage their money better and plan for future. He stated that the Strategy recommended adoption of a multi-stakeholder approach to achieve financial well-being of Indians. He stated that to strengthen the demand side of financial inclusion and with the objective of reaching out to the last mile, the Pilot CFL project was initiated across 100 blocks in the country including 5 blocks in Jharkhand. Based on the experience gained, feedback received from the stakeholders (banks and NGOs) and to promote financial literacy at grass root level in a sustainable manner, it was decided to expand the reach of the CFLs at every block in the country in a phased manner by March 2024. In phase - I of the project, 44 CFLs would be set up in the



Jharkhand catering to 134 blocks covering all 24 districts including 19 aspirational districts. He informed that ten of the newly established CFLs had commenced their operations today

17. He further touched upon that as per the National Strategy on Financial Education (NSFE), basic financial education was aimed to be included in the school curriculum up to senior secondary level. This would allow children to acquire the knowledge and skills to build responsible financial behaviour throughout each stage of their life. He mentioned that Central Board of Secondary Education (CBSE) had developed financial education workbooks for Classes 6 to 10 in collaboration with the National Centre for Financial Education (NCFE) and all the financial sector regulators viz., RBI, SEBI, IRDAI and PFRDA. Thirteen states had included these workbooks in their school curriculum so far. Considering the benefits that would accrue to students, the Deputy Governor requested the State Government officials to take up the matter with the State Education Board for the integration of the financial education workbooks as part of the school curriculum framework.

(Action: Govt of Jharkhand)

18. Smt. Himnani Pandey, Secretary, Finance, Government of Jharkhand deliberated upon the issues of CD ratio. She informed that consistent decline in the CD ratio was discussed during the recently concluded Budget session of the Jharkhand Assembly. She observed that while CD ratio at the state level had decreased, the pace of decline in three districts viz., Palamu, Latehar and Sahibganj was very steep. She further highlighted that it was concerning to note that districts such as Saraikela Kharsawan, which had units of Tata Motors and other ancillary units (who were suppliers to Tata Motors) had also reported decline in the CD ratio. On the issue of banking access, she stated that while the urban population of the state was nearly 25% of total population, 50% of the bank branches were operational in the urban area. As a result, remaining 75% of the population in the rural area was served with approximately 1500 branches. She stated that the issue needed to be actively considered by the banks. She further stated that while number of applications generated under KCC (Fisheries) and dairy sector were already low, the number of rejections by banks among those little applications was too high. This resulted in lower sanctions. Further, there were many cases where proposals were sanctioned but were pending disbursement for a long time. She further highlighted that the number of education loans given to the tribal students in the state by different financial institutions was very low. Banks were also requested to identify the reasons for less generation/ sanction of loan applications. As regards the ACP achievement, she stated that Bank of India and State Bank of India being the two biggest banks had a major share in ACP target as well as achievement. However, the achievement of Bank of India in the current year was lower than the previous year. She stated that being a lead



bank in 15 districts and SLBC convener bank, Bank of India needed to demonstrate better achievement of targets under ACP.

(Action: Bank of India, All Banks and SLBC)

19. She apprised the house about the steps initiated by the State Government for boosting credit penetration and financial inclusion in the state. She informed the participants about Johar Project where SHGs women including women from ST community were developing and establishing viable commercial enterprises. She also briefed the development measures taken by Jharkhand Tribal Development Society where special attention and focus was on the development of tribal communities and the farmers. Smt. Pandey further assured the house that with coordinated and concerted effort by all the stakeholders, the state would be able to achieve all the targets and vision of NSFI.

20. After address by the dignitaries, a power point presentation on agenda items was made by SLBC. Reference was also drawn to the actionable items identified during the meeting of SLBC sub-committee on Financial Inclusion and Financial Literacy on March 23, 2021. Banks and their controlling heads and officials from the state government were requested to initiate necessary measures to take remedial measures for various action points identified during the meeting.

(Action: All Banks and SLBC)

The meeting ended with a vote of thanks extended by Chief General Manager, NABARD to the chair.



List of Participants

Special SLBC Meeting to Review Financial Inclusion and Financial Literacy - March 26, 2021			
Sl.	Name	Designation	Name of Institution
Participants from RBI			
1	Sri Mahesh Kumar Jain	Deputy Governor	RBI
2	Smt. Sonali Sen Gupta	Chief General Manager-in-Charge	FIDD, CO, RBI
3	Sri Sanjiv Dayal	General Manager (OIC)	RBI, Ranchi
4	Smt. Sushmita Phukan	General Manager,	FIDD, CO, RBI
5	Sri R S Prasad	General Manager	FIDD, CO, RBI
6	Sri R R Tiwari	Assistant General Manager	RBI
7	Sri Amrendra Gupta	Assistant General Manager	RBI
8	Sri Amit Vishwakarma	Manager	RBI
9	Sri Arun Chowdhry	Manager	RBI
10	Sri Akhilesh Kumar	Asst. Manager	RBI
11	Sri Kedarnath Rauta	Asst. Manager	RBI
12	Sri Anand Kabir	Assistant	RBI
Participants from Govt. of Jharkhand			
1	Smt. Himani Pandey	Secretary	Dept. of Planning & Finance,
2	Smt Dipthi Jayaraj	Special Secretary	Dept. of Planning & Finance,
3	Smt Megha Bhardwaj	Joint Secretary	Dept. of Planning & Finance,
4	Sri Vivekanand Kumar	Asst. Director	Dep. of Telecom, GoJ
5	Smt Saloni Singh Pahwa	SMM - NULM	Urban Development Dept,
6	Sri Mukesh Kumar Jha	DMA	Urban Development Dept,
7	Sri Dhiraj	SPM-Financial Inclusion	JSLPS, MoRD, GoJ
8	Sri Bishnu C Parida	COO	JSLPS, MoRD, GoJ
Participants from SLBC and Bank of India			
1	Sri P R Rajagopal	Executive Director	Bank of India
2	Sri Nitin Deshpande	General Manager	Bank of India
3	Sri Pankaj Kumar Sinha	Dy General Manager	Bank of India
4	Sri Ganesh Toppo	Dy General Manager	SLBC Jharkhand
5	Sri Bibhaw Kumar	Senior Manager	Bank of India
Participants from Banks			
1	Sri S K Rana	General Manager	Punjab National Bank
2	Sri Nityananda Behra	General Manager	Bank of Baroda
3	Sri Hitesh Goyal	General Manager	Canara Bank
4	Sri Anil Kuril	General Manager	Union Bank of India
5	Sri Jitendra Singh	General Manager	IDBI Bank
6	Sri A B Mandal	Dy General Manager	State Bank of India



7	Sri P R Sinha	Dy General Manager	Indian Bank
8	Sri Jagdish Tungaria	Dy General Manager	Bank of Baroda
9	Sri Ajay Kumar Singh	Dy General Manager	Central Bank of India
10	Sri Gautam Patra	Dy General Manager	UCO Bank
11	Sri Abhishek Kumar	Circle Head	HDFC Bank
12	Sri Anand Kumar	Vice President	Yes Bank
13	Sri Rajesh Kumar	Assistant General Manager	State Bank of India
14	Sri Kamal Kumar Kedia	Assistant General Manager	IDBI Bank
15	Sri Sagar Kumar Behra	Assistant General Manager	Punjab & Sindh Bank
16	Sri Sanjay Kumar	Assistant General Manager	Jharkhand Rajya Gramin
17	Sri Hemant Kumar Pandey	Assistant General Manager	JStCB
18	Sri Mahesh Shetty	Assistant General Manager	Karnataka Bank
19	Sri Manish Kr Dwivedi	Zonal Head	Fino Payment Bank
20	Sri Vikram Kumar	Zonal Manager	Airtel Payment Bank
21	Sri Syed Shabbir Akhter	Regional Head	ICICI Bank
22	Sri Abhijit Chowdhury	Regional Head	IndusInd Bank
23	Sri Prem Trigunait	Regional Head	Jana Bank
24	Sri Raj Kumar Kamal	Regional Manager	IndusInd Bank
25	Sri Anup Kumar Pandey	Regional Manager	Ujjivan Bank
26	Sri Mahamaya Prasad Roy	Divisional Manager	Canara Bank
27	Sri Ram Sagar Pandey	Cluster Head	Bandhan Bank
28	Sri Abhay Kumar	Cluster Head	Axis Bank
29	Sri Dharmendra Kumar	Cluster Head	HDFC Bank
30	Sri Manish Bharti	Cluster Head	IDFC First Bank
31	Sri Chandan Arora	Cluster Head	Utkarsh Bank
32	Sri Vikash Kumar	Cluster Manager	Paytm Payment Bank
33	Smt. Kiran Mishra	Chief Manager	Kotak Mahindra Bank
34	Sri Amit Kumar Jha	Chief Manager	India Post Payment Bank
35	Sri Himanshu Shekhar	Senior Manager	Bank of Maharashtra
36	Sri Jayakrishna J S	Senior Manager	South Indian Bank
37	Sri Amit	Senior Manager	Federal Bank
38	Sri Mukesh Kumar	Manager	JStCB
39	Sri Prashant Kumar	Nodal Officer	Indian Overseas Bank
40	Sri Abdul Rashid Sofi	Branch Head	Jammu & Kashmir Bank Ltd
41	Sri Manish Kumar Sinha	Branch Head	DBS Bank
42	Sri Sujay H	Branch Head	Karnataka Bank
43	Sri Abdhesh Kumar	Asst. Manager	DBS Bank
44	Sri A G Kujur	Managing Director	Dhanbad DCCB
45	Sri Raman Srivastava	Chief Technical Officer	Dhanbad DCCB



Participants from other agencies			
1	Sri A K Padhi	Chief General Manager	NABARD
2	Sri Mitrajeet Dey	Dy General Manager	SEBI
3	Sri Anupam Tewari	Dy General Manager	BSNL
4	Sri Shantanu Lala	Assistant General Manager	BSNL

