

**Rural Planning and Credit Department  
Reserve Bank of India  
Dehradun**

**Strategy adopted in Uttarakhand for 100% Financial Inclusion**

1. In order to achieve 100% financial inclusion we were needed to have the basic information regarding the number of people who were already financially included to ascertain the number of people who were to be targeted for financial inclusion. For the purpose of financial inclusion family / household was considered the unit. To arrive at the number of families who were required to be financially included a three pronged strategy was followed. The basic information regarding families and their location was obtained from the latest available census (2001) data. The Lead District Manager (LDM) was made a focal point for the entire exercise.

(a) at some places a base survey was conducted by the respective bank/branch under whose service area jurisdiction the concerned villages fell. Services of the business facilitators were also obtained at certain places particularly to reach the people residing in remote areas.

(b) the State Government machinery was also requested to help in identification of financially included families. The Chief Development Officers (CDOs) and Block Development Officers (BDOs) were instrumental in collecting the following information ;

number of villages / wards in respective districts

population village / ward wise

number of house holds (families) village / ward wise

number of males / females

(c) Services of the Village Pradhans were also solicited to ascertain the village wise data for identifying unbanked families. Their help & support were very crucial in our scheme of things.

2. After identification of the target families, the bank branches were given the responsibility of opening "No Frill" accounts of the unbanked people in their respective service area villages. Wherever the villages were not specifically covered by a particular bank branch, the lead bank was given the responsibility for opening the bank account. In urban sectors the targets were allocated on the basis of proximity to the branch.

3. The bankers were advised to apply relaxed KYC norms for opening of "No Frill " accounts. They were also advised to bear the cost of photographs of the applicant. To obviate the problem of introduction, the Village Pradhans were requested to introducing the applicants wherever necessary. Wide publicity were given through various means for creating awareness among the masses. The people were made aware about the salient features of the scheme and its benefits.

### **Monitoring Mechanism**

A monitoring mechanism was set up to closely monitor the process of financial inclusion in the district and also to resolve the problems / issues which came in the way. A district level monitoring committee comprising the following members was constituted:

- i) CDO
- ii) RBI LDO
- iii) LDM (Convenor)
- iv) DDM, NABARD
- v) DCOs of all banks

The committee were required to meet at regular intervals and was required to report to RBI /SLBC. The role played by the monitoring committee in the financial inclusion drive was very crucial in achieving the desired result.

To ascertain whether 100% financial inclusion had been achieved in a particular village, a certificate was obtained from each Village Pradhans countersigned by the BDO and bank manager stating the number of families existing and accounts opened by the banks. The monitoring committee was required to scrutinize the certificates issued by the Village Pradhan to satisfy itself about the claim of 100% financial inclusion having been achieved in the district. Thereafter, the lead bank issued a news paper advertisement / press

release in the local news papers for the information of general public. After monitoring committee's scrutiny, DCC / DLRC were required to validate the entire process. After getting DCC/DLRC approval respective District Magistrates issued the official notification declaring their district as 100% financially included. After declaration of individual districts the State Government issued a notification dated March 12, 2008 declaring the entire State of Utrakhand as 100% Financially Included.

