

STATE LEVEL BANKERS' COMMITTEE, BIHAR
MINUTES OF THE
1ST MEETING OF THE SUB-COMMITTEE ON DIGITAL PAYMENTS

HELD ON 18.09.2019 AT STATE BANK OF INDIA, LOCAL HEAD OFFICE, PATNA

In compliance to RBI instructions contained in their letter No.FIDD.CO.LBS.No.475/ 02/ 01.001/2019-20 dated 27.08.2019, SLBC, Bihar has constituted a "Sub-Committee on Digital Payments" with members from the following Apex Institutions, Banks and Government Departments:

SL. NO.	NAME OF APEX INSTITUTION/ BANK/ GoB DEPTT.
1	Reserve Bank of India
2	NABARD
3	State Bank of India
4	Punjab National Bank
5	Bank of India
6	Bank of Baroda
7	Canara Bank
8	Central Bank of India
9	Allahabad Bank
10	UCO Bank
11	Union Bank of India
12	Bandhan Bank
13	HDFC Bank
14	Axis Bank
15	Dakshin Bihar Gramin Bank
16	Uttar Bihar Gramin Bank
17	Utkarsh SFB
18	India Post Payments Bank Ltd
19	Finance Department, GoB
20	Social Welfare Deptt. GoB
21	Education Deptt., GoB
22	Agriculture Deptt., GoB
23	Rural Development Deptt., GoB
24	Information Technology Deptt., GoB

The first meeting of the "Sub-Committee on Digital Payments" was held on 18.09.2019 at SBI, LHO, Patna and was presided over by Shri Prasad Tonpe , General Manager & Convenor, SLBC, Bihar. The list of participants of the meeting is attached as **Annexure –I.**

2. Shri R.K.Das , AGM SLBC, welcomed the members of the Committee to its very first meeting and read out the membership list for the convenience of the participants. He informed that SLBC Bihar had already initiated the process of constituting a Sub-Committee on IT related issues, but , in the meantime RBI instructions to form a Sub-Committee on Digital Payments was received. As the objective of both the Committees are same, it was decided to rename the newly constituted Sub-Committee on IT Related Issues as Sub-Committee on Digital Payments.

3. Outline the importance of the Sub-committee **Shri Prasad Tonpe, GM & Convenor, SLBC** briefly explained the objectives of setting up the Committee. He invited comments / suggestions from members on various aspects of digital outreach e.g DBT, BC Model of Banking, financial literacy, contribution of Payment Banks in financial inclusion, ATMs, PoS etc.

Shri Tonpe informed the members that consequent to RBI Governor's meeting with CEOs of PSBs, in compliance to an action point of that meeting, IBA had advised SLBC Convenor banks to adopt one district in the States they were SLBC Convenor for making it 100% digitally enabled within a time frame of 1 year. He told that SBI has proposed Jehanabad District for making it 100% digitally enabled and appealed all banks operating in the district to initiate all possible steps to broaden and deepen the digital reach in Jehanabad. All banks welcomed the proposal and assured their all-out support.

4. Talking on a few issues and suggestions, **Shri D. Balamurugan, CEO, JEEVIKA and Commissioner - Self Employment, Rural Development Department, GoB,** told that:

(i) "Bank Sakhis", the trained lady members of JEEVIKA sponsored SHGs, were working as BC Agents and playing a vital role in Financial Inclusion. Unlike some BC Agents sponsored by Banks, Bank Sakhis were not shifting their operational establishment and were working at the very location initially allotted to them. He requested banks to engage Bank Sakhis whenever there were vacancies of BC Agents.

(ii) He requested that all banks should enable dual authentication facility at their BC points to allow withdrawal of cash by SHGs.

(iii) Rural Development Department, GoB had been making Aadhar Based Payments under Lohiya Swachchh Yojana and NREGS to lacs of people in Bihar. But as many as 7-8% DBTs to beneficiaries were getting failed due to two reasons – non-seeding of Aadhar no. & Non-mapping of Aadhar seeded accounts with NPCI portal. Banks should look into this seriously to bring down the instances of DBT failures.

(iv) JEEVIKA had been doing efforts to spread financial literacy and henceforth it would be doing financial literacy campaigns more extensively. Banks could suggest JEEVIKA if anything specific they wished to include in these campaigns.

5. Speaking on the importance of constituting the Sub-Committee on Digital Payments, the **RBI representative** explained in detail the background behind setting up of the High Level Committee on Deepening of Digital Payments by RBI and some of its recommendations which, inter alia, included leveraging the SLBC platform for deepening digital payments. He also highlighted some steps taken by RBI to increase the digital footprint e.g. e-BAAT programme , waiver of RTGS & NEFT charges, extending transaction hours for RTGS & NEFT, increasing number of billers on Bharat Bill Payment System, issuance of discussion paper on Payment Gateways & Payment Aggregators etc. He thanked SLBC, Bihar for its proactive approach in forming the Sub-Committee and pinned his hope on the Sub-Committee in deepening the reach of Digital Payment in the State especially the rural and semi-urban areas.

He suggested that as customers were not aware of the intricacies of Aadhar Seeding and NPCI mapping, banks should proactively ask the customers at the time of opening their accounts about their choice of Aadhar Seeding their accounts and getting them mapped with NPCI. He emphasised that since the BC points opened accounts but did not do Aadhar Seeding and NPCI mapping at their end , the aspects of Aadhar Seeding and NPCI mapping was required to be taken care of more carefully in such cases.

He also cited his interaction with NPCI officials advising a probable solution to DBT failures in already seeded and mapped accounts to first delink and then re-link them.

Mentioning Cyber Frauds in digital transactions, he told that besides other aspects, filing of FIRs and recovery of defrauded amount were big issues. He opined that it would be proper to have a police representative in the meetings of the Sub-Committee to shed light on up-to-date status of cyber frauds.

6. Representative from **Finance Department, GoB** informed that they had a received a letter from Govt. of India citing non-Aadhar seeding of customers' accounts and their non-

mapping with NPCI as main reasons of DBT failures. Banks should see that both the issues were addressed effectively.

Talking on popularizing P2G transactions in the State, he informed that GoB has floated BNAS portal through which individuals / institutions could make payment to any GoB department

7. Representative from **Agriculture Department, GoB** mentioned that their department was extending financial assistance to farmers under various schemes invariably through DBT and there were a number for transaction failures due to non-seeding or non-mapping with NPCI.

He also informed that the banks maintaining beneficiaries' accounts did undue delay in advising the reasons for return/ failures of DBT transactions. It was informed by a number of bank representatives that it was the bank pushing DBT transactions which would receive the reasons for return and advise the same to the user departments accordingly.

He also suggested to display an advisory in a vernacular language at branches, especially rural and semi urban ones, that those planning to reap the benefits of any Govt. scheme must give their consent to get their accounts Aadhar Seeded and NPCI mapped.

8. Representative of **Dakshin Bihar Gramin Bank** explained the various modes of DBT transactions. He told that maximum number of DBT failures are related to PFMS and NPCI and suggested that it would be useful to invite their representatives also in the meeting of this Sub-Committee for better understanding and speedy resolution of problems.

9. JEEVIKA representative raised the issue of the non-reconciliation of transactions at BC points wherein customer accounts were debited and cash paid to them but BCs' accounts were not credited. Some banks informed that they had a well-established dispute resolution system and failed Aadhar based failed transactions were reported to NPCI on T+1 basis failing which NPCI levied penalty of Rs 25 per transaction. Representative from DBGB told that they had a large number of such pending cases and requested that RBI / NPCI should find some way to resolve the issue.

10. Talking on P2G transactions, Finance Department representative, GoB, told that there was a dedicated portal for collecting P2G payments which provided payment of various taxes to Bihar Govt. departments by connecting to debit card/ Credit card/ Internet banking of many banks and on-boarding more and more banks to it would increase P2G transactions.

11. The meeting came to an end with extension of vote of thanks to all participants by AGM, SLBC Bihar.

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ACTION POINTS

1. The DBT pushing banks should send the details of failed transactions along with reason(s) for returns to the user department within a reasonable time say maximum 10 days from the date of failure of DBT transactions.

[Action by: All DBT pushing banks]

2. The functionality of biometric authentication by two signatories of a SHG be made available by all banks at their BC points for making withdrawals from their accounts.

[Action by: All banks]

3. Representatives from UIDAI, NPCI, PFMS and Police (Cyber Cell) be invited in the meeting of the SLBC Sub-Committee on Digital Payments for better coordination on digital payment issues.

[Action by: SLBC]

4. Banks should display prominently in all their rural and semi urban branches and BC points a notice in vernacular language intimating their customers to submit their mandate in case they wished to use their accounts customers desiring to use their accounts to receive any Govt. subsidy/ grant / financial help etc.

[Action by: All banks]

5. Banks should collect the mandate from their customers to Aadhar seed their accounts and map them with NPCI at the time of opening of the account itself.

[Action by: All banks]

6. All banks operating in Jehanabad District should increase their digital offerings to make the district 100% digitally enabled by August 2020.

[Action by: All banks operating in Jehanabad District & LDM Jehanabad]

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ANNEXURE-1

STATE LEVEL BANKERS' COMMITTEE, BIHAR **1ST MEETING OF THE SUB-COMMITTEE ON DIGITAL PAYMENTS**

HELD ON 18.09.2019 AT STATE BAK OF INDIA, LOCAL HEAD OFFICE, PATNA

Sl. No.	Name of the participants	Designation	Name of the Office
1	Shri Balamugam D	CEO	JEEVIKA
2	Shri Prasad Tonpe	General Manager	State Bank of India
3	Shri P K Mohanti	Deputy General Manager	Punjab National Bank
4	Shri Niraj Kumar	Assistant General Manager	Reserve Bank of India
5	Shri Rajiv Kumar Das	Assistant General Manager	State Bank of India
6	Shri Kaushlendra Kumar	Assistant General Manager	State Bank of India
7	Shri Binay Kumar	Assistant General Manager	Canara Bank
8	Shri Sanjit	Chief Manager	Dakshin Bihar Gramin Bank
9	Shri Ashish Kumar	Senior Manager	Union Bank of India
10	Shri Amardeep	Senior Manager	Dakshin Bihar Gramin Bank
11	Shri Rakesh kumar	Senior Manager	Uttar Bihar Gramin Bank
12	Shri Mayur Sinha	Senior Manager	Punjab National Bank
13	Shri Suman Kumar	Senior Manager	Central Bank of India
14	Shri Ranjit Ranjan	Senior Manager	UCO Bank
15	Shri Rohit Ranjan	Senior Manager(IT)	Allahabad Bank
16	Shri Mukesh Mishra	Senior Manager	India Post Payment Bank
17	Shri Abhinav Prakash	Manager	Reserve Bank of India
18	Ms Rakhi Kumari	Manager	NABARD
19	Shri Mukesh Agrawal	Manager	Union Bank of India
20	Shri Rajnish Prasad	Manager	Bank of Baroda
21	Shri Vaibhav Narayan	Manager	Canara Bank
22	Shri Ravish Kumar Dwivedi	Manager(IT)	Central Bank of India
23	Shri Malay Ganguly	Manager(IT)	Bank of India
24	Shri Narendra Singh	Vice President	HDFC Bank
25	Shri Sudhanshu Kumar	Assistant Vice President	AXIS Bank
26	Shri Dpitendra Ghosh	Zonal Business Head	Utkarsh Small Finance Bank
27	Shri Abhishek Verma	Assistant Vice President	Utkarsh Small Finance Bank
28	Ms Ayesha Alam	Manager(IT)	Social Welfare Department
29	Shri Kameshwar Ojha	Joint Commissioner	Finance Department
30	Shri Sitendu P Singh	Senior Consultant	IT Department
31	Shri Yogesh Kumar	OSD	Education Department
32	Shri Rajesh Kumar	Assistant Director	Agriculture Department
33	Shri Mukesh Chandra Sharma	PC-FI	JEEVIKA
34	Shri Jivan Kumar Jha	SPM-IAB	JEEVIKA

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