

## **ANNEXURE - 7.63**

### **The status report submitted by the LDMs of the pilot districts identified for implementation of the IT enabled Financial inclusion**

#### **(1) Wayanad District**

- Identified 10 villages as unbanked category and allotted to banks for initiating financial inclusion measures.
- 3 villages allotted to Canara Bank and 2 villages allotted to SMGB will be covering the unbanked area by way of BC model. Steps have already been initiated in this regard.
- Prepared Road Map for the Smart Card implementation in Wayanad District on June 2009
- Conducted meetings in connection with issue of Smart Cards
- Allotted Panchayats to various banks where NREGA payments are made
- Indian Overseas Bank started issuing Smart Cards in Choothupara - the service area allotted to their Sulthan Bathery branch as at 31.03.2010.
- Canara Bank is starting the process in their 13 branches shortly.
- Closely following up with the other banks for implementing the same.

#### **(2) Kollam District**

- Implementation of IT enabled Financial Inclusion by engaging Business Correspondents (BCs) was discussed in the District level and Block level lead bank meetings held in the first quarter of the current financial year.
- Many banks have approved engaging BCs and issued guidelines to branches for engaging the BCs for delivery of both financial and non financial services at the doorstep of the customers aiming greater Financial Inclusion and increasing the outreach of the banking sector, as advised by RBI.
- 11 villages were already identified as unbanked villages with population of over 2000 and these villages were allotted to Indian Bank, SBT, IOB, Syndicate Bank, Bank of India, Federal Bank and Dhanalaxmi Bank. All these banks have already initiated the process for engaging BCs in the allotted villages.
- In addition to the 11 villages, many banks are taking action for Financial Inclusion in other villages also.
- Indian Bank has identified two branches in Kollam District viz. Chadayamangalam & Thevalakkara for engaging the BCs in Phase I.
- Lead Bank Office is monitoring the progress under IT enabled Financial Inclusion in the monthly District Level Lead Bank Meetings.
- The progress under IT enabled Financial Inclusion was reviewed in the DLRC held on 21.06.2010 and DCC held on 29.07.2010 at Kollam.

**(3) Idukki District**

- As pilot project, Union Bank of India had introduced Biometric smart cards at Kattappana Block area in the Idukki District and plans to issue 20000 cards in the first phase.
- Presently bank had issued 11300 cards. Union Bank of India had tied up with Financial Information Network Operations Ltd (FINO) for the issuance of the biometric cards.
- Union Bank of India had proposed to make NREGS payment through biometric smart cards and for the purpose, the bank had already entered into a MoU with Government of Kerala. The MoU was signed on 14.10.2009.
- Since the bank had not received the needed support from Government of Kerala like electronic transfer of funds etc. the scheme could not be made operational as expected.
- The matter is being followed up with the Government and hopes that Government would take necessary initiative to implement the project.
- Union Bank of India is planning to engage FINO in other unbanked areas of the district for extending financial services as part of the Financial Inclusion programme.