

Special Meeting of J&K State Level Bankers' Committee (SLBC) on Digital Banking

Agenda & Background Papers

Time	:	11:00 A.M
Date	:	(Wednesday) 21 st December 2016
Venue	:	Hotel Fortune Inn, Riviera, Jammu
Presided over by	:	Dr. Haseeb A. Drabu Hon'ble Finance Minister, J&K

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AGENDA/BACKGROUND PAPERS

(A) INTRODUCTION

Digital Banking is often referred to as alternate multiple digital channel system through which banks are offering services to their customers, besides the conventional brick and mortar businesses. Digital Banking is the application of technology to ensure seamless end-to-end processing of banking transactions/ operations; initiated by the customer, ensuring maximum utility to the client in terms of availability, usefulness and cost and to the banks in terms of reduced operating costs, zero errors and enhanced services.

The concept of Digital Banking is fundamentally re-shaping the financial institutions and requires structural changes in the banking services. The digital revolution in banking has only just begun, today most banks offer their customers high-quality web and mobile sites/ applications for performing banking transactions and related services. We are approaching the times when Digital Banking becomes not merely an additional feature but a fully integrated mobile experience whereunder customers are offered full range of banking services without ever setting foot in a physical branch.

INITIATIVES TAKEN FOR PROMOTING DIGITAL BANKING IN J&K, SO FAR.

In order to promote mutual understanding and encourage a spirit of common endeavor in matters of common interest, RBI in May 2015 proposed to establish a Bankers' Club in J&K State. The Bankers' Club was accordingly established on August 5, 2015 with Regional Director, RBI as its President and Chairman, J&K Bank as its Chief Patron. All banks operating in the State are members of the Club.

Bankers Club, J&K organized a Banclave on “**e-Financial Inclusion – Way Forward**” at SKICC on April 26, 2016 under Chairmanship of Sh. H.R Khan, Deputy Governor RBI, wherein it was decided to constitute a **Sub-Committee of SLBC on Digital Banking Plan** headed by Regional Director, RBI by drawing members from major banks in the state and other stake holders. The first meeting of Sub-Committee was held on June 6, 2016 at RBI, Jammu, in which two sub-groups have been constituted to report on best practices Digital Banking Cost Benefit Analysis and latest technology available and looking into banking penetration and level of digitization in the State including e-Governance.

(B) BACKGROUND FOR PUSHING DIGITAL BANKING IN A MISSION MODE:**1. DEMONETIZATION:**

On November 8, 2016 the policy of demonetization of Rs.500/- and Rs.1000/- currency notes referred to as SBNs (Specified Bank Notes) was enacted by Government of India whereunder SBNs ceased to be the legal tenders in India from November 9, 2016. Reserve Bank of India concurrently laid down a detailed procedure for exchange of SBNs with new Rs.500/- and Rs.2000/- banknotes and Rs.100/- banknotes of preceding series. Initially with the announcement most of the people holding SBNs faced difficulties to exchange them. ATMs across the country ran out of cash within few hours of the announcement and there were endless queues outside the banks. In order to cope with emerging scenarios at the ground level, RBI came up with apt measures in the form of relaxations/modifications in the laid out procedures/norms to provide respite to general masses and to specified sectors/activities of the economy besides curbing possible illegal means, the people with unaccounted income, may use to clean their positions. With timely and effective measures from regulators coupled with hard work put in by banks across the country, the initial panic has gradually faded out and the situation is becoming normal.

2. DEMONETIZATION IN J&K STATE:

Roll out of demonetization has been rather smooth in our state as compared to most of the states in the country. No untoward incident was reported from any quarter during the roll out. Banks across the J&K State have actively been contributing in the process in a facilitating manner by working for extended hours for dispensation of cash through additional counters/ extension counters besides promoting transactions through alternative channels. Banks have ensured that public is not put to any inconvenience and measures were taken to minimize the temporary hardships of people of the state during the roll out. The facts and figures regarding the demonetization in J&K as on 15.12.2016 are given as under:

Total No. of ATMs in J&K State	No. of ATMs recalibrated	Amount of SBNs exchanged on counters	Amount of SBNs deposited in accounts	Value of counterfeit currency detected
2357	2213	Rs.337 Crore	Rs.13,975 Crore	Rs.3.80 lakh

Bank-wise details are given in **Annexure-A**.

3. DEMONETIZATION AND DIGITAL BANKING:

Though demonetization has come up as one of the toughest challenge for Indian economy in the recent times, however we can also look at it as a historic opportunity to weed out evils in the country’s shadow economy and a bold vision for progressing towards cashless system. In order to sustain a cashless economy, a robust Digital Banking system is a preliminary and indispensable essentiality. Demonetization of high value currency will provide boost to Digital India as well as to Digital Banking, which eventually shall go a long way in budding the muffled strengths of immensity in our economy. Aggressive proliferation in Digital Banking shall also help us to ease the short term challenges faced in successful implementation of demonetization process besides giving sustenance to its long term benefits. Demonetization and Digital Banking thus are mutually constructive and can carry each other ahead in an efficacious manner. It is under this perspective and optimism, that **Finance Minister of India has recently asked all banks to promote Digital Banking in a Mission Mode.**

(C) DIGITAL BANKING IN J&K STATE–HOW PREPARED WE ARE:

Brief Profile of J&K State viz-a-viz Implementation of Digital Banking:

Total population (as per Census 2011)	1.25 Crore
Percentage of rural population	72.62%
Number of villages	6,337
Number of Rural Households	15.53 lakh
Number of urban households	5.66 lakh
No. of bank branches	2006
Per bank branch population	6,231
No. of Banking Correspondents deployed	1,471

For the successful implementation of Digital Banking across the length and breadth of the state comprehensive **Financial Inclusion** and quality **Telecom Connectivity** especially in rural areas shall act as cornerstones and thus, when we talk about Digital Banking it is imperative to talk about both the components.

1. J&K SPECIFIC CHALLENGES FOR 100% FINANCIAL INCLUSION:

Though geographically a large state, J&K is sparsely populated comprising diverse regions and topographical areas having their own unique identities,

traditions, cultures and heritage. The state is sufficiently banked in terms of persons per branch, as the state is scantily populated, compared to other big states of the country, but the geographical distances and limitations of communication networks has restricted the reach to various areas, which to some extent, is being addressed with the involvement and participation of Business Correspondents (BCs). However providing adequate financial services to each and every household remains a challenge and technology can play a very important role in their financial empowerment through Digital Banking and e-governance initiatives of the banks and the state Government.

2. BANKING COVERAGE:

The Scenario of banking coverage in J&K can be viewed under the following figures:

1	Number of Sub Service Areas (as per Census 2011)	1827
2	Sub-Service Areas covered by opening at least one bank account in every household & providing banking service outlet (Branch/BC) within the area	1827
3	Number of A/Cs opened under PMJDY (up to 07.12.16) in rural areas	14.58 lakh
4	Number of A/Cs opened under PMJDY (up to 07.12.16) in urban areas	2.66 lakh
5	RuPay Cards issued by banks to PMJDY account holders	14.34 lakh

Bank-wise details are given **Annexure-B**

Bank-wise details of Banking Correspondents (Bank Mitras) deployed are given below:

#	Name of Bank	No of SSA Allotted	Sub Service Area (SSAs)		Total Bank Mitras (BMs)	No of Active BMs	No. of Micro ATMs	AEPS Devices with the Bank Mitras
			Covered through BM	Covered through Branch				
1	J&K Bank	1173	615	558	940	723	720	615
2	S.B.I	216	172	44	180	52	51	172
3	P.N.B	95	76	19	90	65	40	26
4	J.K.G.B	270	72	198	231	231	0	0
5	E.D.B	73	24	49	24	24	0	0
6	O.B.C	0	0	0	4	4	4	4
TOTAL		1827	959	868	1469	1099	815	817

The above table shows that out of 1469 Bank Mitras only 815 have been equipped with Micro-ATMs and 817 with AEPS devices. For successful implementation of cashless banking, the availability of AEPS devices with the BCs is essential. Banks to activate the Bank Mitras who are not active so far, besides equipping all Bank Mitras with AEPS devices and micro ATMs.

Table showing details of Banking Coverage through Brick & Mortar Branches/ BCs under various GoI directions for Financial Inclusion:

S.No	Name of Bank	FIP-I (Villages with Population >2000)		FIP-II (Villages with Population <2000)		Villages with population >5000 (to be covered through branch mode)	
		No.of villages allocated	No. of Villages covered	No.of villages allocated	Villages covered	No.of villages allocated	Villages covered
1	J&K Bank	536	536	3271	3271	40	2
2	State Bank of India	95	95	753	753	20	1
3	Punjab National Bank	34	34	294	294	12	0
4	J&K Grameen Bank	95	95	1026	1026	0	0
5	Ellaquai Dehafi Bank	35	35	238	238	0	0
6	HDFC Bank	0	0	0	0	11	0
7	ICICI Bank	0	0	0	0	6	0
8	Canara Bank	0	0	0	0	5	0
9	Central Bank of India	0	0	0	0	5	0
10	UCO Bank	0	0	0	0	5	0
	TOTAL	795	795	5582	5582	104	3

Though 100% coverages has been achieved at the Sub-Service Area level and FIP-1 & FIP-II also stand covered for providing banking services, but only 3 villages out of identified 104 villages (with population >5000) have been covered for opening brick & mortar branches.

Concerned Banks are required to lay special focus on completing the process of opening requisite bank branches within the stipulated timelines.

3. LEVEL OF TECHNOLOGY PENETRATION IN J&K:

The sub-service area-wise status of technology penetration in terms of Mobile, Wireline and Internet Subscriptions as on June 2016 is tabulated as under:

SERVICE AREA WISE NUMBER OF INTERNET SUBSCRIBERS AT END OF June, 2016			
PARTICULARS	RURAL	URBAN	TOTAL
Wireline + Wireless Subscribers (lakhs)	52.70	48.90	101.60
Internet Subscribers (lakhs)	18.30	17.20	35.50

*Source-Official website TRAI www.trai.gov.in

If we look at the subscription data in the light of promoting cashless Digital Banking in an effective manner, it is obvious that much needs to be done to get more and more people to subscribe to internet and wireless facilities.

State Government/ Telecom Service Providers need to look at the bottlenecks like weak mobile signals, poor net connectivity besides affordability to ensure effectual technological penetration especially in remote areas.

(D) CURRENT STATUS OF DIGITAL BANKING IN J&K.

All Scheduled Commercial Banks including 2 RRBs and 7 out of 10 Cooperative Banks operating in J&K are on Core Banking Solution (CBS) platform and hence are poised to acclimate with any new technology quite smoothly. In terms of availability of alternate multi-channel system used for Digital Banking services, J&K State is by and large at par with rest of the country with channels like **Debit Cards, Credit Cards, e-banking, Mobile Banking, POS (Point of Sale), UPI (Unified Payment Interface), AEPS (Aadhaar Enabled Payment System), Micro ATMs with Interoperability** etc., already being offered to people across the state by various banks. However in terms of spreading the usage of such services among the masses especially in rural areas, there is a lot of ground to cover and banks as well as the State Government need to work in a Mission Mode to set the Digital Banking as '**new normal**'.

Post-demonetization Government of India has been vigorously pursuing with the banks to adopt better structural mechanism to promote cashless /digital banking services by getting more and more people to subscribe for mobile banking and other alternate modes besides emphasizing seeding of Aadhaar and mobile numbers in the existing as well as new bank accounts. The progress is being monitored by DFS on daily basis.

The following data/tables provides an insight into the present Digital Banking platform in the state:

Aadhaar and Mobile Seeding

Total number of operative Savings Bank Accounts in J&K State as on December 17, 2016	146.87 lakh
Total number of Aadhaar Numbers issued as on December 17, 2016 (as per UIDAI website)	88.05 lakh
Number of Aadhaar numbers seeded with bank accounts as on December 17, 2016	12.89 lakh
%age of Aadhaar Seeded accounts as compared to total Aadhaar numbers issued	14.63%
Number of Mobile Numbers seeded with bank accounts as on December 17, 2016	59.36 lakh
%age of Mobile Seeded accounts as compared to total Saving Bank accounts	40.41%

Bank-wise details are given **Annexure-C**

Number of Aadhaar and Mobile Seeded accounts as compared to the total number of accounts is not satisfactory.

Data on Alternate Channel Subscribers (as on December 15, 2016) through major banks operating in J&K:

Total number of E-Banking Subscribers	5.47 lakh
Total number of Debit Card Subscribers	42.15 lakh
Total number of Credit Card Subscribers	0.58 lakh
Total number of Mobile Banking Subscribers	0.35 lakhs
Total number of PoS machines issued	8000
Number of M-PoS machines issued	Nil

(E) SETTING DIGITAL BANKING AS ‘NEW NORMAL’– WHAT NEEDS TO BE DONE.

The above data/tables on extant platform of Digital Banking in J&K shows that though in terms of providing variety in the services, we are by and large at par with existing technologies, however, the percentage of Digital Banking transactions obviously needs an exponential growth. All stake holders Banks, State Government and Telecom Companies have to evaluate and asses Success Factors associated with them which shall contribute in taking the process ahead in a Mission Mode.

1. SUCCESS FACTORS ASSOCIATED WITH BANKS:

Digital Banking when implemented in a successful manner, can be a win-win situation for both, the banking system as well as its customers. Banks in J&K should be more than willing to adopt Digital Banking model as extensively as possible because on one hand it shall augment the spread and the customer base of the banks without relying on the conventional methods of brick and mortar businesses, which are proving to be uneconomical proposition in rural and remote areas especially due to the localized constraints in our state, and on other hand Digital Banking shall reduce foot fall at branches, operational costs and various types of risk factors associated with banking operations.

Banks should devise strategies in consonance with the external systems for proliferating Digital Banking with focus on:

- a) **Adopting latest, user friendly, cost effective and secure technologies** across the Digital Banking channels to offer need based products in lending, deposits and services to suit the targeted clientele, especially among the rural population and environment.
- b) **Working to improve end-to-end integration of internal and external services** in the digital economy and e-governance and creating well talent-sourcing plans to meet the emerging requirements of digital expertise.

- c) **Increasing the IT-securities in their systems** so as to offer foolproof security mechanism across the alternative channels. The customers availing the services should not be discouraged by any security lapses while conducting transactions. Banks should train the operational staff so that they can create awareness among their customers for following the safety and security measures associated with digital system of transactions besides importance of maintaining secrecy of their IDs and Passwords and also remaining alert against the fictitious offers and cyber phishing.
- d) **Focusing more on providing GSM-based digital banking services** like Unstructured Supplementary Service Data - USSD (*99#), which will have a far more penetration in rural areas where availability and affordability of internet services remains a costlier affair.
J&K Bank has not introduced USSD system as yet. However, being the major player in the banking system of the State, the Bank should adopt the USSD mechanism as early as possible.
- e) **Improving customer relation through digital engagement** and encouraging customers to go digital by appropriate marketing of digital products and incentivizing customers to use them.
- f) **Taking opportunity of the visiting customers for seeding of Aadhaar and Mobile Numbers** in their accounts besides taking due care to seed Aadhaar and Mobile Numbers while opening fresh accounts besides involving BCs, wherever engaged, for completing 100% seeding of Aadhaar and Mobile Number.
- g) **Creating awareness among the people on need and importance of Digital Banking** at various levels and also during the Financial Literacy Camps conducted by rural branches as per the extant RBI guidelines.

2. SUCCESS FACTORS ASSOCIATED WITH STATE GOVERNMENT:

With the 'Digital India' initiative launched by Government of India on July 1, 2015 and focus on providing high speed internet access across rural India and using the technology to create participative, transparent and responsive government, Digital Banking should no longer be a distant dream. Owing to the geographical constraints of J&K, we are having a higher degree of challenges in implementation of Digital Banking but at the same time it also becomes more important for us to reach out to people of the State in such tough terrains.

In order to provide a big push to Digital Banking Plan in J&K, role of state government is extremely essential for creating a facilitative medium. The major

success factors associated with State Government machinery can be grouped as under:

- a) **Addressing issues of connectivity, especially in rural areas**: Government may initiate measures to look into impeders, if any, for ensuring better Telecom/ Internet connectivity across the state at affordable prices through the concerned operators. The focus needs to be on rural areas where we have connectivity issues.
- b) **Channeling Government Payments through Digital Banking**: All the payments made by government departments to beneficiary accounts should be encouraged to be routed through Digital Banking channels like e-banking. To begin with payment through cheques needs to be discouraged and subsequently eliminated from the system.
- c) **Channeling Government receipts through Digital Banking**: All Government receipt points to be enabled for cashless transactions by implementing available technologies for Digital Banking like POS, Mobile-POS, IMPS (Mobile Payments), e-commerce etc. Payments, fees and fines collected by various Government Departments/ Agencies/ Outlets like CAPD, Revenue, Sales Tax, Traffic Control, RTO, Tourism, PDD, Water Supplies, Colleges/ Universities, Handloom/Handicraft, SMC, Hospitals & Relief & Rehabilitation should be done by Digital Banking mode.
- d) **Encouragement for small shopkeepers and businesses in J&K**: Cashless infrastructure like POS, Mobile-POS usually has a monthly rental between Rs.200/- to Rs.1000/- besides Merchant Discount Rate (MDR) charges. However Mobile Banking system can be cheaper options for small business establishments. **Government to look into devising schemes for refunding/ subsidizing rentals and MDR charges for small shopkeepers, businesses and transporters.**
- e) Also at the time of registration of a new shops/ business establishments or providing Route Permits/ Licenses to public transporters/ Shikaras etc. and also at the time of their renewals Government has to make it mandatory for the proprietors to establish cashless mode for receiving payments from the customers.
- f) **Electronic Benefit Transactions (EBT)**: EBT should be mandated for all government schemes like MNREGA, Social Welfare etc. **In this regard government needs to designate Nodal Officers for each scheme with whom**

banks can coordinate for data validation and transaction mechanism.

Government should also include Mobile Number and Aadhaar Number while sharing the data so that same is seeded concurrently.

- g) Setting up of Aadhaar Helpdesk/ Facilitation Centres:** Though more than 81 lakh Aadhaar Number have been generated in J&K but, due to misplacement in transit, there are people who have not received their Aadhaar Number and are also unable to download them from UIDAI website, due to unavailability of Enrollments Numbers or registering wrong/duplicate mobile numbers at the time of registration.

Government is required to establish Aadhaar Helpdesk/ Facilitation Centre wherein such people are provided support for printing/ generating Aadhaar Numbers/Cards to those who have been allotted Aadhaar numbers and providing Aadhaar to left-over people yet to be enrolled for issuance of Aadhaar Cards.

- h) Providing incentives for going cashless:** Government of India has recently announced various incentives/ discounts for people to go cashless.
- i) To give this mission a further push, **State Government is also required to provide similar kind of incentives in addition to the incentives announced by Central Government in context of the state specific economy, as may be considered suitable.****
- j) White-listing all the Digital Banking URLs and IP Pools during Internet Restrictions:** Telecom Network/ Internet Connectivity is the basic infrastructure for all cashless transactions. During any turmoil/ disturbances in J&K State, when the Government decides to impose restrictions on Internet/Telecom services, **Service Providers may be asked to ensure that URLs (Uniform Resource Locators) and specific IP (Internet Protocol) Pools used for Digital Banking transactions/OTP delivery be white-listed** where under the Service Provider enables data traffic from specific source to specific destination. In absence of white-listing, no e-commerce can happen and the dream of cashless cannot be accomplished.

k) Activating Common Service Centres (CSCs) in J&K State:

Under the National e-Governance Plan Government of India has rolled out 1,00,000 Common Service Centres across the country with the vision of delivering all government services in the areas of telecom, agriculture, health, education, entertainment, banking and financial services etc., at an affordable cost at the doorsteps of the people. This included a number of services consisting majorly of Government to Citizen (G2C) Services and some business to Citizen (B2C) services. In J&K State the initiative has been implemented through J&K Bank whereby 1205 CSCs (including 1104 rural CSCs) have been set up in J&K State, which are commonly known as Khidmat Centres. Each Khidmat Centre is expected to serve a cluster of 6-7 villages. Out of the total 1205 Khidmat Centres set up in J&K State, 940 VLEs of Khidmat Centres have been also engaged as Business Correspondents for providing various banking services under Financial Inclusion Plans.

In J&K State, the said business model has not so far taken off as has been envisaged. Government needs to roll out G2C service through this model to encourage the CSCs as working only as the Business Correspondents for the banks, the Khidmat Centres have not proved to be an encouraging remuneration for the Village Level Entrepreneurs (VLEs).

State Government needs to strengthen the CSC mechanism in the State by enabling more and more G2C services through the CSC mechanism, so that it becomes a contributing factor for the digital banking initiative in the state.

3. SUCCESS FACTORS ASSOCIATED WITH TELECOM COMPANIES:

Quality telecom connectivity is the lifeline for providing digital banking services and encouraging masses to switch over from the traditional methods to avail the multi-facet benefits of going digital. In J&K, among the **1827** Sub Service Areas identified for providing banking coverage, Department of Financial Services, MoF, Gol has identified **15 Dark Areas** with no telecom connectivity and **180 Grey Areas** (identified by banks) with intermittent connectivity. NABARD under the Financial Inclusion Fund was supposed to sanction solar powered V-sats in these identified dark/grey areas, which have not been sanctioned so far.

Bank-wise details of Dark Areas/ Grey Areas identified by DFS/ Banks:

#	Name of the Bank	DARK AREAS identified by DFS	DARK AREAS identified by banks	GREY AREAS identified by banks	Total
1	J&K Bank	Nil	Nil	66	66
2	State Bank of India	15	Nil	42	57
3	Punjab National Bank	Nil	Nil	35	35
4	J&K Grameen Bank	Nil	Nil	25	25
5	Ellaquai Dehati Bank	Nil	Nil	12	12
Total		15	0	180	195

The major telecom companies especially BSNL need to address the connectivity issues on priority, especially in rural areas, so that people have a dependable Digital Banking option available with them before banks and other stake holders can step in to encourage them to avail it.

NABARD may also expedite sanctioning V-Sats under FIF in the identified areas.

(F) RECENT DEVELOPMENTS IN PROMOTING/ INCENTIVISING DIGITAL BANKING:

- a) **NITI Aayog** in a bid to promote shifting to digital payment system recently announced to provide incentive of Rs.10/- for District Collectors or DMs or Deputy Commissioners for every individual who has transited to digital payment mode and has undertaken at least two successful transactions. The Top Ten performing districts of India shall be awarded Digital Payment Champions of India award and the first 50 panchayats which go cashless shall be awarded the Digital payment Award of Honour by **NITI Aayog**.
- b) **National Payments Corporation of India (NPCI)** has announced various lucky draws under which cashless digital transactions through RuPay Cards, UPI, AEPS and USSD shall be awarded. There will be prizes for **customers** under **Lucky Grahak Yojana** wherein daily & weekly prizes shall be given besides three mega prizes of Rs.1.00 Crore, Rs.50.00 Lakh and Rs.25.00 Lakh, to be announced on April 14, 2017. For the **merchants** there will be three mega prizes of Rs.50.00 Lakh, Rs.25.00 Lakh and Rs.12.00 Lakh under **Digi-Dhan**

Vyapar Yojana also to be announced on April 14, 2017 besides the weekly prizes.

c) **Government of India** in a recent statement to media announced a slew of incentives and discounts for making **cashless payments** for purchases and services which include:

- All participating banks and Pre-paid Payment Instruments (PPI) issuers have been asked not to levy any charges on customers for transactions upto Rs.1000/- settled on Immediate Payment Service (IMPS), USSD-based and UPI Systems from January 01, 2017 onwards.
- For a temporary period Merchant Discount Rate (MDR) charges have been capped at 0.25% of the transaction for the transactions upto Rs.1000/- and 0.5% for transactions of above Rs.1000/- to Rs.2000/-, effective January 1, 2017.
- 0.75% discount on buying petrol/diesel through cashless means on Central Government Petroleum PSUs.
- 5% discount on availing associated services from railways such as catering, accommodation and retiring rooms.
- Upto 0.5% discount on monthly/seasonal railway tickets from Jan 1, 2017.
- Public sector insurance companies will provide incentive, by way of discount or credit, up to 10 % of the premium in general insurance policies and 8 per cent in new life policies of Life Insurance Corporation (LIC) sold through the customer portals, in case payment is made through digital means.
- No service tax on transactions shall be charged upto Rs.2000/-.
- For payments at Toll Plazas on national highways using RFID Card (Radio Frequency Identification)/ FASTags, a discount of 10% shall be available to users in the year 2016-17.
- PSBs have been advised not to charge more than Rs.100/- per month as rental for POS terminals/ Micro ATMs/ Mobile-POS.
- Free accidental insurance cover of upto Rs.10 lakh shall be provided on railway tickets purchased online.
- Two POS machines each, for one lakh villages across the country, having population less than 10,000 (tier 5 and tier 6 villages) shall be provided by

the Central Government through NABARD wherein 60% cost of the machines to be installed by the banks shall be provided by NABARD, subject to a cap of Rs.6000/- per machine.

- Central Government through NABARD shall support RRBs and Cooperative Banks to issue “**RuPay Kisan Cards**” to 4.32 crore KCC holders for enabling them to make digital transactions.
- Central Government departments and PSUs will not charge transaction fees for any payments made through digital means. State Governments have also been asked to consider implementation of similar measures at their level.

d) J&K Bank is shortly launching **Easy Collect** a Centralized multi-model payment portal that will enable institutions which do not have their own websites, to switch over to e-Commerce. The portal will be enabled to receive online payments besides having a challan system for receiving offline payments at the business units. Once the product is launched, the Government Departments and various other Organizations like Schools, Hospitals, etc. can approach J&K Bank for enabling them to utilize the services of **Easy Collect**.

Annexure-A
DETAILS OF DEMONITIZATION PROCESS UP TO 15/12/2016

AMOUNT IN CRORES

S.NO	NAME OF THE BANK	AMOUNT OF SBNS EXCHANGED OVER COUNTER UPTO 15.12.2016	AMOUNT OF SBNS DEPOSITED IN ACCOUNTS UPTO 15.12.2016	TOTAL	VALUE COUNTERFEIT NOTES DETECTED	REMARKS, (DATA UPTO)	No. of ATMs	No. of ATMs recalibrated
(i)	Public Sector Banks							
1	State Bank of India	131.47	1823.64	1955.12	0.00855		746	653
2	Punjab National Bank	25.19	838.77	863.96	0.00095		136	134
3	UCO Bank	4.84	100.06	104.89	0.0005	(30.11.2016)	22	18
4	Central Bank of India	0.00	0.00	0.00	0	NOT PROVIDED	17	17
5	Canara Bank	5.01	85.42	90.42	0	(30.11.2016)	32	30
6	Punjab & Sind Bank	1.28	54.80	56.08	0.0001		15	12
7	Bank of Baroda	0.19	18.50	18.69	0.0000		6	6
8	State Bank of Patiala	1.81	32.78	34.59	0.0000	(30.11.2016)	8	7
9	Union Bank of India	3.19	69.65	72.84	0.0000	(30.11.2016)	16	14
10	Syndicate Bank	0.00	0.00	0.00	0.0000	NOT PROVIDED	NA	NA
11	Vijaya Bank	0.00	0.00	0.00	0.0000	NOT PROVIDED	2	2
12	Oriental Bank of Commerce	8.83	81.49	90.31	0.0001	(30.11.2016)	19	14
13	Bank of India	0.00	0.00	0.00	0.0000	NOT PROVIDED	11	11
14	Allahabad Bank	2.01	27.40	29.41	0.0000	(30.11.2016)	NA	NA
15	Dena Bank	0.83	12.27	13.10	0.0005	(30.11.2016)	1	0
16	Indian Overseas Bank	0.76	9.40	10.16	0.0000	(30.11.2016)	4	4
17	United Bank of India	0.00	0.00	0.00	0.0000	NOT PROVIDED	0	0
18	Andhra Bank	0.61	14.16	14.76	0.0000	(30.11.2016)	NA	NA
19	Corporation Bank	0.00	0.00	0.00	0.0000	NOT PROVIDED	4	4
20	Bank of Maharashtra	0.24	7.20	7.44	0.0000	(30.11.2016)	1	1
21	Indian Bank	0.37	12.88	13.24	0.0000	(30.11.2016)	5	5
22	IDBI Bank	1.34	134.36	135.70	0.0000		5	5
23	State Bank of Hyd.	0.27	3.55	3.82	0.0000	(30.11.2016)	1	1
24	Bhartiya Mahilla Bank	0.00	1.03	1.03	0.0000		NA	NA
	Sub- Total	188.23	3327.35	3515.58	0.0106		1051	938
(ii)	Private Sector Banks							
25	J&K Bank	106.82	8927.06	9033.88	0.0115		974	960
26	ICICI Bank	6.21	126.55	132.76	0.0055	(30.11.2016)	77	67
27	HDFC Bank	20.97	236.16	257.13	0.0074		189	189
28	Fedral Bank	0.18	2.14	2.32	0.0002	(30.11.2016)	1	1
29	Axis Bank	4.37	235.41	239.78	0.0023		34	34
30	Yes Bank	1.65	15.29	16.94	0.0000	(30.11.2016)	17	11
31	Indusind Bank	0.00	0.00	0.00	0.0000	NOT PROVIDED	NA	NA
32	South Indian Bank	0.00	0.00	0.00	0.0000	NOT PROVIDED	1	1
33	Kotak Mahindra Bank	0.00	0.00	0.00	0.0000	NOT PROVIDED	3	2
	Sub-Total	140.20	9542.61	9682.81	0.0267		1296	1265
	Commercial Bank- (Sub total)	328.43	12869.96	13198.39	0.0373		2347	2203
(iii)	Regional Rural Banks							
34	J&K Grameen Bank	2.09	583.03	585.12	0.00		0	0
35	Ellaqui Dehati Bank (EDB)	0.80	154.97	155.77	0.00		0	0
	RRB-(Sub- Total)	2.88	738.01	740.89	0.00		0	0
(A)	SCHD. COMMERCIAL BANKs	331.31	13607.97	13939.28	0.04		2347	2203
(B)	Central/ State Coop. Banks							
36	Jammu Central Coop. Bank	0	124.05715	124.05715	0		0	0
37	BCC BANK	0	25.4449	25.4449	0	(30.11.2016)	0	0
38	ACC BANK	0	34.17	34.17	0.0007	(30.11.2016)	0	0
39	Citizen's Co-op Bank	3.99	70.16	74.15	0.00		0	0
40	J&K State Coop. Bank	1.93	79.00	80.93	0.0002		9	9
41	DUCO Bank	0.00	15.69	15.69	0.00		NA	NA
42	SCARD	0.00	0.00	0.00	0.00	NOT PROVIDED	NA	NA
43	BMC BANK	0.00	0.00	0.00	0.00	NOT PROVIDED	NA	NA
44	KMC Bank	0.02	9.64	9.66	0.00	(30.11.2016)	1	1
45	Urban Coop. Bank	0.00	9.09	9.09	0.00		0	0
	Coop Bank- (Sub- Total)	5.94	367.26	373.19	0.0010		10	10
(C)	Other Financial Institutions							
46	State Financial Corporation (SFC)	0	0	0	0		0	0
	Sub- Total	0	0	0	0		0	0
	Grand Total	337.25	13975.23	14312.48	0.038		2357	2213

Annexure-B

Cumulative Progress Report of Pradhan Mantri Jan Dhan Yojana (PMJDY) - upto 7th December, 2016

S.No	Banks	Rural A/C	Urban A/C	Total A/C	Total Deposit (in lacs)	Zero Balance Account	Rupay Cards Issued	Aadhaar Seeded
1	Allahabad Bank	286	3262	3548	95.29	242	3262	2932
2	Andhra Bank	635	450	1085	33.87	233	781	518
3	Bank of Baroda	0	4658	4658	0.00	305	3415	970
4	Bank of India	1346	7450	8796	219.26	1674	8000	4595
5	Bank of Maharashtra	0	1217	1217	95.51	192	824	127
6	Bhartiya Mahila Bank	0	20	20	3.61	0	20	1
7	Canara Bank	17944	16050	33994	1386.09	1976	24839	12092
8	Central Bank of India	7816	2528	10344	456.29	924	7362	4751
9	Corporation Bank	2592	1179	3771	158.13	906	3585	1714
10	Dena Bank	0	418	418	34.69	90	293	208
11	IDBI Bank Ltd.	2551	648	3199	69.40	454	3169	457
12	Indian Bank	530	935	1465	25.82	43	1238	775
13	Indian Overseas Bank	498	628	1126	51.10	310	1112	504
14	Oriental Bank of Commerce	7878	5285	13163	2107.23	1596	12805	4255
15	Punjab & Sind Bank	3563	1628	5191	583.08	171	5113	1870
16	Punjab National Bank	79786	10277	90063	2727.14	796	85762	32688
17	State Bank of Hyderabad	0	366	366	31.68	17	360	103
18	State Bank of India	62128	48230	110358	2299.59	58493	90462	25668
19	State Bank of Patiala	0	4759	4759	119.02	1671	3678	1232
20	Syndicate Bank	179	2426	2605	130.01	892	2598	788
21	UCO Bank	8723	11177	19900	1708.14	3501	10908	6180
22	Union Bank of India	3145	3190	6335	261.56	935	5586	1210
23	United Bank of India	0	487	487	230.37	32	451	195
24	Vijaya Bank	0	1395	1395	22.24	31	1347	1356
Public Sector Banks		199600	128663	328263	12849.12	75484	276970	105189
25	Axis Bank Ltd	1214	1134	2348	74.40	1058	2107	546
26	Federal Bank Ltd	0	58	58	4.94	12	59	0
27	HDFC Bank Ltd	862	3183	4045	217.06	1828	4045	757
28	ICICI Bank Ltd	106	1151	1257	21.99	572	1257	128
29	IndusInd Bank Ltd	0	32	32	0.75	7	32	22
30	Jammu & Kashmir Bank Ltd	1135341	91542	1226883	61146.32	441597	1102333	64741
31	Kotak Mahindra Bank Ltd	0	56	56	0.79	23	48	10
32	South Indian Bank Ltd	0	39	39	5.02	7	27	1
33	Yes Bank Ltd	88	63	151	8.10	60	138	29
Private Sector Banks		1137611	97258	1234869	61479.37	445164	1110046	66234
34	J&K Grameen Bank	82880	14581	97461	5436.49	31137	17555	25459
35	EDB	30020	21779	51799	2124.15	24009	24740	18410
Regional Rural Bank		112900	36360	149260	7560.64	55146	42295	43869
36	ACCB	3051	2016	5067	57.52	2758	0	0
37	JKSCB	5093	1999	7092	228.30	2431	4900	2982
Cooperative Banks *		8144	4015	12159	285.82	5189	4900	2982
GRAND TOTAL		1458255	266296	1724551	82174.94	580983	1434211	218274

*Data have been sought from the banks due to non availability of the same on portal

Annexure-C**Bankwise Aadhaar and Mobile seeding of Saving Bank Accounts as on 17th December, 2016**

S.No	Name of the Bank	Total no of operative individual SB accounts	No of operative individual SB accounts seeded with Aadhaar	No of operative individual SB accounts seeded with mobile
1	Anantnag Central Coop. Bank	65426	NA	NA
2	Axis Bank	79641	9273	NA
3	Baramulla Central Coop. Bank	156733	0	2010
4	Bank of Baroda	5889	3568	4588
5	Bank of India	79635	17462	48801
6	Bank of Maharashtra	3149	436	2720
7	Canara Bank	62204	20960	58831
8	Central Bank of India	97995	16806	11474
9	Citizen Cooperative Bank	24398	4716	7910
10	Corporation Bank	12333	6872	10505
11	Dena Bank	3957	1078	2877
12	Ellaquai Dehati Bank	237923	19993	76424
13	Federal Bank	850	32	850
14	HDFC Bank	208159	26519	170816
15	ICICI Bank	50072	14347	48888
16	IDBI Bank	17614	3836	12053
17	Indian Bank	4922	2086	4206
18	Indian Overseas Bank	6215	3935	1375
19	J&K Bank	10027856	732122	3241750
20	J&K Grameen Bank	1029768	112619	334433
21	Jammu C C Bank	260242	0	0
22	JKSCB	67066	15118	11167
23	Oriental Bank of Commerce	40464	8985	25653
24	Punjab & Sind Bank	40262	60478	365309
25	Punjab National Bank	908397	120702	335175
26	State Bank of India	1081292	52302	1073000
27	State Bank of Patilia	12088	2088	9914
28	UCO Bank	41132	24745	32973
29	Union Bank of India	48702	6074	29052
30	United Bank of India	2331	440	1903
31	Urban Cooperative Bank	5298	0	0
32	Vijaya Bank	5034	983	5034
33	Yes Bank	NA	48	6222
	TOTAL (A)	14687047	1288623	5935913