

## **Minutes of the Special SLBC meeting on Financial Inclusion held on 17<sup>th</sup> July 2023**

Special meeting of State Level Bankers' Committee (SLBC) on Financial Inclusion was held on 17th July 2023 with a dual participation mode, allowing both physical attendance at Vallabh Bhawan, Mantralaya, Bhopal and virtual attendance. The meeting was chaired by the Chief Secretary (CS) to the Government of Madhya Pradesh and was attended by senior government officials, GM (O-i-C) RBI, DMD SBI, CGM NABARD, SLBC Convenor, and officials from member banks. A list of the participants is attached as **ANNEXURE-I**. The points of discussion and actionable points are mentioned below:

### **1. ACTION POINTS EMANATED FROM CONSULTATIVE COMMITTEE MEETING ATTACHED TO MINISTRY OF FINANCE DT. 19.06.2023**

Convenor SLBC informed that Hon'ble Finance Minister, Government of India chaired a meeting of a Consultative Committee on Financial Inclusion on 19.06.2023 on the subject 'Financial Inclusion-Progress & Prospects. The following instructions have been issued.

- a) All LDMs to hold special District Level Review Committee (DLRC) meetings, at the earliest, in each district between 15th July 2023 to 15th August 2023, wherein a roadmap to open bank accounts of all unbanked adults would also be prepared.

**Action: All LDMs & District Collectors**

- b) To conduct credit outreach camps by all the banks operating in the districts in credit deficient districts namely Anuppur, Niwari, Sidhi, Singrauli, and Umaria for a period of 90 days commencing from 01.07.2023.

**Action: All concerned LDMs & Banks**

### **2. INCREASING LOAN-TERM FINANCING IN AGRICULTURE**

The SLBC Convenor informed that the share of term loans for agriculture was 28% at the quarter ended March 31, 2023. However, it increased to 38% when excluding the credit extended by the DCCBs & Apex Bank. If DCCBs are empowered to provide agriculture term loans as well, the overall share of agricultural term loans will likely increase. Furthermore, banks were advised to achieve the allotted targets of agricultural term loans under the Annual Credit Plan for the year 2023-24, which is nearly double the disbursements made in the last financial year.

**Action: Cooperation Department & All Banks**

### **3. OPENING BRICK-AND-MORTAR BRANCHES IN IDENTIFIED VILLAGES**

The Convenor informed that, following the instructions issued by the Department of Financial Services, 54 villages have been allotted to the member banks for the opening of brick-and-mortar branches. However, some banks have reported facing difficulties, including network connectivity issues, unavailability of suitable premises even within 5 km radius from the village, and security concerns in 21 of these locations. To address this matter, discussions have taken place in various forums to find a solution.

The Chief Secretary has instructed the DIF (Directorate of Institutional Finance) to organize a meeting with the SLBC and the concerned banks and work towards finding a prompt resolution to these issues.

**Action: DIF & SLBC**

#### **4. INTEGRATING FINANCIAL EDUCATION CONTENT IN SCHOOL CURRICULUM**

The General Manager & O-i-C of the Reserve Bank of India mentioned that The National Strategy for Financial Education (NSFE): 2020-2025 document aims to promote financial education nationwide, with the vision of creating a financially aware and empowered India. The NSFE 2020-2025 strategy follows a '5Cs' approach. The Content approach involves developing relevant content and incorporating it into the curriculum of schools, colleges, and training establishments. As a part of this, he requested the State Government to consider including financial literacy as a topic/lesson in the regular syllabus for secondary/higher secondary students.

In response, the Chief Secretary suggested that, before making a decision, banks should take the responsibility of imparting financial literacy in schools and providing education on financial discipline and related matters to the students. This work can be done in coordination with the concerned department of the Government.

**Action: All Banks & Department of Higher Education**

#### **5. REVIEW OF THE PROGRESS OF SPECIAL CAMPAIGN FOR JAN SURAKSHA SCHEMES**

To achieve saturation under Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY), the Department of Financial Services (DFS), Ministry of Finance, has initiated an intensive four-month saturation campaign from 01.04.2023 to 31.07.2023. DFS has set a target of 23.63 lakh enrollments under PMJJBY and 53.21 lakh enrollments under PMSBY. As of 10.07.2023, the achievement percentage stands at 24.6% and 19.9% for PMJJBY and PMSBY, respectively, against the set targets. All LDMs (Lead District Managers) have been advised to cover all Gram Panchayats and achieve the allotted targets within the stipulated deadline.

**Action: All LDMs**

#### **6. DEPOSITOR EDUCATION AND AWARENESS FUND**

GM (O-i-c) RBI mentioned that the Reserve Bank of India has launched a special 100-day campaign commencing from June 1, 2023, during which banks are required to trace and settle their top 100 deposits in every district under DEAF (Depositor Education and Awareness Fund). This measure will complement the ongoing efforts and initiatives by the Reserve Bank to reduce the quantum of unclaimed deposits in the banking system and return such deposits to their rightful owners/claimants. He requested Government departments to address this issue, and any amount found will be returned to the respective Government accounts. Banks have been advised to ensure the success of this campaign.

**Action: All State Government Departments & the Banks**

**7. ATTENDING DCC MEETING WITH PREPARATIONS**

GM (O-i-c) RBI mentioned that District Consultative Committee (DCC) plays a crucial role in promoting financial inclusion, coordinating policies and programs, resolving local issues, and fostering overall economic development in the district by bringing together various stakeholders and facilitating effective communication and collaboration among them. However, it has been observed that other than LDM, no other banks attend the meeting with full preparations.

However, it has been observed that in some cases, bank representatives attending DCC meetings may lack in-depth knowledge of the subjects to be discussed, leading to less fruitful discussions and limited contributions.

To overcome this issue and ensure more productive DCC meetings, it is advisable for banks to nominate a senior official as a district coordinator. This coordinator should be well-versed in the various aspects of banking, financial services, and government policies. They should be adequately prepared before attending the meeting to provide valuable insights, expert opinions, and suggestions. If for any reason, the District Coordinator is unable to attend the meetings, a suitable official having adequate domain knowledge in the matter should be deputed.

**Action: All Banks**

The meeting ended with vote of thanks to chair

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