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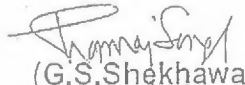
No. I-11011/140/2015-DBT
Government of India/भारत सरकार
Cabinet Secretariat/मंत्रिमंडल सचिवालय
DBT Mission/प्रत्यक्ष लाभ अंतरण मिशन

4th Floor, Shivaji Stadium Annexe,
Rajiv Chowk, New Delhi – 110001.

*Dated: 15th December 2015.

Subject: - Review meeting on issues pertaining to financial inclusion.

Please find enclosed herewith a copy of minutes of the meeting of Committee of Secretaries (CoS) held under the Chairmanship of Cabinet Secretary on Monday, the 09.12.2015 at 11.00 AM in the Committee Room, Cabinet Secretariat, Rashtrapati Bhawan, on the subject mentioned above, for information and necessary action. Action taken on the recommendations of the CoS may kindly be uploaded on e-Samiksha web portal.


(G.S. Shekhawat)
Director (DBT)

Tel. 23343860 Extn. 311

Secretary, D/o Financial Services
Secretary, D/o Expenditure
Secretary, D/o Post
Secretary, D/o Rural Development,
Secretary, D/o of Food & Public Distribution
Secretary, D/o Electronics & Information Technology
Chairman, Indian Bank Association
Dy. Governor, RBI
Controller General of Accounts
Director General, UIDAI
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MINUTES OF THE MEETING OF COMMITTEE OF SECRETARIES

Document No. I-11011/140/2015-DBT

Copy No.

Venue: Committee Room, Cabinet Secretariat, Rashtrapati Bhawan

Date of Meeting: Wednesday, the 9th December, 2015

Time of Meeting: 11.00 A.M.

PRESENT

1. Shri Pradeep Kumar Sinha, Cabinet Secretary, Cabinet Secretariat.
2. Shri Sanjay Kumar Srivastava, Secretary (C&PG), Cabinet Secretariat.
3. Shri J.K. Mohapatra, Secretary, Ministry of Rural Development.
4. Smt. Anjuly Chib Duggal, Secretary, D/o Financial Services.
5. Shri J.S. Deepak, Secretary, Deptt. of Electronics & Information Technology.
6. Ms. Vrinda Sarup, Secretary, Deptt. of Food & Public Distribution.
7. Smt. Kavary Banerjee, Secretary, Deptt. of Posts.
8. Shri A.N. Jha, Special Secretary, Deptt. of Expenditure.
9. Shri M.J. Joseph, CGA, Deptt. of Expenditure.
10. Dr. A.B. Pandey, Director General, UIDAI.
11. Shri C. Chandramouli, RGI.
12. Shri Tuhin Kanta Pandey, Joint Secretary, Cab. Sectt.
13. Shri Rajesh Agarwal, Joint Secretary, Deptt. of Financial Services.
14. Smt. Aparajita Sarangi, Joint Secretary, M/o Rural Development.
15. Shri Peeyush Kumar, Joint Secretary (DBT), Cab. Sectt.
16. Shri Subodh Mathur, Jt. CGA, PFMS, M/o Finance.
17. Smt. Madhavi Sharma, Chief General Manager, RBI.
18. Shri Ashwani Kumar, Chairman, IBA
19. Shri L.N. Sharma, DDG (FS), Deptt. of Posts.
20. Shri Anil Kumar, DDG (RB), Deptt. of Posts.
21. Shri G.S. Shekhawat, Dir (DBT), Cabinet Secretariat.

Sub: Review meeting on issues pertaining to financial inclusion.

A meeting of Committee of Secretaries (CoS) was held under the Chairmanship of Cabinet Secretary at 11.00 AM on 9.12.2015 in Committee

Room, Cabinet Secretariat, Rashtrapati Bhawan to discuss the issues pertaining to financial inclusion.

2. Secretary (C&PG) introduced the subject and stated that synergy among various stakeholders would be necessary to address issues in implementation of DBT particularly last mile connectivity and Financial Inclusion.

3. D/o Financial Services made brief presentation on status of Financial Inclusion and Aadhaar seeding in PMJDY. It was mentioned that out of 1.26 lakh bank branches in the country, only 48,872 bank branches are functioning in rural areas. These branches are being manned by 2-3 officials. About 1.26 lakh Bank Mitras, 1.83 lakh ATMs and 9.51 lakh PoS machines are also deployed across the country. It was observed that the outreach of banking / financial services are far less than required especially in rural and far flung areas. The BC model was still in nascent stage and needed a big push. The availability of regular branches was inadequate in rural areas. These deficiencies adversely affect last mile connectivity.

4. MoRD stated that there are about 2.56 lakh Gram Panchayats (GPs) and banking services are not available in majority of GPs. There should be at least one banking service provider in each GP for effective implementation of DBT in rural and far flung areas. Department of Post (DoP) said that out of 1.55 lakh Post Offices the majority of post offices are situated in rural areas and may be used to transfer DBT payments to beneficiaries at their door steps once the full scale IT system is rolled out by next year. Department of Electronics & IT (DeitY) also informed that about 1.3 lakh GPs have Common Service Centers (CSC) which may be utilised for providing financial services. Multipronged approach and synergised efforts will be required to address last mile connectivity problem. Existing infrastructure including Grameen Dak Sewaks, CSCs, PDS and Kirana shops, Aanganwadi and ASHA workers etc. may be considered to supplement the services provided by Bank Mitras.

5. DoFS was asked to undertake Panchayat level mapping of existing financial services infrastructure such as Bank branches, ATM, Post offices, CSC, Bank Mitras, mobile connectivity etc. This exercise should be taken up jointly by DoFS, D/o Posts, DeitY, DoT and DBT Mission in a time bound manner. After preparing GP wise mapping of existing financial system, and potential to extend financial services, action plan needs to be prepared.

6. Department of Post informed that Core Banking Solution (CBS) is under implementation and has been rolled out in 9698 Post offices. The target is to complete CBS in all 25,207 Departmental Post Offices by March 2016 which will provide link to connect entire account data of 1,55,000 post offices in a single data base. A Rural Information Communication Technology (RICT) project is also underway to provide access to this data to remaining 1,29,378

Post Offices through handheld devices planned to be connected to the DoP-CBS from 2016-17. It was also informed that there are 1,29,378 Grameen Dak Post Offices which provide basic postal services to rural population across the country. The India Post Payments Bank will leverage the 1.55 lakh post offices. It was further informed that transformation of Grameen Dak Sevaks as Business Correspondents (BCs) is already in the pipeline by providing an additional 1.3 lakh PoS/mPoS devices for the delivery staff and rural merchant locations. DoP is gearing up for addressing last mile connectivity issues and financial inclusion in rural and far flung areas.

7. It was observed that Aadhaar seeding in PMJDY accounts was only 42% and it needs to be enhanced by changing the present strategy and reaching out to the beneficiaries rather than waiting for them to come to bank branches. Secretary MoRD highlighted that the present scheme requires beneficiary to personally approach the banks for seeding his / her account with Aadhaar, because the banking regulations require consent of the account holders for any facility. If the consent of the beneficiaries for use of Aadhaar has been obtained any further consent to the bank branch may not be insisted upon and the data provided by the government agencies to banks can be used to seed PMJDY accounts. It was observed that the user departments may forward bank account details and Aadhaar number of the beneficiaries in their respective schemes to Banks / IBA for Aadhaar seeding in bank accounts.

8. RGI informed that the door to door survey for Aadhaar seeding in NPR database will be completed by December 15, 2015 in 31 States. The preliminary analysis indicate that 84% population has provided Aadhaar details; and of the remaining 16%, some have not enrolled, some have lost their Aadhaar and some are not willing to reveal Aadhaar information. Along with updation of demographic data, the NPR survey is also seeding Aadhaar numbers in NPR and also compiling the PDS number. However, obtaining bank account details was not the mandate of this exercise. It was mentioned that DBT Mission had planned for preparation of master database at the field level which combines NPR data with Aadhaar number and can be used for various welfare programmes of the government. Upon completion of the survey there may be need for DBT Mission to work out the operationalization of the master database in the field.

9. MoRD suggested that the existing accounts of MGNREGS and NSAP beneficiaries may be converted into PMJDY accounts so that the benefits attached with PMJDY accounts may be passed on to MGNREGS/NSAP beneficiaries. DFS explained that conversion of existing accounts to PMJDY may be beneficial for the account holders in terms of certain additional features offered under the scheme including insurance cover. However, in certain cases

D/o Expenditure was asked to look into the issue of reviving PIC to resolve various implementation related issues expeditiously.

13. After detailed discussions, the following decisions were taken:

- i. DFS in consultation with D/o Posts, DeitY and DBT Mission will map GP wise financial infrastructure such as Bank branches, post offices, CSC, Bank Mitras, Mobile connectivity and propose an Action Plan for uncovered / inadequately covered GPs.
- ii. User departments may forward bank account and Aadhaar details of the beneficiaries in their respective welfare schemes to DFS/IBA wherefrom Aadhaar seeding in the bank accounts may be completed by the banks based on the data.
- iii. DFS will examine the desirability and possibility of converting the existing bank accounts of beneficiaries of welfare schemes like MGNREGS, NSAP, etc. into PMJDY accounts.
- iv. D/o Expenditure and DFS will co-ordinate with NPCI, IBA, PFMS and major user Departments to resolve all issues concerning reverse feedback loop for cash transfers or benefits disbursed by Ministries/Departments.
- v. Department of Expenditure will immediately convene a meeting with DFS, IBA, PFMS and major Departments to resolve the issues of commission/transaction charges on DBT payments.
- vi. D/o Expenditure may consider reviving Project Implementation Committee of the PFMS for faster resolution of implementation level issues.
- vii. D/o Posts will speed up the CBS project and report monthly progress to the Cabinet Secretariat (DBT Mission).