**185th meeting of**

**STATE LEVEL BANKERS` COMMITTEE OF**

**ANDHRA PRADESH**

**(2nd  SLBC Meeting of Reorganized AP State)**

***Special Focus***

***on***

***Comprehensive Financial Inclusion Plan***

***(Sampoorn Vittiyea Samaveshan)***

**Agenda & Background Notes**

**Date: 05.08.2014 - Time: 03.30 pm**

**Venue: Hyderabad**

**Venue: Pattabhi Bhavanalaya (Auditorium), Ground Floor, Andhra Bank**

**Head Office, Hyderabad -500 004**

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**Agenda- Index**

|  |  |  |
| --- | --- | --- |
| S.No | Particulars | Page No. |
| 1 | Comprehensive Financial Inclusion Plan (***Sampoorn Vittiyea Samaveshan*** | 3 |

|  |  |  |
| --- | --- | --- |
| **Annexures** | | Page No. |
| 1 | Draft Action plan for Comprehensive Financial Inclusion(15th August 2014 to 14th August 2015) issued by Department of Financial Services, Ministry of Finance version dated 08.07.2014 | 4-38 |
| 2 | Minutes of the Second Meeting of the Secretary, Financial Services with the Chief Executives / Executive Directors of all Public Sector Banks, RBI, IBA , NABARD and NPCI to discuss an approach paper prepared for Comprehensive Financial Inclusion held on 2nd July, 2014 | 39-40 |
| 3 | Comprehensive Financial Inclusion under Mission Mode DFS letter dated 4th July,2014 | 41-42 |
| 4 | Review meeting by secretary, MOF, GOI on 23rd July 2014 with  Slbc convenors held at New Delhi | 43-47 |
| 5 | Comprehensive Financial Inclusion under Mission Mode-coverage in urban areas –DFS,MOF letter dated July 15, 2014 | 48-49 |
| 6 | Mapping of Gram Panchayat and Planning for BCA/CSCsfor Direct Benefit Transfer-Sub Service Area Approach-Partial Amendment of guidelines- regarding-DFS circular dated January 20, 2014 | 50-51 |
| 7 | Mapping of Gram Panchayats and planning for BCA/CSCs for Direct Cash Transfer –Sub Service Area Approach- DFS letter dated December 20, 2012 | 52-56 |
| 8 | Mapping of Gram Panchayats for coverage through Branch/BCA/CSC–Sub Service Area Approach- DFS letter dated December 21, 2012 | 57-58 |
| 9 | D O letter dated July 17, 2014 addressed to Chief Secretaries of State Governments by Secretary (FS) Govt of India | 59-61 |
| 10 | Appointment of Mission Director for the state of Andhra Pradesh | 62-63 |
| 11 | District wise - Bank wise details of villages /SSAs/Households allotted and covered including urban wards as on 30.06.2014 | 64-77 |
| 12 | List of mandals in the state of Andhra Pradesh | 78-81 |

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| --- |
| **Agenda- 1** |

**Comprehensive Financial Inclusion Plan in Mission Mode**

**(Sampoorn Vittiyea Samaveshan)**

Banks in India have been implementing the Financial Inclusion Programme actively for the past ten years with the objective of providing banking services to all sections of the society by covering the hitherto uncovered families. There are around 6 lakh villages which are covered by the network of 35000 rural and semi urban bank branches in the country. With detailed guidelines and encouragement from RBI, banks are implementing the Business Correspondent Model as part of financial inclusion, which is being successfully operated through ICT based model with Biometric technology. All the 3911 identified villages with more than 2000 population in Andhra Pradesh (13 districts) were covered by banks as on 31.03.2012. In respect of below 2000 population villages 10,242 villages were covered with banking channels as against identified villages of 10,731as on 30.06.2014.

Though there has been good progress in appointing Business Correspondents in unbanked villages in the above categories and opening of savings accounts to uncovered households, it is observed that many of the accounts are remaining inoperative. Some technical problems like lack of digital connectivity are found to be hampering the process in certain areas. The present status indicates that the ‘Financial Literacy & Credit Counseling’ being one of the crucial aspects of Financial Inclusion Programme needs to be integrated more effectively with the FI implementation process. Taking all these points into consideration, Govt. of India has recently come out with “Comprehensive Financial Inclusion Plan in Mission Mode” ( Sampoorn Vittiyea Samaveshan ) to envisage provision of affordable financial services to all the citizens within a reasonable distance which comprises of six pillars.Accordingly, an approach paper has been issued on “Sampoorn Vittiyea Samaveshan ( SVS )”.

Executive Summary, Mission Document and Draft Financial Inclusion Plan are herewith enclosed as **Annexure 1.**

The Dept. of Financial Services, Govt. of India convened a meeting on 02.07.2014 to discuss an Approach Paper prepared for Comprehensive Financial Inclusion Plan and the minutes of the meeting herewith appended as **Annexure 2.**

Timelines for undertaking various activities for the first phase as directed by DFS dated 04.07.2014 is appended herewith as **Annexure 3**

The review meeting by the Secretary MoF, GoI has convened a meeting on 23.07.2014 with conveners of SLBCs on implementation of the programme and summary of discussions is placed as **Annexure 4.**

The Hon’ble Finance Minister, GoI has conducted a meeting with CEOs of Public Sector Banks and other stake holders on 31.07.2014 to discuss the Comprehensive Financial Inclusion Plan formulated by DFS, MoF GoI.

The Department of Financial Services, Govt. of India on 15.07.2014 advised SLBCs to call Special SLBC meeting in the first week of August, 2014 to discuss the progress made in the implementation of the plan.

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| **Annexure -1** |

Draft Action plan for Comprehensive Financial Inclusion (15th August 2014 to 14th August 2015) issued by Department of Financial Services, Ministry of Finance version dated 08.07.2014

**Executive Summary**

1. **Current status of financial inclusion in the country:**

* Census, 2011 estimated that out of 24.67 crore households in the country, 14.48 crore households had access to banking services. Of the 16.78 crore rural households, 9.14 crore were availing banking services. Of the 7.89 crore urban households, 5.34 crore households were availing banking services.
* In the year 2011, Banks covered more than 74,000 villages, with population more than 2,000 (as per 2001 census), with banking facilities under the “Swabhimaan” campaign.
* The present banking network of the country (as on 31.03.2014) comprises of a bank branch network of 115082 and an ATM network of 160055. Of these, 43962 branches (38.2%) and 23334 ATMs (14.58%) are in rural areas. Moreover, there are more than 1.4 lakh Business Correspondents (BCs) of Public Sector Banks and Regional Rural Banks in the rural areas. BCs are representatives of bank to provide basic banking services i.e. opening of basic Bank accounts, Cash deposits , Cash withdrawals, transfer of funds, balance enquiries, mini statements etc.
* Public Sector Banks (PSBs) have estimated that by 31.05.2014, out of the 9.17 crore rural households which were allocated to them, for coverage, about 5.23 crore households have been covered (3.94 crore uncovered). In addition, the Regional Rural Banks (RRBs) have also covered about 1.99 crore households out of the 3.97 crore households allocated to them (1.98 crore uncovered).

1. **The task at hand:**

* Putting the PSBs and RRBs numbers together implies that about 5.92 crore rural households are yet to be covered. Considering field level data mismatches in some instances, it is estimated that there are about 6 crore uncovered households which would need to be covered in the rural areas.
* Assuming 2 accounts per family, one for the husband and the other for the wife, this translates into opening of 12 crore accounts in villages.
* In addition account opening of uncovered households in urban areas would also be required. These households are estimated at 2.55 crore as per Census, 2011. However, the exact number of households without bank accounts are not available but estimated to be 1.5 crore implying opening of about 3 crore accounts in urban areas.
* Besides, those households which were covered under the earlier campaigns and have only one account per family would need to be provided with two accounts-one for the husband and the other for the wife.

1. **Present plan :**

* There are three major shifts from the earlier programme on Financial Inclusion. First , the earlier efforts of financial inclusion had village as the unit for coverage while the present plan focuses on coverage of households. Second, only rural areas have been the focus so far while both rural and urban areas have been included now. Third, the present plan is proposed to be implemented as a Mission Mode Project. It envisages a comprehensive coverage of all excluded households in the country by a six pillar approach in two phases.
* These comprise of

**Phase I (15th August, 2014-14th August,2015)**-

* + - * Universal access to banking facilities
      * Providing Basic Banking Accounts with overdraft facility of Rs.5000 and RuPay Debit card with inbuilt accident insurance cover of Rs. 1 lakh
      * Financial Literacy Programme
      * Creation of Credit Guarantee Fund for coverage of defaults in overdraft A/Cs

**Phase II (15th August 2015-14th August,2018)-**

* + - * Micro Insurance
      * Unorganized sector Pension schemes like Swavlamban

In addition, in this phase, coverage of households in hilly,tribal and difficult areas would be carried out. Moreover, this phase would focus on coverage of remaining adults in the households and students.

* The implementation strategy of the plan is to utilize the existing banking infrastructure as well as expand the same to cover all households. While the existing banking network would be fully geared up to open bank accounts of the uncovered households in both rural and urban areas, the banking sector would also be expanding itself to set up an additional 50,000 Business correspondents (BCs), more than 7000 branches and more than 20000 new ATMs in the first phase .
* The comprehensive plan is necessary considering the learnings from the past where a large number of accounts opened remained dormant, resulting in costs incurred for banks and no benefits to the beneficiaries.
* The plan therefore proposes to channel all Government benefits (from Centre/State/Local body) to the beneficiaries to such accounts and pushing the Direct Benefits Transfer (DBT) scheme of the Union Government including restarting the DBT in LPG scheme.
* Keeping the stiff targets in mind, in the first phase, the plan would focus on first four pillars in the first year starting from 15th August, 2014. The other three pillars would not have any hard targets in the first year.
* The target for setting up additional 50,000 BCs is quite challenging given the constraints of telecom connectivity.
* In order to achieve this plan, phase wise and State wise targets for Banks have been set up for Banks for the period 15th August,2014 to 14th August,2015.
* In order to achieve a “demand” side pull effect, it would be essential that there *is Branding and awareness of Business Correspondent model for providing basic banking services, Banking Products available at BC outlets and RuPay Cards.* A media plan for the same is being worked out in consultation with banks.
* A Project Management Consultant/Group would be engaged to help the Department implement the plan.
* It is proposed to launch the programme simultaneously at National level in Delhi, at every State capital and all district headquarters.
* A web-portal would be created for reporting/monitoring of progress.
* Roles of various stakeholders like other Departments of the Central Government, State Governments, RBI, NABARD, NPCI and others have been indicated.
* Department of Posts would be requested to utilize the services of Post offices in rural areas as Business correspondent of Banks
* Department of Telecom has been requested to ensure that problems of poor and no connectivity are resolved. They have informed that of the 5.93 lakh inhabited villages in the country(2011 census) only about 50,000 villages are not covered with Telecom connectivity.

**Introduction**

The efforts to include the financially excluded segments of the society in India are not new. The concept was first mooted by the Reserve Bank of India in 2005. In the year 2011, the Government of India gave a serious push to the programme by undertaking the “Swabhimaan” campaign to cover more than 74,000 villages, with population more than 2,000 (as per 2001 census), with banking facilities. This campaign was launched on 10th February, 2011 by Smt. Sonia Gandhi, Chairperson UPA, in Vigyan Bhawan, New Delhi. State-wise number of villages covered under the campaign may be seen in Annex-1.

The learnings from the campaign suggest that

* The efforts need to be converged so as to cover the various aspects of Comprehensive Financial Inclusion.
* The campaign focussed only on the supply side by providing banking outlets in villages of population greater than 2000 but the entire geography could not be covered.
* The target was for coverage of villages and not of the households
* It also came out that some technology issues hampered further scalability of the campaign.
* The deposit accounts so opened under the campaign had very limited number of, or no transactions and
* The task of credit counselling and Financial Literacy did not go hand in hand with the campaign.

Consequently the desired benefits were not visible. Learning from the past, the present proposal is, therefore, an integrated approach to bring about comprehensive financial inclusion.

1. **Financial Inclusion – Background:**

Comprehensive Financial Inclusion incorporates ensuring access to financial services and timely & adequate credit to the excluded sections i.e. weaker sections & low income groups.

It is a known fact that in India, while one segment of the population has access to assortment of banking services encompassing regular banking facilities & portfolio counselling, the other segment of underprivileged and lower income group is totally deprived of even basic financial services.

Exclusion of large segments of the society from financial services affects the overall economic growth of a country. It is for this reason that Financial Inclusion is a global concern. In Sweden and France, banks are legally bound to open an account for anybody who approaches them. In Canada, law requires Banks to provide accounts without minimum balance to all Canadians regardless of employment / credit history. In the United States, the Community Reinvestment Act (1977) is intended to encourage depository institutions to help meet the credit needs of the communities in which they operate, including low- and moderate-income neighbourhoods, consistent with safe and sound operations.

In India, the Banking industry has grown both horizontally and vertically but the branch penetration in rural areas has not kept pace with the rising population and the need for accessible financial services. Even after decades of bank nationalization, whose rationale was to shift the focus from class banking to mass banking, we still find usurious money lenders in rural areas continuing to exploit the poor. After economic reforms of 1991, the country can ill-afford not to include the poor in the growth paradigm. Financial Inclusion of the poor will help in bringing them to the mainstream of growth and would also provide the Financial Institutions an opportunity to be partners in inclusive growth.

1. **Financial Inclusion**: **Current Status – India**

* Despite various measures for financial inclusion, poverty and exclusion continue to dominate socio economic and political discourse in India even after six decades of post independence era. Through economy has shown impressive growth during post liberalization era of 1991, impact is yet to be percolated to all sections of the society and therefore, India is still home of 1/3rd of world’s poor.
* The present banking network of the country (as on 31.03.2014) comprises of a bank branch network of 115082 and an ATM network of 160055. Of these, 43962 branches (38.2%) and 23334 ATMs (14.58%) are in rural areas[[1]](#footnote-2).
  1. Financial Inclusion – Summary progress of all Banks including Regional Rural Banks (RRBs), during three years period are as under:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Particulars | Year Ended, 2010 | Year Ended, 2011 | Year Ended, 2012 | Year Ended, 2013 |
| **Banking Outlets in Villages**  a) Branches | 33,378 | 34,811 | 37,471 | 40,837 |
| b) Villages covered by BCs[[2]](#footnote-3) | 34,174 | 80,802 | 1,41,136 | 2,21,341 |
| c) Other modes | 142 | 595 | 3,146 | 6,276 |
| **d) Total** | **67,674** | **1,16,208** | **1,81,753** | **2,68,454** |
| Urban Locations through BCs | 447 | 3,771 | 5,891 | 27,143 |
| **Basic Saving Bank Deposit A/c- branches** | | | | |
| a) No. in millions | 60.19 | 73.13 | 81.20 | 100.80 |
| b) Amt. in billions | 44.33 | 57.89 | 109.87 | 164.69 |
| **Basic Saving Bank Deposit A/c- BCs** | | | | |
| a) No. in millions | 13.27 | 31.63 | 57.30 | 81.27 |
| b) Amt. in billions | 10.69 | 18.23 | 10.54 | 18.22 |
| **OD facility availed in BSBDA’s account** | | | | |
| a) No. in millions | 0.18 | 0.61 | 2.71 | 3.92 |
| b) Amt. in billions | 0.10 | 0.26 | 1.08 | 1.55 |
| KCCs (No. in millions) | 24.31 | 27.11 | 30.24 | 33.79 |

*Source: Table IV.4, RBI Annual Report, 2013*

* 1. According to World Bank Findex Survey (2012) (<http://www-wds.worldbank.org/external/default/WDSContentServer/IW3P/IB/2012/04/19/000158349_20120419083611/Rendered/PDF/WPS6025.pdf>) , only 35% of Indian adults had access to a formal bank account and 8 % borrowed from a formal financial institution in last 12 months.. The miniscule number suggests an urgent need to further push the financial inclusion agenda to ensure that people at the bottom of the pyramid join the mainstream of the formal financial system.
  2. The statistics show that there is substantial progress towards opening of accounts, providing basic banking services during the recent years as indicated above. However, it is essential that all the all sections to be financially included in order to have financial stability and sustainability of the economic and social order.

1. **Mission Mode Objectives ( 6 Pillars):**

The present proposal of Comprehensive Financial Inclusion under the Mission Mode envisages provision of affordable financial services to all citizens within a reasonable distance. It comprises of the following six pillars:-

* 1. **Universal access to banking facilities**:- Mapping of each district into Sub Service Area(SSA) catering to 1000-1500 households in a manner that every habitation has access to banking services within 5 km by 14th August,2015. Parts of J&K, Himachal Pradesh, Uttarakhand, North East and the 82 Left Wing extremism affected districts which have telecom connectivity and infrastructure constraints would be covered by the end of Phase II of the program (14th August,2018)
  2. **Financial Literacy Programme**:- To be extended to the block level from district level at present by March, 2016.
  3. **Providing Basic Banking Accounts with overdraft facility and RuPay Debit card**:- To all households. The effort would be to first cover all uncovered households with banking facilities by August 2015 by opening two bank accounts-one for the husband and the other for the wife. This would need to be then continued on an ongoing basis to cover those households who have only one account per family. Facility of an overdraft of Rs.5000/- through RuPay debit card to every basic banking account holder. This card would have an inbuilt accident insurance cover of Rs. One lakh.
  4. **Creation of Credit Guarantee Fund** - Creation of a Credit Guarantee Fund would be to cover the defaults in overdraft accounts..
  5. **Micro Insurance:-** By 14th August,2018 and then on an ongoing basis.
  6. **Unorganized sector Pension schemes like Swavlamban**:- By 14th August,2018 and then on an ongoing basis.

**Under the campaign, the first four pillars would be given thrust in the first year.**

1. **Financial Inclusion Plan :**

Comprehensive Financial inclusion of the excluded sections is therefore proposed to be achieved by 14th August,2018 in two phases as under:

**Phase I (15th August,2014-14th August,2015)**-

* + - * Universal access to banking facilities
      * Providing Basic Banking Accounts with overdraft facility of Rs.5000 and RuPay Debit card with inbuilt accident insurance cover of Rs. 1 lakh
      * Financial Literacy Programme
      * Creation of Credit Guarantee Fund for coverage of defaults in overdraft A/Cs

**Phase II (15th August 2015-14th August,2018)-**

* + - * Micro Insurance
      * Unorganized sector Pension schemes like Swavlamban

Some of the Phase II activities would also be carried out in Phase I .

In addition, in this phase, coverage of households in hilly, tribal and difficult areas would be carried out. Moreover, this phase would focus on coverage of remaining adults in the households and students.

1. **Strategy for achievement of Objectives :**

* In order to achieve the above objectives, a broad collaborative strategy with all stake holders is proposed. It is proposed to encourage Public-Private partnerships. Moreover inter-Department convergence and synergies are proposed to be encouraged. The existing national infrastructure of post offices if they agree to become BCs of banks or are able to offer debit cards from post offices and the proposed setting up of payment banks would be optimally utilized to deliver the results. Department of Posts would be requested to utilize the services of Post offices in rural areas as Business correspondent of Banks.
* The strategy is to take forward the Business Correspondent model for expansion of banking services by modifying it to ensure both operational flexibility and viability of the BC Agents (BCAs). Convergence with the National Rural Livelihood Mission (NRLM) in rural areas and National Urban Livelihood Mission (NULM) in urban areas would be sought for in covering each household with bank accounts. The expansion plans of the Department of Telecom to provide telecom connectivity in difficult areas would be effectively utilized for the provision of banking facilities in these areas. Department of Telecom has been requested to ensure that problems of poor and no connectivity are resolved. They have estimated that of the 5.93 lakh inhabited villages in the country (2011 census) only about 50,000 villages are not covered with Telecom connectivity.

1. **Implementation of Financial Inclusion in Mission Mode :**
   1. **Reaching out – Network expansion and Geographical coverage of the banks:**
      1. The first and basic pillar of this plan is the expansion of banking network of the country to reach out to the financially excluded segments of the population. In the year 2013-14, the Public Sector Banks(PSBs) , set up 7840 branches across the country of which about 25% were in rural areas. More than 40,000 ATMs were also set up pursuant to the Budget announcement of 2013-14 of providing an ATM at every branch. In the year 2014-15, the Public Sector Banks propose to set up 7332 branches and 20130 new ATMs. However given the staff constraints of banks and the viability of opening full fledged branches in rural areas, the demands for branch expansion far exceed the supply. The efficient and cost effective method to cover rural areas is by way of mapping the entire country through Sub Service Area (SSA) approach and deploying fully enabled BC outlets. Public Private Partnerships in this area shall facilitate the process and promote efficiency and pace of coverage.
      2. **Rural financial inclusion**:- In the year 2011-12, Banks covered more than 74,000 villages, with population more than 2,000 (as per 2001 census), with banking facilities under the “Swabhimaan” campaign. The present banking network of the country (as on 31.03.2014) comprises of a bank branch network of 115082 and an ATM network of 160055. Of these, 43962 branches (38.2%) and 23334 ATMs (14.58%) are in rural areas and the remaining in semi-urban and metropolitan areas. Moreover, there are more than 1.35 lakh BCs of Public Sector Banks and Regional Rural Banks in the rural areas.
         1. Under the present plan, all the 6 lakh villages across the entire country are to be mapped according to the Service Area of each Bank to have at least one fixed point Banking outlet catering to 1000 to 1500 households, called as Sub Service Area (SSA). Villages with Panchayat offices can be made the nodal point. This approach was tried in 121 DBT districts and the entire mapping resulted in creation of 30855 SSAs. Of these, 30751 SSAs were saturated with banking facilities. It is estimated that across the country there would be about 1.6 lakh SSAs of which under the present campaign, of which about 1.1 lakh would already be covered by banking facilities and about 50,000 new SSAs would need to be covered.
         2. Villages without Brick and Mortar branches of banks would be covered by fixed location BC outlets preferably in the panchayat office/ bus station/local market. The BC may cater to the neighbouring villages in his area on pre defined time and days. The working and visit timing would be prominently displayed at his place of working. Public Sector Banks have estimated to set up about 31846 SSAs in order to cover the entire geography of the country. In addition the Regional Rural Banks have estimated to set up another 14216 SSAs to complete the SSA coverage. This translates to a target of coverage of 46162 SSAs. Considering the possibility of some field level data mismatches, a conservative estimate of coverage of 50,000 SSAs is being planned for, under the present campaign.
      3. Every habitation will have access to Banking services within 5 km by August 2015 except parts of J&K, Himachal Pradesh, Uttarakhand, North East and the 82 Left Wing extremism affected districts which have telecom connectivity and infrastructure constraints
      4. **Urban Financial Inclusion:** As per Census 2011, there were 7.89 crore Urban households out of which 5.34 crore households were availing banking services. As on 31st March,2014, the Banking network has 71120 branches and 136721 ATMs in urban, semi-urban and metropolitan areas. In Urban areas too, the Banks would engage BCs wherever required. The exact number of uncovered households at present is not available with Banks but is estimated to be about 1.5 crore.
      5. In the Urban centres of the district, the Lead District Managers (LDMs) would be responsible to coordinate with all available banks in the centre to cover all households.
      6. The Urban centre saturation would be measured by opening at least 150% accounts of the Urban households in that centre as per Census 2011.
      7. The BC outlets (in both rural and urban areas) would be fully equipped with the required infrastructure including the computers and other peripherals like micro ATM, Bio metric scanners and internet connectivity.
      8. BCs need to carry out on-line transactions for which internet connectivity is essential. However as per the present status there may be certain connectivity related issues particularly in hilly and tribal areas of the country which need to be addressed immediately. Hence there would be a committee consisting of various stakeholders including BSNL to sort out technology related issues.
      9. Each BC would be given proper training about basic banking, insurance and pension products and also on customer handling.
      10. Adequate compensation to the BCs would be ensured for enabling him to provide uninterrupted services particularly in the difficult rural and remote areas.
      11. The suggested remuneration to reach the last mile BC Agents would be at least Rs.5,000/- pm comprising of fixed amount and additional transaction / activity based variable component. While deciding upon the remuneration structure it would be ensured that the costs on Rent, electricity, internet, travelling etc are also accounted for. While selecting BC Agents/ certain minimum qualification like having passed 10+2 exam should be stipulated. Individuals & entities like retired bank employee, retired teachers , retired Government etc, kirana shops, PCOs, CSCs , NGOs/MFIs and section 25 companies , non deposit taking NBFCs, post offices , cooperative societies or other eligible individuals/entities allowed by RBI from time to time etc may be engaged as BC Agents. Unemployed youth having passed 10+2 exam in villages should be encouraged subject to fulfilling other eligibility conditions.
      12. There would be a dress code with a specified colour for the BCs. Each BC would be provided would a minimum of four sets of dresses-trousers, T shirts and caps. One pullover for winters would also be provided. The dresses would carry the campaign logo as well as the logo of the bank.
      13. The Banks would adopt a scheme for financing the BCs with loans upto Rs. 1.5 lakh in rural areas, Rs. 2 lakh in urban areas and Rs. 2.5 lakh in Metro centres. These loans can be used for working capital requirement, purchasing furniture and purchasing a two wheeler. A scheme is suggested in Annexure 7.
      14. Regular and timely payment to the BC Agents for the services rendered by them would be the key factor in ensuring their continuance at the village level.
      15. **Suggested variants of the BC structure could be** :
          1. Individual BCAs deployed directly by the Bank.
          2. Utilising the network of ‘Lok Mitra Kendras’ of Common service Centres (CSC). Every state has a large network of these centres which are fully equipped with internet and computers etc. They are providing the Government to Citizen(G2C) services. They can be very useful for fast and cost effective creation of BC network.
          3. Through Corporate BC Companies i.e. through private participation. While this system has advantages of administration and centralised control for the Banks and also insulates them against several threats, but many times these players turn up in exploitation of the last mile delivery agents (BCAs).
          4. While engaging the Corporate BC Companies the remuneration structure for the agents deployed by them and time line for their payment would be ensured by the respective banks.
          5. RBI had directed Banks to cover all villages by March 2016. This task would now need to be preponed to August 2015 except the hilly, tribal, desert and difficult areas having challenge of Telecom connectivity .

* **Summary of Action Points**:
* Map the entire country with SSAs:- Identification of SSAs at the district level through the District Level Coordination Committees (DLCCs) has already been completed.
* Allocation of SSAs to different banks has also been done.
* Coverage of estimated 50,000 SSAs with Bank branches and Business Correspondents would need to be ensured.
* Monitoring and follow up through a portal of the Department of Financial Services (DFS) which would capture the daily progress made in setting up these SSAs.
  1. **Opening of Basic Saving Bank account of every adult citizen:**

The second pillar of this plan envisages providing basic bank accounts to all adult citizens starting with coverage of all households. The Financial Inclusion campaign in the past has targeted opening of basic savings accounts. As per RBI estimates, by March 2013, 182 mill[ion basic savings accounts were opened (](../../../../../Users/ALOK%20PANDE/Downloads/ion%20basic%20savings%20accounts%20were%20opened%20%20()<http://www.rbi.org.in/scripts/BS_SpeechesView.aspx?Id=862>).

* Census,2011 estimated that out of 24.67 crore households in the country, 14.48 crore households had access to banking services. Public Sector Banks (PSBs) have estimated that by 31.05.2014 , out of the 9.17 crore rural households which were allocated to them, about 5.23 crore households have been covered (Bank wise details are in Annex 5). This leaves about 3.94 crore rural households to be covered by PSBs. In addition, the Regional Rural Banks (RRBs) have also covered about 1.99 crore households out of the 3.97 crore households allocated to them, which leaves 1.98 crore households to be covered by them.
* Putting the PSBs and RRBs numbers together implies that about 5.92 crore rural households are yet to be covered. Considering field level data mismatches in some instances, it is estimated that there are about 6 crore uncovered households which would need to be covered in the rural areas. Assuming 2 accounts per family, one for the husband and the other for the wife, this translates into opening of 12 crore accounts in villages.
* In addition account opening of uncovered households in urban areas would also be required. At a conservative estimate for about 1.5 crore uncovered households, 3 crore accounts would be needed.
* Besides, those households which have only one account per family would need to be provided with two accounts-one for the husband and one for the wife.

In the past, it was seen, that many of the accounts opened did not have sufficient number of transactions for banks to find them viable. This was because these accounts were being opened in isolation without proper linkages. Under the present plan, this anomaly is proposed to be removed by its six pillar approach. Moreover, the accounts will also be ATM enabled to get the benefits of flexibility. The approach under this pillar of the campaign would be as follows:

* + 1. Opening of SB account with zero balance. For ease of opening of accounts Banks would be advised to take benefit of e-KYC approach.
    2. *In order to cut down time on account opening, under the campaign, a one page account opening form has been designed which may be seen in Annexure 8. All Banks will make suitable amendments in their account opening forms immediately.*
    3. Each SB account holder to be on the main Core Banking Solution (CBS) platform of the Bank and would be given ATM/Debit (RuPay) card. *The card will have inbuilt accident insurance of Rs. 1 lakh.*
    4. It has been ascertained from National Payments Corporation of India (NPCI) that the RuPay cards to be issued do not have a production/operationalization constraint and the manufacturing capacity is estimated to be about 18 lakh per day. The personalization capacity available is also 7.75 lakh per day.
    5. The network of Cooperative Banks which are on CBS would also be used for account opening.
    6. This account would be linked with the Aadhaar number of the account holder and would become the single point for receipt of all Direct Benefit Transfers (DBT) from the Central Government/State Government/Local Bodies. Presently the Direct Benefits Transfer scheme under LPG/Gas delivery has been stopped and the Dhande committee appointed to study the scheme has submitted its report. The other Government schemes under DBT are continuing but the Government Departments are yet to pay the 1% commission due to Banks. No commission has been agreed to in the DBT for LPG by the Department of Expenditure (DoE) on the argument that these are normal operations for the Banks while the 1% commission in other schemes is to compensate banks for the Business Correspondents. Department of Financial Services (DFS) has taken up the matter with DoE arguing that Banks have to do substantial other works in operationalizing the scheme including dealing with customer grievances but there has been no result of these efforts. This anomaly would need to be corrected in order to ensure complete buy-in of the banks for the DBT schemes. The DBT in LPG which was the largest of all DBT schemes would need to be re-started.
    7. It is proposed that DBT including DBT in LPG should be pursued to make the programme of financial inclusion a success. The list of DBT schemes is given in
    8. Each account holder would be provided financial literacy sessions on how to manage his money and credit facilities.
    9. The Accounts would be opened in camp mode to ensure that account may be opened for all eligible residents in time bound manner and there after account opening process to take place in on going basis. The dates / day of the camp to be announced in advance through adequate and effective publicity locally available. The camps would be organised in coordination with the Government & Bank officials and in each of the camp BCAs & Bank officer to ensure opening of account.
    10. Bank may be required to hold more than one camp in each village till 100% saturation level is achieved in that village.
    11. Convergence with the efforts of the National Rural Livelihoods Mission (NRLM) would be sought in order to open bank accounts for the Self Help Group(SHG) members.
    12. Overdraft (OD) of Rs.5,000/- would be provided to the customers (only to the lady member in case of bank accounts of both husband and wife) . Release of said OD facility would be in a phased manner starting with Rs.1000/- and after observing satisfactory performance of these OD accounts, the remaining amount should be released by the Banks within the next six months. This OD facility would be covered by the Credit Guarantee Fund proposed to be created by the Government which is further described in section 7.4 of this document. The Rate of Interest on these accounts is proposed @ 11 % (Including the fees to be paid to Credit Guarantee fund).

All Government benefits to flow this account – Facilitating servicing of interest & Reducing the chances of account becoming dormant

* **Summary of Action Points**:
* About 12 crore bank accounts will be required to be opened in rural areas and
* In addition about 3 crore bank accounts for the urban people not having bank accounts would need to be opened.
* Identification of people without any bank account
* Re-activation of dormant accounts
* Opening of bank accounts at village level in camp mode
* Opening of bank accounts in urban areas in camp mode
* RuPay debit card will be provided to all account holders
* Using mobile banking for low end phones to facilitate withdrawal, payments and transfer of money through Banks.
  1. **Financial Literacy and Credit Counselling (FLCC)- Establishing adequate number of Financial Literacy Centre (FLCC) & Mechanism to increase financial literacy among the financially excluded sections:**

The third important pillar focuses on preparing the people for financial planning and availing credit. It has been seen from the experience of microfinance firms as well as Self Help Groups (SHGs) that before availing credit, people need to be made aware of the advantages of access to formal financial system, savings, credit, importance of timely repayments and building up a good credit history. As per RBI, 718 Financial Literacy Centres (FLCs) have been set up as at end of March, 2013. A total of 2.2 million people were made aware through awareness camps / choupals, seminars and lectures during 2012-13. However most of these FLCs have not been set up in rural areas. The present plan aims to expand the FLCCs to the block level. The focus would be on availing credit and coming out of the exploitation by informal financial system:-

* + 1. Financial literacy is a prerequisite for effective financial inclusion, which will ensure that financial services reach the unreached and under-reached sections of the society. Financial markets now offer complex choices to consumers, but literacy is essential for consumers to make informed choices. Informed choices will help in demand generation of the financial services.
    2. In countries with diverse social and economic profile like India, financial literacy is particularly relevant for people who are resource-poor, who operate at the margins and are vulnerable to persistent downward financial pressures. With no established financial awareness, the un-banked poor are pushed towards expensive alternatives.
    3. India is among the world’s most efficient financial markets in terms of technology, regulation and systems. Financial literacy is most important for India as it is a developing country with problem of poverty in addition to illiteracy and population. Financial literacy is considered an important adjunct for promoting financial inclusion and ultimately financial stability of the global economy. In India, the need for financial literacy is even greater considering the low levels of literacy and the large section of the population, remaining out of the formal financial set-up.
    4. While savings as a percentage of GDP in India is fairly good, where the savings are invested is a cause for concern. Further only a minority of Indians are covered by mandated, and/or government financed social security schemes and social safety nets. We need to convert a country of savers into a nation of investors. Everyone saves money for future needs but the approach most of the time is to save surplus money without preparing household budgets & without prioritizing personal needs.
    5. Impact of financial illiteracy: Recent experiences in the microfinance arena have shown that poor people take loans that they have no capacity to service. Farmers have also taken loans that they have not been able to repay. Many have been driven to suicide because of debt problems. Unless financial literacy goes hand in hand with financial inclusion, instead of helping the poor, they may be put into more trouble.
    6. National Institute of Securities Market (NISM) has set up National Centre for Financial Education (NCFE) with the support of all the financial sector regulators in India: RBI, SEBI, IRDA, PFRDA and FMC, to further the cause of financial literacy and inclusion in India in a collaborative manner. Role and functionality of NCFE would be strengthened.
    7. RBI has a scheme of “Depositor Education & Awareness Fund Scheme 2014”, which is created out of unclaimed money of the depositors, 10 years and above. Part of this fund may be utilised to increase financial literacy awareness. RBI would be consulted for utilizing the amount.
    8. A convergence with the National Rural Livelihood Mission (NRLM) of Ministry of Rural Development and National Urban Livelihood Mission (NULM) of the Ministry of Housing and Urban Poverty Alleviation (HUPA) would be sought to achieve the objective of Financial Literacy. NGOs working with NRLM and NULM may be utilized for this purpose.
    9. It is proposed to provide basic financial literacy including operating an ATM card and benefits of the repayment of the overdraft due during the camps to be conducted for account opening.
* **Summary of Action Points**:
* Revamping and expansion of FLCCs upto the block level to increase its scope
* Finalizing the course material in consultation with all stake holders
* Effective use of technology for training through Video Conferencing
* Monitoring and follow-up
  1. **Credit Guarantee Fund:**

The fourth pillar of this plan is the creation of a Credit Guarantee Fund. It is proposed to be housed in National Credit Guarantee Corporation (NCGC). As per RBI estimates, up to March 2013, 3.95 million Basic banking accounts availed Over draft facility of Rs.1.55 billion (These figures respectively, were 0.18 million and 0.10 billion in March, 2010). However, considering that 182 million such accounts were opened by March, 2013, the over draft facility has been availed in a very small fraction of these accounts. Reasons for this can be:

* Cap of Rs.2,500/- for each account that too on select basis.
* Perceived defaults in such accounts by Banks made them shy of lending.
  + 1. Provision of Rs.5,000/- as is projected to have multi dimensional benefits like:
       1. This exigency fund shall be a great support for them in meeting out their basic needs like health, farming etc. The idea is to bring out people from the clutches from the money lender in both rural and urban areas.
       2. Learning to manage this account shall be the first step to larger dosage of credit by creating their credit history. It shall help the banks also in Credit appraisal for his future needs.
       3. Provision of Rs. 5,000/- as instant overdraft (It is a credit and not grant).
       4. Over draft of Rs. 5,000/- to be provided to only one lady account of the family.
       5. Banks can consider customers having good credit history for more than one year eligible for higher credit limits.
    2. The present plan proposes to create a credit guarantee fund with a corpus of Rs.1,000 crores to provide guarantee against defaults in over drafts in basic banking accounts. It is estimated that there are 18.2 crore basic banking accounts and it is estimated that by the end of the campaign another 15 crore accounts would get added. An overdraft of Rs. 5000 in each of these translates to a total of Rs.1,65,000 crores. Using a 1:20 leverage ratio we would need Rs.8250 crore over a period of time. Hence to begin with, it is proposed to start with a corpus of Rs.1000 crore. This corpus would be budget neutral for the Government of India and would be funded by the Financial Inclusion Fund (FIF) being maintained by NABARD.
* **Summary of Action Points**:
* Setting up the Credit Guarantee fund for micro credit
  1. **Micro Insurance:**

The fifth pillar of this plan is to provide micro-insurance to the people. Insurance Regulatory and Development Authority (IRDA) has created a special category of insurance policies called micro-insurance policies to promote insurance coverage among economically vulnerable sections of society. The IRDA Micro-insurance Regulations, 2005 defines and enables micro-insurance. A micro-insurance policy can be a general or life insurance policy with a sum assured of Rs.50,000 or less.

A general micro-insurance product could be

* Health insurance contract
* Any contract covering belongings such as
  + - 1. Hut
      2. Livestock
      3. Tools or instruments or
      4. Any personal accident contract

They can be on an individual or group basis

A life micro-insurance product is:

* A term insurance contract with or without return of premium
* Any endowment insurance contract or
* A health insurance contract

They can be with or without an accident benefit rider and

Either on an individual or group basis

* + 1. There is flexibility in the regulations for insurers to offer composite coverage or package products that include life and general insurance covers together. Micro- insurance business is done through the following intermediaries:
* Non-Governmental Organisations
* Self-Help Groups
* Micro-Finance Institutions
  + - 1. Most of the entities appointed as BCAs, including companies registered under Companies Act, have also been permitted by IRDA for appointment as MI agents to sell Micro-insurance products by a separate circular.
    1. The micro-insurance portfolio has made steady progress. More and more life insurers have commenced their micro-insurance operations and many new products are being launched every year. The distribution network has also been considerably strengthened and the new business has shown a decent growth, although the volume is still small. Micro-insurance business is procured largely under the group portfolio. Life Insurance Corporation of India (LIC) contributes the most both in terms of policies sold and number of micro-insurance agents.
    2. With the notification of the IRDA (Micro-insurance) Regulations 2005, by the Authority, there has been a steady growth in the design of products catering to the needs of the poor. The flexibilities provided in the Regulations allow the insurers to offer composite coverage or package products.
* **Summary of Action Points**:
* Enabling the extension/distribution machinery to offer micro-insurance products and full coverage of scheme like Aam Admi Bima Yojna(Estimated target of 12 cr. families, 4.6 cr. Covered)

**Unorganized sector Pension schemes like Swavlamban:**

The sixth and final pillar of this plan relates to old age income security. To encourage workers in the unorganised sector to save voluntarily for their old age, an initiative called “Swavlamban Scheme”, a co-contributory pension scheme was launched on 26.09.2010, wherein the Central Government would contribute a sum of Rs.1000 per annum in each National Pension Scheme (NPS) account opened and having a saving of Rs.1,000 to Rs.12,000 per annum for a period not exceeding five years. The Scheme runs up to Financial Year 2016-17. The Scheme operates through 79 Aggregators appointed by the Pension Fund Regulatory and Development Authority (PFRDA), an authority constituted by the Government to implement NPS. A total of 3,01,980 subscribers during 2010-11, 6,43,979 subscribers during 2011-12 and 11,01,079 subscribers during 2012-13 have been benefitted . During the financial year 2013-14, a total of 15,94,790 subscribers have been benefitted.

* **Summary of Action Points**:
* Use the extension/distribution mechanism for full coverage under pension scheme like Swavlamban
* Estimated 35 cr. unorganised labour in the country. 15.94 lakhs subscribers enrolled till 31.03.2014

1. **Administrative Structure for Monitoring:**
   1. **Central Level:**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Headed by | Other members | Frequency of monitoring |
| Mission Head | Finance Minister | Minister of Communications, Minister of Rural Development, Secretary(FS), Governor RBI, Secretary(Telecom), Secretary(RD), Chairman IBA | Quarterly |
| Executive Committee | Secretary(FS) | Deputy Governor(RBI), DG NIC, CEO IBA, CMD BSNL, CMDs of Banks, Chairman NABARD,CEO NPCI, | Monthly |
| Mission Director | Joint Secretary(FI) | Nodal Officers of banks, NABARD, NPCI, BSNL | Weekly/ Fortnightly |

* + 1. Director (FI) would be Additional Mission Director.
  1. **State Level:**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Headed by | Other members | Frequency of monitoring |
| State Level Implementation Committee | Preferably Mission Director, NRLM to achieve convergence with NRLM or Principal Secretary(Finance) | Heads of Major Banks, Regional Heads of RBI and NABARD, Insurance Companies etc. | Monthly |

* + 1. SLBC Convenor Bank General Manager in the State capital would be the Secretary to the State Implementation Committee.
  1. **District Level**:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Headed by | Other members | Frequency of monitoring |
| District Level Implementation Committee | District collector | Senior most officers of banks in the district and NABARD, NRLM members, Insurance Companies , officers of district administration and Local Bodies | Fortnightly |

* + 1. Lead District Manager (LDM) to act as Secretary to the implementation committee.
    2. The committee to meet every fortnight. The frequency could be even higher in the initial stage till creation of the infrastructure. Presence of DC would be necessary in at least in one of the two consecutive meetings.

1. **Monitoring Mechanism/ MIS:**
   1. A web portal shall be created by DFS at ‘Financialservices.gov.in’ for online monitoring the creation of BCAs in the field shall be the tool to ensure proper coverage of villages.
   2. The reports to be generated would be district wise/ State wise and would include

a) Covered villages with uncovered households needing two accounts per family

b) Covered villages with covered households needing one more account per family or reactivation of earlier account

c) Uncovered villages with households needing two accounts

d) Urban areas with uncovered households needing two accounts/one account/account reactivation

e) Number of new BCs set up in Rural and Urban areas

* 1. Each Bank would have a structured System generated MIS system to monitor the function of B C Agents in the field. The format would be standardised across the system for ease and uniformity purposes. This shall be uploaded regularly on the Portal created by DFS for this purpose.
  2. This MIS would have a linkage with the portal for DFS i.e. ‘Financialservices.gov.in’. All banks have already been provided with the necessary id and password to access this portal .
  3. IBA will have a monitoring committee which shall review the progress on weekly basis. The information for monitoring shall be extracted from the DFS portal.
  4. A Project Management Group would be set up in DFS comprising of sector experts to do a day to day monitoring.
  5. A single Toll free number would be provided across the country. This number shall be connected to a call centre with multi language facility, controlled by IBA and funded by all member banks. Citizens facing difficulty in opening of account may call on this number where his/her complaint shall be registered. The same shall then be forwarded to the concerned for necessary action within 15 days.

1. **Media and Publicity**

Adequate publicity would need to be carried out in structured manner based on different tiers like Central level, State level and Districts / Local level. Structure & Mechanism for publicity would be devised by Indian Bank Association (IBA) and NABARD in co-ordination with Banks and other stake holders. There would be a common fund to be contributed by the Banks for publicity. In the states, State Level Bankers Committees (SLBCs) would coordinate based on broad guidelines of the IBA/NABARD. However the local level publicity would be taken up by the respective Lead District Managers. All publicity material like posters, banners etc would be in local/regional language. Broadly modes for campaign shall be used as under:

* + - Central level
      * Print
      * Electronic
      * Radio
    - Local level (vernacular)
      * Posters
      * Banners
      * Brochures

1. **Financial Implication for one Year:**

Estimated costs for setting up of BC outlets (estimated 50,000) & other activities for the first year are as under:

|  |  |  |
| --- | --- | --- |
| S.N. | Activity | Amount(in Rs. crore) |
| 1. | Remuneration of BCs | 300 |
| 2. | Media campaign for awareness building | 300 |
| 3. | Infrastructure, merchandising, infrastructrure | 200 |
|  | Total | 800 |

The contribution for the media campaign for awareness building would be under Financial Inclusion Fund (FIF) maintained with NABARD. Depositor Education and Awareness Fund scheme 2014 of RBI would also be utilized for supporting this initiative.

The remaining amount would be contributed by the banks. In addition, the Credit Guarantee Fund to be created for defaults in basic banking accounts would need a contribution of Rs.1000 crore for which the guidelines of FIF would need to be suitably amended.

**12. Challenges identified in the implementation of the Mission:**

**12.1 Telecom connectivity:**  The feedback from the Banks is that in tribal and hilly areas of the country, the telecom network is not reliable and therefore setting up BCs in these areas and ensuring opening of bank accounts is going to be difficult. A meeting was held with representatives of the Department of Telecom (DoT) and BSNL in this regard and it was assured that the ongoing telecom connectivity problems would be resolved by mutual consultation. It was also informed that DoT is separately seeking the Government approval to cover all villages in the North East and difficult areas with telecom connectivity. Banks would also work to utilize the National Optical Fibre Network (NOFN) when it reaches the Panchayat level.

**12.2 Keeping the accounts “Live”:** It is essential that all Government benefits –Central, State or local should flow to these accounts as it has been observed that a lot of duplicacy exists in this area and sometimes States have not followed the service area approach and allocated areas to some banks other than service area banks creating avoidable confusion. The DBT schemes need to be pushed and DBT in LPG needs to be restarted. The list of DBT schemes may be seen in Annexure 6.

**12.3 Brand awareness and sensitization**: In order to achieve a “demand” side pull effect, it would be essential that there is Branding and awareness on Business Correspondent model for providing basic banking services, Banking Products available at BC outlets and Rupay Cards. Customers to be made aware that overdraft of Rs.5,000/- to be provided in their account is a credit facility which needs to be repaid in order to get fresh limits and is not a grant.

**12.4** **Coverage of difficult areas:** Parts of North East, Himachal Pradesh, Uttarakhand, J&K and 82 Left Wing Extremism (LWE) districts face challenges of infrastructure besides Telecom connectivity. All households in such areas may not cover fully covered under the campaign.

**13. Roles of major stakeholders:**

* 1. **Role of Department of Financial Services:**
* Overall ownership of the Mission Mode Project on Financial Inclusion
* Overall Monitoring and Implementation of the Mission
  1. **Role of other Central Government Departments:**
* In order to achieve the complete financial inclusion and transfer of social benefits in the accounts of the beneficiaries, the concerned Departments of Central Government would coordinate with the stake holders.
* Presently, 26 centrally Social benefits scheme under DBT are sponsored by eight Departments of the Central Government as under:

1. M/o Social Justice & Empowerment
2. M/o Human Resources Development, D/o Higher Education
3. M/o Human Resources Development, D/o School Education & Literacy
4. M/oTribal Affairs
5. M/oMinority Affairs
6. M/o Women and Child Development
7. M/o Health & Family Welfare
8. M/o Labour and Employment

* MGNREGS is sponsored by Ministry of Rural Development (MoRD, GoI).
* Departments like Department of Posts for using the rural post offices, Department of Telecommunications for telecom connectivity, Ministry of Information & Broadcasting and DAVP to assist in media campaign, DEITY in development of logistic support for monitoring like creation of portal for data updating, development of electronic reporting system, MoRD for convergence with NRLM, HUPA for convergence with NULM etc.

* 1. **Role of RBI**:
* To align their directions to the Banks on Financial inclusion with the Mission mode
* FIF fund allocation support
* Depositor Education and Awareness Fund scheme 2014 support
* To guide and support Banks in Financial Literacy Campaign and revamping and expansion of FLCCs upto the Block level
  1. **Role of Banks**: As defined in the Mission Mode document
  2. **Role of IBA:**
* Coordination in Financial Inclusion Effort with all Banks
* Key monitoring role in Financial Literacy campaign
* Coordination in publicity and campaign
* Coordination in centralised handling of customers grievances / issues through Toll free numbers in coordination with Banks
* A dedicated Desk to be set up for monitoring of implementation of FI. The desk will have a call centres with Toll free numbers to be activated by 15/08/2014
  1. **Role of NABARD**:
* Coordination in publicity and campaign
* Monitoring of Implementation of Financial Inclusion in respect of organisations working under NABARD
* Allocation of funds from Financial Inclusion Fund (FIF)
  1. **Role of State Governments**:
* Appointment of Mission Director at State level
* Monitoring of financial inclusion campaign in coordination with SLBC & all the stake holders
* Direct Benefit Transfer of the State schemes in the bank accounts of the beneficiaries
  1. **Role of SLBC**:
* SLBC Convenor GM to act as Secretary to state implementation committee
* Coordination with all the Banks for Financial Inclusion Activity
* Monitoring and follow up of different activities of Financial inclusion
  1. **Role of District Administration**:
* Key role in implementation of FI in the districts
* District Collector (DC) to act as chairman of District level implementation committee
  1. **Role of Lead District Manager:**
* Lead District Manager (LDM) to act as Secretary to the District Implementation Committee
* LDM to coordinate with all the Banks in FI implementation in the District
  1. **Role of Local Bodies**:
* Representatives of local bodies (panchayats in rural areas and municipalities in urban areas) to assist in implementation of FI in various ways like in organising camps in opening of accounts, identification of persons for opening of account , in financial literacy campaign etc.
  1. **National Payment Corporation of India (NPCI):**
* Coordination and necessary guidance and supports to banks for in providing and proper operations of RuPay cards
* To facilitate Interoperability among BCs
* Necessary supports to Banks in making available USSD based mobile banking with low end mobile phones so that customer can avail basic banking services like deposit, withdrawal, fund transfer, balance enquiry etc across the banks. This product may be enabled at BC outlets also.

**14. Launch Function**

* 1. Simultaneous launch in Delhi, State capitals and Districts
  2. Unveiling of the logo and merchandise of the campaign
  3. Low cost mobile banking (USSD) launch with all Telecom providers
  4. Highlighting of RuPay Card to be provided to the beneficiaries

1. **Time Lines for Implementation:**

* *Launch*  15th Aug 2014
* *Coverage of SSAs ( Opening of 50,000 BC outlets in rural areas and additional ones as necessary in Urban areas)* 
  + 10,000 15th Aug 2014
  + 15,000 (Aggregate 25,000) 30th Nov 2014
  + 15,000 (Aggregate 40,000) 31st Mar 2015
  + 20,000 (Aggregate 50,000) 30th Jun 2015
* *Opening of accounts (estimated at 15 crore)* 
  + 5 Crore (25%) 30th Nov 2014
  + 5 Crore (50%) 31st Mar 2015
  + 5 Crore (75%) 30th Jun 2015
  + Remaining accounts (100%) 14th Aug 2015

|  |  |  |
| --- | --- | --- |
| **State-wise number of unbanked villages with population of over 2000, provided with banking facilities under 'Swabhimaan' Campaign 2010-13. Annexure-1** | | |
| S.N. | **Name of State** | **No. of Villages provided with banking facilities** |
| 1 | Andaman & Nicobar Islands | 9 |
| 2 | Andhra Pradesh | 6640 |
| 3 | Arunachal Pradesh | 11 |
| 4 | Assam | 2319 |
| 5 | Bihar | 9206 |
| 6 | Chandigarh | 0 |
| 7 | Chhattisgarh | 1050 |
| 8 | Dadra & Nagar Haveli | 30 |
| 9 | Daman & Diu | 6 |
| 10 | Delhi | 110 |
| 11 | Goa | 41 |
| 12 | Gujarat | 3502 |
| 13 | Haryana | 1838 |
| 14 | Himachal Pradesh | 48 |
| 15 | Jammu & Kashmir | 789 |
| 16 | Jharkhand | 1541 |
| 17 | Karnataka | 3395 |
| 18 | Kerala | 120 |
| 19 | Lakshadweep | 0 |
| 20 | Madhya Pradesh | 2736 |
| 21 | Maharashtra | 4292 |
| 22 | Manipur | 186 |
| 23 | Meghalaya | 39 |
| 24 | Mizoram | 14 |
| 25 | Nagaland | 196 |
| 26 | Odisha | 1877 |
| 27 | Puducherry | 42 |
| 28 | Punjab | 1576 |
| 29 | Rajasthan | 3883 |
| 30 | Sikkim | 43 |
| 31 | Tamil Nadu | 4445 |
| 32 | Tripura | 419 |
| 33 | Uttar Pradesh | 16270 |
| 34 | Uttarakhand | 226 |
| 35 | West Bengal | 7452 |
|  | Grand Total | 74351 |

* Focus was on coverage of villages not households

**Annexure-2**

**ACTIVITY SHEET FOR SETTING UP BCs IN PHASE 1**

|  |  |  |  |
| --- | --- | --- | --- |
| **Sr. No.** | **Activity** | **Timelines** | **Responsibility** |
|  | Allocation of Districts and Villages | 15/07/2014 | SLBCs and  LDMs |
|  | Placement of order for Machines | 15/07/2014 | Respective Banks |
|  | Delivery of Machines | 31/07/2014 onwards | Vendors |
|  | Infrastructure arrangements (Cards, Forms, Furniture etc) | 07/08/2014 | Respective Banks |
|  | Search/Identification and Selection of BC | 07/08/2014 | Respective Banks |
|  | Orientation of BCs | 10/08/2014 to 14/08/2014 | Respective Banks |
|  | Activation of BC | 14/08/2014 | Respective Banks |
|  | First account opening | 15/08/2014 | Respective Banks |

**Annexure-3**

**ACTIVITY SHEET FOR OPENING OF BANK ACCOUNT IN CAMP MODE IN PHASE I**

|  |  |  |  |
| --- | --- | --- | --- |
| **Sr. No.** | **Activity** | **Timelines** | **Responsibility** |
|  | Announcement of dates for Organising Camps for account opening | 01/08/2014 | Respective Banks |
|  | Adequate Publicity at District level of Bank branches | 01/08/2014 | -- do-- |
|  | Identification of households without bank accounts | 14/08/2014 | -do- |
|  | Completion of first Account opening process & providing Rupay Debit Card | 15/08/2014 | (i) Bank Officials &  (ii) BC Agents |

**Annexure -4**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Phase wise target for coverage of Business Correspondents** | | | | |
|  | **State** | **Phase 1 ( upto 14.08.2014)** | **Phase 2 (15.08.2014 to 30.11.2014)** | **Phase 3 ( 01.12.2014 to 31.03.2015)** | **Phase 4 ( 01.04.2015 to 30.06.2015)** |
|  | Arunachal Pradesh | 25 | 25 | 25 | 25 |
|  | Andhra Pradesh | 400 | 600 | 600 | Any additional left over SSAs |
|  | Assam | 25 | 50 | 100 | 144 |
|  | Bihar | 1000 | 1500 | 1500 | 101 |
|  | Chhattisgarh | 150 | 225 | 225 | 86 |
|  | Goa | 20 | 20 | 18 | Any additional left over SSAs |
|  | Gujarat | 500 | 750 | 750 | 117 |
|  | Haryana | 500 | 500 | 120 | Any additional left over SSAs |
|  | HP | 200 | 300 | 300 | 78 |
|  | JK | 100 | 150 | 120 | Any additional left over SSAs |
|  | Jharkhand | 150 | 225 | 225 | 91 |
|  | Karnataka | 500 | 750 | 750 | 129 |
|  | Kerala | 300 | 350 | 350 | 55 |
|  | MP | 1000 | 1500 | 1500 | 1332 |
|  | Maharashtra | 1000 | 1500 | 1500 | 1172 |
|  | Manipur | 25 | 25 | 25 | 25 |
|  | Meghalaya | 25 | 25 | 25 | 25 |
|  | Mizoram | 25 | 25 | 25 | 25 |
|  | Nagaland | 25 | 25 | 25 | 25 |
|  | Orissa | 500 | 750 | 750 | 198 |
|  | Punjab | 400 | 500 | 500 | 3 |
|  | Rajasthan | 1000 | 1500 | 1500 | 643 |
|  | Sikkim | 25 | 25 | 25 | 25 |
|  | Tamil Nadu | 50 | 70 | 70 | 4 |
|  | Telangana | 100 | 150 | 150 | Any additional left over SSAs |
|  | Tripura | 25 | 25 | 25 | 25 |
|  | UP | 2000 | 3000 | 3000 | 3055 |
|  | Uttarakhand | 50 | 50 | 65 | Any additional left over SSAs |
|  | West Bengal | 400 | 700 | 700 | 72 |
|  | **Total** | **10520** | **15290** | **14943** | **7430 and any additional left SSAs** |

**Annexure-5**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Bank wise Detail of Villages/ SSAs/ Households Allotted and Covered as on 31.05.2014** | | | | | | | |
| **S. No.** | **Name of Bank** | **Villages (Nos.)** | | **SSAs ( Nos.)** | | **Households ( Nos.)** | |
| **Allotted** | **Covered** | **Allotted** | **Covered** | **Allotted** | **Covered** |
|  | **[1]** | **[2]** | **[3]** | **[4]** | **[5]** | **[6]** | **[7]** |
| 1 | Allahabad Bank | 17689 | 4787 | 5093 | 2880 | 46,24,622 | 26,63,739 |
| 2 | Andhra Bank | 4856 | 3688 | 1954 | 1851 | 24,12,380 | 23,53,325 |
| 3 | Bank of Baroda | 21526 | 14729 | 6811 | 5034 | 56,21,924 | 46,28,182 |
| 4 | Bank of India | 18533 | 10866 | 5283 | 3691 | 45,78,361 | 35,37,927 |
| 5 | Bank of Maharashtra | 10235 | 7106 | 3048 | 2128 | 27,06,761 | 20,75,228 |
| 6 | Canara Bank | 10122 | 5404 | 3547 | 2938 | 32,19,401 | 22,77,980 |
| 7 | Central Bank of India | 30382 | 12788 | 8946 | 4119 | 89,67,061 | 52,82,702 |
| 8 | Corporation bank | 1880 | 1402 | 1143 | 1143 | 2,91,804 | 1,02,397 |
| 9 | Dena Bank | 4309 | 3033 | 2644 | 1882 | 14,96,366 | 10,08,947 |
| 10 | IDBI Bank Ltd. | 998 | 974 | 497 | 491 | 2,47,555 | 1,72,513 |
| 11 | Indian Bank | 5902 | 5079 | 159 | 159 | 23,71,454 | 17,31,684 |
| 12 | Indian Overseas Bank | 5672 | 3659 | 538 | 538 | 21,52,273 | 15,54,284 |
| 13 | Oriental Bank of Commerce | 4603 | 2608 | 1494 | 1029 | 18,53,027 | 12,94,864 |
| 14 | Punjab & Sind Bank | 2716 | 1027 | 1070 | 560 | 14,93,021 | 6,19,560 |
| 15 | Punjab National bank | 38970 | 25147 | 8490 | 5171 | 92,01,800 | 47,15,921 |
| 16 | SBBJ | 7590 | 2989 | 1880 | 1350 | 8,08,360 | 2,26,012 |
| 17 | SBH | 3941 | 3872 | 1504 | 1487 | 18,78,884 | 25,47,393 |
| 18 | State Bank of India | 47622 | 18201 | 16691 | 9643 | 2,24,14,193 | 50,00,240 |
| 19 | State Bank of Mysore | 3556 | 1980 | 697 | 438 | 8,41,910 | 6,27,633 |
| 20 | State Bank of Patiala | 3612 | 1762 | 1030 | 630 | 5,04,700 | 3,99,837 |
| 21 | State Bank of Travancore | 49 | 42 | 426 | 365 | 6,39,000 | 4,30,000 |
| 22 | Syndicate Bank | 6380 | 3547 | 3358 | 2152 | 24,55,945 | 15,23,140 |
| 23 | UCO Bank | 17102 | 10198 | 5636 | 3881 | 34,07,505 | 23,03,399 |
| 24 | Union Bank of India | 18667 | 7494 | 7650 | 4398 | 47,80,816 | 33,15,536 |
| 25 | United Bank of India | 12671 | 9949 | 2065 | 2065 | 22,55,159 | 20,13,092 |
| 26 | Vijaya Bank | 3170 | 2627 | 1013 | 798 | 5,36,071 | 3,47,329 |
|  | Total | 302753 | 164958 | 92667 | 60821 | 9,17,60,353 | 5,27,52,864 |

**Annexure -6**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Sl.** | **Ministry/ Department** | **No. of** | | **Name of the Scheme** |  |
| **No** |  | **Schemes** | |  |  |
| 1 | **M/oSocial Justice &** | 7 | 1 | Post Matric Scholarship for SC Students. |  |
|  | **Empowerment** |  | 2 | Pre-Matric Scholarship for SC Students. |  |
|  |  |  | 3 | Pre-Matric Scholarship for Children of those |  |
|  |  |  |  | Engaged in unclean occupations. |  |
|  |  |  | 4 | Upgradation of merit of SC Students. |  |
|  |  |  | 5 | Post Matric Scholarship for OBCs. |  |
|  |  |  | 6 | Top Class Education Scheme. |  |
|  |  |  | 7 | Rajiv Gandhi National Fellowship. |  |
| 2 | **M/o Human Resources** | 3 | 1 | Scholarship to Universities/College Students. | |
|  | **Development, D/o** |  | 2 | Fellowship Schemes of UGC. |  |
|  | **Higher Education** |  | 3 | Fellowship Schemes of AICTE. |  |
| 3 | **M/o Human Resources** | 2 | 1 | National Means cum Merit Scholarship. |  |
|  | **Development, D/o** |  | 2 | National Scheme for Incentive for the girl child | |
|  | **School Education &** | , |  | for secondary education. |  |
|  | **Literacy** |  |  |  |  |
| 4 | **M/oTribal Affairs** | 3 | 1 | Post Matric Scholarship Scheme. |  |
|  |  |  | 2 | Top Class Education System. |  |
|  |  |  | 3 | Rajiv Gandhi National Fellowship. |  |
| 5 | **M/oMinority Affairs** | 3 | 1 | Matric Scholarship Scheme. |  |
|  |  |  | 2 | Maulana Azad National Fellowship. |  |
|  |  |  | 3 | Merit cum Means Scholarship Scheme. |  |
| 6 | **M/oWomen and Child** | 2 | 1 | Indira Gandhi Matritva Sahyog Yojana (IGMSY). | |
|  | **Development** |  |  |  |  |
|  |  |  | 2 | Dhanalakshmi Scheme. |  |
| 7 | **M/o Health & Family** | 1 | 1 | Janani Suraksha Yojana. |  |
|  | **Welfare** |  |  |  |  |
| 8 | **M/oLabour and** | 5 | 1 | Scholarship to the Children of beedi workers. | |
|  | **Employment** |  | 2 | Housing subsidy to beedi workers. |  |
|  |  |  | 3 | Stipend to children in the special schools under | |
|  |  |  |  | the Child Labour Project. |  |
|  |  |  | 4 | Stipend to trainees- Welfare of SC/ST through | |
|  |  |  |  | Coaching cum Guidance & Vocational Training | |
|  |  |  | 5 | Stipend to trainees in LWE districts |  |
|  | **Total** | 26 |  |  |  |

**LIST OF 26 CENTRAL SECTOR/ CENTRALLY SPONSORED SCHEMES**

**Annexure-7**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Scheme for Financing Business Correspondents** | | | | | | | | | | | | |  |  |  |  |  |  |  |  |  |  |
|  | | | |  |  |  | |  | |  |  | | |  |  | |  |  |  |  |  |  |
| Nature of Facility | | | | Demand/Term Loan/Working Capital Facilities | | | | | | | | | | | | | |  |  |  |  |  |
|  | | |  |  |  |  | |  | |  |  | | |  |  |  |  |  |  |  |  |  |
| Purpose | | |  |  |  |  Working Capital Requirement | | | | | | | |  |  |  |  |  |  |  |  |  |
|  | |  |  |  |  |  Purchase of Computers, peripherals, printers, Furniture & | | | | | | | | | | | | | | | |  |
|  | |  |  |  |  | Fixtures etc for setting up or renovation of office. | | | | | | | | | | | | |  |  |  |  |
|  | |  |  |  |  |  Purchase of two wheeler | | | | | | |  |  |  |  |  |  |  |  |  |  |
| Limit | |  |  | Minimum Rs.25000 /- | | | | | | | |  |  |  |  |  |  |  |  |  |  |  |
|  | |  |  | Maximum Rs. 250000/- | | | | | | | |  |  |  |  |  |  |  |  |  |  |  |
|  | |  |  |  | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | |  |  |  |  | Area | |  | Demand | |  | Overdraft | | Term | | |  | Total |  |  |  |  |
|  | |  |  |  |  |  |  |  | Loan | |  | (Working | | Loan(veh | | |  |  |  |  |  |  |
|  | |  |  |  |  |  |  |  |  |  |  | capital) | | icle loan) | | |  |  |  |  |  |  |
|  | |  |  |  |  |  | |  |  |  |  |  | |  |  | |  |  | |  |  |  |
|  | |  |  |  |  | Rural | |  | 75000/- | |  | 25000/- | | 50000/- | | |  | 150000/- | |  |  |  |
|  | |  |  |  |  | and semi | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | |  |  |  |  | urban | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | |  |  |  |  |  | |  |  |  |  | | |  |  | |  | | |  |  |  |
|  | |  |  |  |  | Urban | |  | 115000/- | | 35000/- | | | 50000/- | | | 200000/- | | |  |  |  |
|  | |  |  |  |  |  | |  |  |  |  | | |  |  | |  | | |  |  |  |
|  | |  |  |  |  | Metro | |  | 150000/- | | 50000/- | | | 50000/- | | | 250000/- | | |  |  |  |
|  | | |  |  |  |  |  |  | |  |  | | |  |  | |  | | |  |  |  |
| Eligibility | | |  |  |  | The | Product | | | is specifically | | | | designed for Business | | | | | | | |  |
|  | |  |  |  |  | Correspondents (BCs) and Kiosk Operators who have valid | | | | | | | | | | | | | | | |  |
|  | |  |  |  |  | agreement with service providers engaged by the Bank for | | | | | | | | | | | | | | | |  |
|  | |  |  |  |  | the purpose of providing banking services under Financial | | | | | | | | | | | | | | | |  |
|  | |  |  |  |  | Inclusion. | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | |  |  |  |  | **Age: 18 to 60 years** | | | | | |  |  |  |  |  |  |  |  |  |  |  |
| Margin | | |  | 10% | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | |  |  |  |  |  |  |  | | | | |  |  | |  |  |  |  |  |
| Rate of Interest | | | |  |  |  |  |  |  | **Micro Enterprises** | | | | |  | **Small** | |  |  |  |  |  |
|  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  | **Enterprises** | | |  |  |  |  |
|  | |  |  |  |  | Up to Rs. | | | | Base | | Rate, | | i.e. |  | Base Rate + | | | | |  |  |
|  | |  |  |  |  | 50000/- | | |  | 10.25% p.a. | | |  |  |  | 0.50%, | | | i.e. | |  |  |
|  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 10.75% p.a. | | |  |  |  |  |
|  | |  |  |  |  | Above Rs. | | | | Base Rate + 0.50%, | | | | |  | Base Rate + 1%, | | | | |  |  |
|  | |  |  |  |  | 50000/-to | | |  | i.e. 10.75% p.a. | | | |  |  | i.e. 11.25% p.a. | | | | |  |  |
|  | |  |  |  |  | 2.00 lacs | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | |  |  |  |  | Above | | |  | Base Rate + 1.00% | | | | |  | Base Rate + | | |  |  |  |  |
|  | |  |  |  |  | Rs.2.00 Lacs | | | | i.e. 11.25% p.a. | | | |  |  | 1.25%, i.e. | | |  |  |  |  |
|  | |  |  |  |  | to Rs.10.00 | | | |  |  |  |  |  |  | 11.50% p.a. | | |  |  |  |  |
|  | |  |  |  |  | Lacs | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | |  |  |  | | **Tenor premium** | | | | **as per circular No.BCC/BR/105/213 dated** | | | | | | | | | | | |  |
|  | |  |  | **29.05.2013 as under.** | | | | | | | |  |  |  |  |  |  |  |  |  |  |  |
|  | |  |  | Less than 3 years—Nil | | | | | | | |  |  |  |  |  |  |  |  |  |  |  |
|  | |  |  | 3 years & above up to 5 years—0.10% | | | | | | | | | | | |  |  |  |  |  |  |  |
|  | | | |  | | | | | | | | |  |  |  |  |  |  |  |  |  |  |
| Unified processing | | | | As per Bank’s Guidelines | | | | | | | | |  |  |  |  |  |  |  |  |  |  |
| charges | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | |  |  | | | | | | | | | | | | | | | | | |  |
| Period |  | |  | **Demand Loan**- Repayable in Maximum 35 equated monthly | | | | | | | | | | | | | | | | | |  |
|  |  | |  | installments | | | | | commencing | | | | from | | | one | | month | after | | |  |
|  | |  | Disbursements. | | | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | |  | **Term Loan**- Repayable in Maximum 60 equated monthly | | | | | | | | | | | | | | | | | |  |
|  |  | |  | Installments commencing from one month after disbursement. | | | | | | | | | | | | | | | | | |  |
|  |  | |  | **Overdraft**-12 months subject of review every 12 months. | | | | | | | | | | | | | | | | | |  |

|  |  |  |  |
| --- | --- | --- | --- |
| Security | /A. | Appropriate DP Note |  |
| Documents | B. | Letter of Installment with acceleration clause |  |
|  |  |
|  | Common Documents**:** | |  |
|  | 1. Letter of Declaration-Cum-Undertaking – LDOC 134 | |  |
|  | 2. Instrument of composite hypothecation - LDOC 17B | |  |
|  | 3. Instrument of Hypothecation of Vehicle. | |  |
|  | 4. An undertaking regarding CGTMSE as per Proforma | |  |
|  |  | Annexed with circular No. BCC: BR: 103/205 dated 14th |  |
|  |  | July 2011). |  |
|  | 5. All other documents as per Bank’s guidelines. | |  |
|  |  | |  |
| Other Charges | As per Bank’s Norms | |  |
|  |  | |  |
| Other Conditions | 1. Overdraft account to be brought into credit once in a | |  |
|  |  | Month. |  |
|  | 2. Credit Rating to be carried out as per Bank's extant | |  |
|  |  | Guidelines though ROI is de-linked from credit rating. |  |
|  |  | Minimum rating MSMEBOB-6 |  |
|  | 3. Inspection to be carried out as per extant guidelines | |  |
|  |  | and inspection report to be kept on record. |  |

4. Branch to ensue end use of funds.

5. Applicant has to comply with KYC norms.

6. All eligible accounts to be covered under CGTMSE.

7. All other General terms & conditions for working capital/Term Loan/Demand Loan to be complied with.

8. The applicant should not be defaulter of any bank/financial institution.

9. Should be residing in the area of his/her BC operations

for more than 3 years.

10. Has to liquidate the entire loan outstanding as soon as relinquishes the Business Correspondent work.

11. Sanction of credit facility under the scheme should be in agreement with the terms & conditions and other criteria as per CGTMSE circular No. BCC: BR: 103/205 dated 11th July 2011.

12. **Remuneration/ BC/BF Commission to be paid by** **the TSP/Bank should be credited in account of the BC with the bank. A letter of undertaking to that effect to be obtained from the employer/Principal of Business Correspondent Agent**

|  |  |  |  |
| --- | --- | --- | --- |
| Preventive |  | 1. He/she should be Business Correspondent working for |  |
| Vigilance: |  | the Bank. |  |
|  | 2. KYC guidelines should be meticulously and strictly |  |
|  |  |  |
|  |  | complied with, which include proper verification / cross |  |
|  |  | checking of information submitted by the applicants for |  |
|  |  | their identity. Documents submitted for identity and proof |  |
|  |  | of residence i.e. copy of ration card/ photo-identity card/ |  |
|  |  | PAN card/ driving license should be properly scrutinized |  |
|  |  | and also verified with the originals. Noting for having |  |
|  |  | verified with the originals should be made on relative |  |
|  |  | documents and report kept on record |  |
|  |  | 3. CIBIL data in respect of applicant should be meticulously |  |
|  |  | verified leaving no scope for non-detection of identity of |  |
|  |  | the applicants |  |
|  |  | 4. Pre-sanction inspection including visit to the place of |  |
|  |  | residence and work must be carried out independently, |  |
|  |  | preferably without giving prior information to the applicant |  |
|  |  | and report to be kept on record. |  |
|  |  | 5. Bank’s board indicating hypothecation charge should be |  |
|  |  | displayed prominently at the place of business. |  |
|  |  | 6. The link branch has to monitor day to day transactions |  |
|  |  | processed by the BC and ensure that no other transaction |  |
|  |  | than FI transactions should be allowed in the settlement |  |
|  |  | account to ensure end use of the funds. In case BC |  |
|  |  | leave the job the entire credit balance available in the |  |
|  |  | settlement account should be transferred to the loan |  |
|  |  | accounts and gets the accounts settled. In case of |  |
|  |  | requirement of more funds to settle the loan account BC |  |
|  |  | has to arrange for required funds to settle the entire loan |  |
|  |  | accounts. In case BC is willing to continue with DL/TL with |  |
|  |  | regular repayment after leaving the job it may be |  |
|  |  | considered by the link branch on merits. |  |
| Classification | of | MSME as per investment in Plant & Machinery/Equipments |  |
| Advances |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

**Annexure -8**

**FINANCIAL INCLUSION ACCOUNT OPENING CUM OVERDRAFT APPLICATION FOR INDIVIDUALS** Date: \_\_\_\_\_\_\_

Name of the Branch:- \_\_\_\_\_\_\_\_\_\_\_\_ Village/ Town:-\_\_\_\_\_\_\_\_ Distrct:-\_\_\_\_\_\_\_\_ \_\_\_\_\_\_ State:-\_\_\_\_\_\_\_\_\_\_\_\_

**First Applicant/ Sole Applicant:-**

FULL NAME, In CAPITAL letters (First, Middle and Last Name): Mr./Mrs./Ms\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_

Father’s/Husband’s name in CAPITAL letters: Mr.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Date of Birth: \_ \_/ \_ \_/\_ \_ \_ \_ Gender: M/F Occupation: Agri/Service/Housewife/Business/Others-\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Tel No.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Mobile No: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Email ID:- \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_ **Second Applicant/ Joint Applicant :-**

FULL NAME, In CAPITAL letters (First, Middle and Last Name): Mr./Mrs./Ms\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_

Father’s/Husband’s name in CAPITAL letters: Mr.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Date of Birth: \_ \_/ \_ \_/\_ \_ \_ \_ Gender: M/F Occupation: Agri/Service/Housewife/Business/Others-\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Tel No.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Mobile No: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Email ID:- \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_

Operating instructions:-\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Present Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_PIN\_\_\_\_\_\_\_\_ Permanent address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_PIN\_\_\_\_\_\_\_\_\_\_

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Other Facilites Required ( Please Tick mark in the appropriate box)** | | | | | | | |
| **S.No.** | **Particulars** | **Yes** | **No** | **S.No.** | **Particulars** | **Yes** | **No** |
| 1 | Passbook |  |  | 4 | Rupay Card/ Debit Card |  |  |
| 2 | Statement of A/c through Email/Post |  |  | 5 | Internet Banking Facility |  |  |
| 3 | Cheque Book |  |  | 6 | Mobile Banking Facility |  |  |
| 7 | Linking of Aadhar No. \_\_ /\_\_/\_\_/\_\_/\_\_/\_\_/\_\_/\_\_/\_\_/\_\_/\_\_/\_\_ | | | | |  |  |
|  | Voter ID No. if available \_\_ /\_\_/\_\_/\_\_/\_\_/\_\_/\_\_/\_\_/\_\_/\_\_/\_\_/\_\_ | | | | |  |  |

**Nomination:**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Deposit | | | Nominee | | | | |
| Nature of Deposit | Distinguishing No | Additional details | Name of Nominee | Address of Nominee | Relationship with depositor | Age | If nominee is a minor, his/her DOB |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |

Since the nominee is a minor on this date, I/we appoint Mr./Mrs/Ms\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Address\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ,Age\_\_\_\_\_\_\_\_\_ to receive the amount of deposit on behalf of the nominee in the event of my/our /minor(s) death.

I /We agree to abide by the terms and conditions of Saving Bank Account of Bank of Baroda.

Above Particulars Verified 1.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_2.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature (S) of the applicant(s)

**Name and signature of the Business Correspondent (BC)** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**APPLICATION FOR OVERDRAFT FACILITY**

I also request you to sanction me an Overdraft Limit of Rs.\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Rs.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_) for meeting my emergency family needs. I shall abide by the terms and conditions stipulated by the Bank in this regards. My Gross Annual Income is Rs. \_\_\_\_\_\_\_\_\_\_\_from all sources. My main source of income is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

(Signature of the applicant)

**On the Back side of the Single page Apllication Form**

**FOR OFFICE USE ONLY**

(Processing Cum Sanction Memo)

Branch: \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Branch Alpha\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Scheme Code: SB124/150

Name /s of the A/c Holder(s):- \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| A/C No. |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

Customer ID No.:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |

Annual Income from various sources as declared by the applicant(s) Rs. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Overdraft Limit Sanctioned Rs. \_\_\_\_\_\_\_\_\_\_(Rs.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_)

Rate of intt. \_\_\_\_\_\_% above Base Rate minimum \_\_\_\_\_\_% with monthly rests

Period: 12 Months

Documents: 1- D P Note; 2- Letter of continuing security to be signed by the borrower

Recommended Sanctioned**In charge** **Chief/ Senior/Branch Manager**

**Saving Bank Deptt**

**KYC IDENTIFICATION DOCUMENTS/PAPERS TO BE SUBMITTED BY APPLICANT (S)**

(Any one document from each of the following two lists subject to Bank’s satisfaction)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| S. No | **List-I (Latest /recent documents showing identity proof)** | **Tick Mark** | **S. No** | **List-II (Latest /recent documents showing identity proof)** | **Tick Mark** |
| 1 | Driving License with photograph |  | **1** | Driving License with photograph |  |
| 2 | MNREGA job Card |  | **2** | Telephone Bill, Electricity Bill, Ration Card |  |
| 3 | Voter’s identity Card |  | **3** | Bank account Statement (with address) MNREGA job Card |  |
| 4 | PAN Card, Government ID Card |  | **4** | Any documentary evidence in support of residential address to the Bank. |  |
| 5 | Aadhaar Card |  | **6** | Aadhaar Card, Voter Card |  |
| 5 | Any other document as per RBI Guidelines |  | **5** | In case of married women address proof of the groom is acceptable. |  |

**Details of documents for identification submitted by the applicant:**

In case the KYC documents as mentioned above are not available then introduction from an existing account holder (at least six months old satisfactorily conducted and KYC compliant account) needs to be obtained.

|  |  |
| --- | --- |
| Name: | Account No. |
| Address | Date of Opening of A/c |
|  | Customer ID |
| Email: | Branch Name |
| Mobile No. | Type of A/c SB/CA/CC/OD: |

It is certified that Mr./ Mrs./.Ms.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_is known to me/us personally since last \_\_\_\_\_\_\_ months/years and confirm the occupation, photograph and address in the application form for opening of account are correct to the best of my/our knowledge and belief.

(Signature of the introducer)

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| **Annexure -2** |

**Minutes of the Second Meeting of the Secretary, Financial Services with the Chief Executives / Executive Directors of all Public Sector Banks, RBI, IBA , NABARD and NPCI to discuss an approach paper prepared for Comprehensive Financial Inclusion held on Wednesday, the 2nd July, 2014 at 10.00 AM in the 3rd floor Jeevan Deep Building, New Delhi**

Secondmeeting with Chief Executives / Executive Directors of all Public Sector Banks, RBI, IBA , NABARD and NPCI to discuss an approach paper prepared for Comprehensive Financial Inclusion was held under the chairmanship of **Secretary (Financial Services) on Wednesday , the 2nd July, 2014, at 10.00 AM** in the conference room, Department of Financial Services, 3rd floor Jeevan Deep Building, Sansad Marg, New Delhi. The list of participants is annexed.

**2.** S(FS) welcomed the participants and reiterated about the instructions received from Prime Minister’s Office regardingpreparation of an immediate time bound action plan for 100% Financial Inclusion of all the household across the country and lead emphasis on creation of infrastructure for implementation of the Financial Inclusion Plan being formulated by DFS as per the timelines .

3 DR. Alok Pande, Director(FI), DFS made a presentation on the draft Financial Inclusion Plan being formulated by DFS.

4. Discussions were held on various points in the draft FI Plan.

5. Following discussions, the decisions taken in the meeting are as under:

(i) Out of the six pillars proposed in the draft FI Plan, following four pillars should be taken under Phase I for implementation within a period of one year from 15./8/2014 to 15/8/2015.

(a) Universal access to banking facilities

(b) Providing Basic Banking Accounts with issuance of RuPay card

( c) Financial Literacy Programme

(d) Micro Credit availability & Creation of Credit Guarantee Fund for coverage of defaults in such A/Cs.

The remaining two pillar viz. Micro Insurance and Unorganized sector Pension schemes like Swavlamban may be taken up in the Phase-II ( 2015-2018).

(ii) All banks/ NPCI should advertise RuPay card in a big way. Each new customer should be issued a Rupay card. Issuance of cards will help in increasing the hits on ATMs and increase the viability of ATMs.

(iii) Financial support may be taken from Financial Inclusion Fund maintained with NABARD for the purpose of Financial Literacy.

(iv) To explore the possibility of obtaining support for Financial Literacy from Depositor Education and Awareness Fund maintained by RBI under **Depositor Education and Awareness Fund Scheme, 2014**.

(v) Banks to ensure timely engagement of BCs, creation of infrastructure.

(vi) All SLBC conveners to do publicity for the programme in a big way .

(vii) LDMs to canvass about the programme at district level. .

(viii) Branch managers should be sensitized about the programme and its implementation.

(ix) Micro credit of Rs. 5000/- as proposed in the draft FIP should be restricted to only one account per family.

(x) The programme should also cover urban financial inclusion.

(xi) Post offices and individual youths to be appointed as BCs.

(xii) In order to make the BC viable and to retain them minimum remuneration to be paid to BCs was agreed at Rs. 5000/ p.m .

(xiii) NIC, DFS to create a portal and the same should be updated by LDMs at district level.

(xiv) Banks to provide support staff to LDMs/ branches for the implementation of the programme.

(xv) Monitoring of the implementation of programme should be done by SLBCs and DFS.

The meeting ended with a vote of thanks to the Chair.

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| **Annexure-3** |

F.No.1/9/2014-FI

Government of India

Ministry of Finance

Department of Financial Services

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3rd Floor, Jeevan Deep Building,

New Delhi, dated the 4th July, 2014

To

All SLBC Convener Banks

**Subject: Comprehensive Financial Inclusion under Mission Mode**

Sir(s) / Madam(s),

Prime Minister’s Office has asked for preparation of an immediate time bound action plan for 100% Financial Inclusion of all the household across the country. In this regard, a comprehensive Financial Inclusion plan to be launched under the Mission Mode is being prepared. A draft copy of the same would be sent shortly.

2. It is estimated that under the plan, about 12 crore accounts would need to be opened and about 50,000 new Business Correspondents would need to be engaged in rural areas. In addition a large number of accounts would need to be opened in urban areas and for those families who have only single account.

3. The plan will be launched on 15th August, 2014 and will be implemented in a phased manner. Based on the discussions with Bankers phase wise target may be seen in the Annexure attached.

4. Timelines for undertaking various activities for the first phase are as under:

|  |  |  |
| --- | --- | --- |
| **Activity** | **Timelines** | **Responsibility** |
| Allocation of districts and villages | 15/07/2014 | SLBCs and LDMs |
| Placement of order for machines | 15/07/2014 | Respective Banks |
| Delivery of machines | 31/07/2014 onwards | Vendors |
| Infrastructure arrangement ( Cards, forms, furniture etc) | 07/08/2014 | Respective Banks |
| Search/Identification and selection of Business Correspondents | 07/08/2014 | Respective Banks |
| Orientation of Business Correspondents | 10/08/2014 To  14/08/2014 | Respective Banks |
| Activation of Business Correspondents | 14/08/2014 | Respective Banks |
| 1st Account opening | 15/8/2014 | Respective Banks |

5. In view of the importance attached to the plan, all SLBC convener banks/ banks are requested to gear up themselves to initiate the process for implementation of first phase of the plan as per the above timelines.

Yours faithfully,

Sd/-

(Dr. Alok Pande)

Director (FI)

Tel: 23365809

Encl: as above

Copy to:

1. CEOs of all Public Sector Banks – For information and necessary action .

2. All nodal officers of DFS in SLBCs

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| **Annexure-4** |

REVIEW MEETING BY SECRETARY, MOF, GOI ON 23RD JULY 2014 WITH

SLBC CONVENORS HELD AT NEW DELHI

**KEY POINTS**

1. SSAs in rural areas and wards in urban areas are to be allocated among banks operating in the area
2. Meeting with Chief Secretaries of the states by SLBC convenors for designating the Mission Directors at state level.
3. Meetings of LDMs with District Collectors for constitution of the District level monitoring committee at district level and designating the Director at district level.
4. Strengthening of LDMs offices for effective monitoring of the program
5. Bank chiefs should write letters to the region/zone controllers and should sensitize them over video conferences.
6. Assessment of BCs/CSPs already placed on the ground, how many are available and functioning, availability of net work and the related issues.The issues for the district and state are to be informed to MOF by 31st July 2014.
7. Proactively prepare for enrollment of members for aadhar and also for account openings in the SSAs itself.
8. As per the assessment, coverage of SSAs by BCs is high at 60% and low at 20%.Services should be made available within a distance of 5 kms at the most.
9. The same beneficiary should not be approached by many agencies for enrolment and services.
10. Private banks, if opens the accounts, should make the credit also available to the beneficiary.
11. The ground level issues should be resolved at DCC level core committee meetings. The core committees constituted for the DBT/DBTL purposes should be revived.
12. Banks should ascertain the availability of private network operators
13. Data requirements regarding the progress made in opening the accounts is from 15 th August 2014. The earlier date is not required.
14. Banks should make a provision in CBS to record the head of the family.
15. Drive in to the villages as campaigns, publicize the programme through advertisements, tom-tom, survey be done by SSA bank, BC/CSP to ensure the gap to open the accounts and for opening of new accounts.
16. Enrolement for aadhar should happen in the camps with the help of UIDAI
17. E-KYC should be made available for instant opening of the accounts. Otherwise the people should be informed in advance for their preparedness with the KYC documents.
18. UIDAI, BSNL and Insurance companies should be invited to SLBC
19. FIVE requirements of FI: account opening, overdraft facility, financial literacy, micro insurance and pensions etc should be kept in mind.
20. Grievances reddressal mechanism should be put in place at all levels.

**Directions of, Sri GS Sandhu, Secretary, MOF, GOI**

* + Identification of BC/CSP and FI location is crucial for successful implementation of the scheme.
  + Publicity for the programme with changed logo, pamphlets and press communication.
  + Banks should not consider the viablity aspect for appointment of BC/CSP
* IT IS MANDATORY FOR THE BANKS TO IMPLEMENT THE PROGRAMME AS PER THE TIME LINES.
  + Issuance of RUPAY card is mandatory to all and it should replace all the other cards that were earlier issued for domestic transactions. The card should have in-built accidental insurance facility.
  + The BC/CSP should be identified by his dress, cap, kit bag and with the revised sign board at the prominent place for extension of services.
  + Banks should facilitate the BC with financial assistance for purchase of vehicle for commutation, lap top, bag and the maintenance cost for meeting the cash requirements at low rate of interest (as being projected by BOB).
  + Banks should ensure continuity of services of the people assigned for this programme till 100% implementation of the scheme. No intermittent transfers should be affected.
  + Performance should be rewarded.
* The SSAs should be very frequently visited by the officials/executives at all levels.
* Improve the number of BCs with active people to suit to the requirements.
* Identify the active persons in SSA area for assisting the people for getting the accounts opened.
  + Minimum service charges to the BC should be Rs.5000/-plus the variable fee.
  + Gram Dak Sevaks can also be the BCs.
  + BCs should be empowered.
  + By the time of launching, all the preparations should be done at the district and village level for account opening with all the preparedness.
  + The RSETIs and FLCCs should be made a part of the publicity for the programme and also the financial education.
  + Delegation of powers at the lower levels should be adequate to meet the requirements of FI without inviting time consumption in meeting the infrastructural needs.
  + SLBC core committee should meet on weekly basis to ascertain the performance and to find out the bottlenecks to resolve immediately.

REASONS FOR SLOW IMPLEMENTATION OF SWABHIMAN PROGRAMME ON EXPECTED LINES:

**Issues:**

1. Corporate BCs and their inability to meet the requirements due to their financial and technological issues.
2. Low remuneration being paid to the BCs and the irregularities in periodicity of payments.
3. No identity for the BCs in the villages or in the bank branches.
4. Poor importance attached to the programme by the Bank branches and not owning the programme.
5. Despite proper introduction of BCs by the branch managers, villages are not accepting the BCs as the Bank agents and not approaching them for the facilities.
6. Poor hand holding of BC/CSPs by the base branches.
7. Ultra small branch approach not being adopted in true spirit.
8. Net work and connectivity issues not being resolved by BSNL in reasonable time.
9. The CSCs identified for the purpose are not interested to move out to help the people.
10. Sparsely populated and isolated villages, especially in north east is the hurdle for quick implementation of the plan.
11. Non-availability of people to act as BCs in areas as Goa as the remuneration paid is being low.

**Suggestions:**

1. The agreements entered into with the corporate BCs should be revisited such that the remuneration to the BC is as directed by the MOF.
2. Appointment of individual BCs by banks on their own and providing them all the business so that the remunerations will be higher than the minimum stipulations (as observed in the case of IOB).
3. Connectivity and network issues should be immediately attended to.
4. Mindset of Branch manager and the staff of the bank branches should be such that they must own the programme.The performance under FI should form part of the performance appraisal of the staff.
5. One staff member of the branch should be made responsible to oversee the functioning of FI in the villages and the utility of the programme by the public.
6. Financial literacy programme should invariably concentrate on the basics of the programme.
7. Interventions of state government and district administration is much required for the better coordination and cooperation of the stake holders for the implementation such as UIDAI, BSNL, Banks and the rural development and technology departments of the states.

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| **Annexure -5** |

F.No.1/9/2014-FI

Government of India

Ministry of Finance

Department of Financial Services

3rd Floor, Jeevan Deep Building,

New Delhi, dated the 15th July, 2014

To

All SLBC Convener Banks

**Subject: Comprehensive Financial Inclusion under Mission Mode – Coverage in urban areas.**

Sir / Madam,

In continuation of this Department’s letter of even number dated 4/07/2014 wherein it was informed that the Prime Minister’s Office has asked this Department to prepare an immediate time bound action plan for 100% Financial Inclusion of all the household across the country, the draft Financial Inclusion Plan is now enclosed.

2. Since the plan also envisages Financial Inclusion in urban areas, all SLBC convener banks are requested to allocate wards in the urban areas to all banks operating in the area. For the purpose of coordination and assignment of regulating, one bank in the area should be assigned the responsibility of a coordinator of a ward. The customers residing in the ward, however, should be free to open accounts in any bank operating in the area. The ward coordinators would have the prime responsibility of organizing Camps in the ward. They would also assist the LDM in survey of the ward for 100% coverage of all households with banking facilities. All banks in the ward would report to the ward coordinator.

3. It is also requested to call for a special SLBC in the first week of August to discuss the progress made in the implementation of the plan. In view of the importance attached to the plan, all SLBC convener banks are requested to ensure compliance for implementation of the plan as per the timelines. Action taken may be reported at [pande.alok@nic.in](mailto:pande.alok@nic.in) with a copy to [fi-dfs@nic.in](mailto:fi-dfs@nic.in).

Yours faithfully,

(Dr. Alok Pande)

Director (FI)

Tel: 23365809

Encl: as above

Copy to: All Government nominee Directors in SLBC

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| **Annexure-6** |

F.No. 21/13/2009-FI( Vol.II-Pt.)

Government of India

Ministry of Finance

Department of Financial Services

….

3rd Floor, Jeevan Deep Building,

Sansad Marg, New Delhi.

Dated the 20th January, 2014

To

1. The CMDs of all PSBs/ Chairman SBI

2. Chairman of all RRBs (through Sponsor Banks)

3. All SLBC Conveners

**Subject: Mapping of Gram Panchayat and Planning for BCA/CSCs for Director Benefit Transfer-Sub Service Area Approach- Partial Amendment of guidelines- regarding.**

Sir(s) /Madam(s),

This is regarding the coverage of those villages under Financial Inclusion Plan whose population is below 2000. The guidelines of the Government in this regard may be seen in the letter of even No. dt. 20th December, 2012 wherein it was required that SubService Area (SSA) to be carved out through mapping of Gram Panchayats and such SSAs are to be allotted to banks for providing at least one banking facility (Branch/BCA).

1. RBI had in terms of Monetary Policy Statement 2012-13, issued guidelines for preparing of roadmap covering all unbanked villages of population less than 2000 for providing banking services in a time bound manner. In terms of these guidelines banks should endeavour to have a Business Correspondent (BC) touch point in each village, to start with, at least once a fortnight.
2. Some Banks have pointed out that there is divergence between the guidelines of the Government and RBI. In fact there is no divergence between RBI and Government guidelines. If read together, the Government guidelines stipulate a stationery Business Correspondent Agent ( BCA) in a SSA which can also cater to the needs of the nearby villages by fixing certain days in a week/ fortnight to visit all other villages in the SSA. Thus the two guidelines supplement each other.
3. In view of the above, all banks are requested to complete the coverage of SSAs in a time bound manner. Also, for each SSA which has more than one village, a schedule could be worked out so that every village is visited atleast once in a fortnight.
4. This issues with the approval of Secretary (FS).

Yours faithfully,

(Dr. Alok Pande)

Director (FI)

Copy to :

1. Principal CGM, RBI, RPCD for information and necessary action

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| **Annexure-7** |

F.No. 6/36/2012-FI

Government of India

Ministry of Finance

Department of Financial Services

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       3rd Floor, Jeevan Deep Building,

SansadMarg, New Delhi,

Dated the 20th December, 2012

To

1.         CMDs of all Public Sector Banks,

2.         Chairman of all RRBs (through sponsor Banks) ,

3.         All SLBC Convenors

**Sub: Mapping of Gram Panchayats and Planning for BCA/CSCs for Direct Cash Transfer – Sub Service Area Approach – Regarding**

Sir/ Madam,

            Under the Financial Inclusion Programme *‘Swabhiman’*, Banks had provided banking services in over 74,000 habitations of 2,000 and above population. This, inter alia, included established Business Correspondents in such villages.  This is being extended to habitations of 1,000 and above population in North-East and Hilly States and 1,600 and above population in the rest of the country this year.

2.         However, with the announcement of Direct Cash Transfer in 43  Districts w.e.f. January, 2013 and in the rest of the country in a phased manner, it has become necessary that comprehensive plan for coverage of the entire country through banking services to enable Direct Cash Transfer is prepared.

3.         The following guidelines are issued in this regard:

(i)      It shall be the endeavor to ensure that there is at least one bank branch/ Business Correspondent Agent (BCA) in every Gram Panchayat(s).  Since the population of Gram Panchayat varies across the States, Banks need to ensure that about 1,000 to 1,500 households are available in the sub-service area of BCA.  In case of North-East, Hilly States and sparsely populated regions of other States banks may decide the households to be covered by each BCA appropriately. In case of larger Gram Panchayats more than one BCA could be appointed.  In case of smaller Gram Panchayats more than one contiguous Gram Panchayat, taking into consideration the geographical area, could be assigned to each BCA.  In every case, it should be ensured that the Gram Panchayat(s) to be covered by each bank branch/ BCA is clearly identified as a sub-service area within the service area of the branch.

(ii)     Banks had earlier carried out an exercise of preparing Service Area Plans in which bank branch/ BCA to service each Gram Panchayat(s) was indicated.  This should be immediately revisited by every bank for all Gram Panchayats in its service area keeping (i) above in mind.

(iii)    The first step in this exercise would be to form sub-service area, based on the group of Panchayats as at 3(i) above, taking the population and geographical conditions into consideration such that one Branch/BCA/CSC extends service to each sub-service area. In case any Panchayat requires more than one BCA/CSC, the sub-service area for each BCA/CSC, within the Gram Panchayat  must be specified.

(iv)    Wherever the existing BCA is functioning satisfactorily, the same should be continued and remaining households in the allocated sub-service areas should be covered through the BCA.  Considering the larger benefits of the kiosk banking model, it should be endeavoured to, in a phased manner, migrate the BCAs to kiosk banking system.

(v)     In case the existing BCA is stationed at a place other than Gram Panchayat headquarters, there should be no need to change its location.  It should, however, be ensured that the BCA serves the entire sub-service area allocated to it.

(vi)    Wherever there is either no BCA functioning or the performance of the existing BCA is less than satisfactory, the Common Service Centre, set up under aegis of the Department of Electronics and Information Technology, Government of India, under the National e-Governance Programme, should be engaged as BCA.  It may be located at a place other than the Financial Inclusion village in the same sub-service area.  All PSBs have already signed an agreement with M/s CSC e-Governance Service India Ltd., for engaging CSCs as BCA.  Immediate action for assigning code and making the CSCs functional should be taken.  Till such time the banks install the software and complete other technical requirements for cash transactions, the CSC should be used for activities other than cash withdrawal transactions. They should, in particular, be used for opening new accounts of beneficiaries under the scheme for Direct Cash Transfer. All Banks must ensure expeditious issuance of KO code for the CSCs which are identified for appointment as BCAs. CSC Services India Ltd. would ensure that the required information is furnished to the banks and that all CSCs are ready in terms of equipments, connectivity, biometric device, card reader and printer latest by 31.12.2012.

 (vii)  In the sub-service area where neither a BCA nor a functional CSC is available, the M/s CSC e-Governance Services India Ltd. would establish a new CSC for which suitable advice would be issued by the CSC Services India Ltd.  In case this is not feasible, the Banks could engage a new BCA.

(viii)  RBI guidelines provide for the category of persons/ organizations which could be engaged as BCA.  This, inter-alia, include Self-Help Groups, NGOs, Post Offices.  Since the BCAs are to be appointed in consultation with the banks, it should be ensured that the BCAs, as per the guidelines approved by RBI, only are appointed by the BCs engaged by the Banks.

         In case of CSCs, as the agreement for BC has been signed by the banks with M/s CSC e-Governance Services India Ltd., , there  should be no need to enter into any fresh agreement with Service Center Agencies (SCA) in the States/Districts, who would be  sub-BC for the CSC Services India Ltd.

(ix)    In case of urban areas, banks do not have any specified service area.  Instructions had earlier been issued that in the urban areas specific wards/ areas could be allocated to specific banks for the purpose of Financial Inclusion.  The above guidelines would apply accordingly to the wards/ areas allocated to banks in urban areas. Wherever CSC exists in urban areas, the same may be considered for engagement as BCA.

(x)     This exercise has to be completed for all districts in the country. In view of the roll out of Direct Cash Transfer in 43 districts w.e.f. 1.1.2013, the following time lines may be adhered to:

a.         **In 43 Pilot Districts**

i.       Mapping of Gram Panchayat(s) and BCA/CSC in their service area, and assignment of sub-service areas,  be completed by 28.12.2012. This exercise should clearly indicate the sub-service area, number of sub-service areas covered by the existing BCAs, to be covered by existing functional CSCs and sub-service areas which remain to be covered by BCA/ CSCs.

ii.      Lead Bank Managers in these districts would consolidate the information for the district on 29.12.2012 while the SLBC Convenors  would consolidate the information  for the State on 31.12.2012.  This should show district-wise number of sub-service areas in each district, no. of sub-service areas covered by existing BCAs, no. of sub-service areas to be covered by existing and functional CSCs, and no. of sub-service areas to be covered by new BCAs/CSCs.

iii.     SLBC Convenors would send the consolidated the information for their State on 31.12.2012 to this Department at [fi-dfs@nic.in](javascript:main.compose('new',%20't=fi-dfs@nic.in')).

iv.     It should be ensured that the process of engaging the existing and functional CSCs as per para 3(v) above, is completed by 31.12.2012. Engagements of CSCs/BCAs in the Gram Panchayats in the sub-service area, which remain uncovered as per para 3 (vii) above, should be completed and these CSCS/BCAs become functional by 15.1.2013.

b.         **In the remaining districts**

i.       Mapping of Gram Panchayat(s) and BCA/CSC in their service area, and assignment of sub-service area, be completed by 15.1.2013. This exercise should clearly indicate the sub-service area, number of sub-service areas covered by the existing BCAs, to be covered by existing functional CSCs and sub-service areas which remain to be covered by BCA/ CSCs.

ii.      Lead Bank Managers in these districts would consolidate the information for the district on 20.1.2013 while the SLBC convenors  would consolidate the information  for the State on 25.1.2013.  This should show district-wise number of sub-service areas, no of sub-service areas covered by existing BCAs, no. of sub-service areas to be covered by existing and functional CSCs, and no. of sub-service areas to be covered by new BCAs/CSCs.

iii.     SLBC Convenors would send the consolidated information for their State on 31.1.2013 to this Department at [fi-dfs@nic.in](javascript:main.compose('new',%20't=fi-dfs@nic.in')).

iv.     It should be ensured that the engagement of CSCs/BCAs in the sub-service area which remain uncovered as per para 3 (vii) above is completed and these CSCS/BCAs become functional by 31.3.2013. CSC Services India Ltd. would ensure that the required information is furnished to the banks and that all CSCs are ready in terms of equipments, connectivity, biometric device, printer, card reader etc.

4.         An electronic file containing the District-wise names of Gram Panchayat(s) along with their Headquarters is being separately emailed to all banks and SLBC Convenors for use for undertaking the mapping exercise of Gram Panchayat(s) with BCA/CSC.

5.         This issues with the approval of Secretary (FS)

Yours faithfully,

(Sandeep Kumar)

Director (FI)

Copy   to:

1.         CEO, M/s CSC e-Governance Services India Ltd.,

2.         All JS/ Director/ DS in DFS

|  |
| --- |
| **Annexure -8** |

F.No. 6/36/2012-FI

Government of India

Ministry of Finance

Department of Financial Services

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       3rd Floor, Jeevan Deep Building,

SansadMarg, New Delhi,

Dated the 21st December, 2012

To

            All SLBC Convenors

**Sub: Mapping of Gram Panchayats for coverage through Branch/ BCA/ CSC – Sub Service Area Approach – Regarding**

Sir/ Madam,

            Please refer to this Department’s letter of even number dated 20.12.2012 regarding guidelines for Sub-Service Area (SSA) approach for mapping of Gram Panchayats for coverage through BCA/ CSC.

2.         For 43 pilot districts , as per para 3(a) (ii) of the guidelines, Lead Bank Managers( LDMs)  in the districts would consolidate the information for the 43 pilot districts by 29.12.2012 while SLBC Conveners would consolidate the information for the State by 31.12.2012. As per para 3(a)(iii) , SLBC Conveners would send the consolidated information in respect of the pilot districts for their State  by 31.12.2012 to this Department .

            For the remaining districts, as per para 3(b) (ii) of the guidelines, LDMs would consolidate the information for the district by 20.1.2013 while the SLBC conveners would consolidate the information for the State by 25.1.2013. As per para3 (b) (iii), SLBC conveners would send the consolidated information for their State by 31.1.2013 to this Department.

3.         In this regard, a format for collecting the information for the district from the Branch Managers by LDMs and from LDMs by SLBC Conveners and sending the consolidated information for the State to this Department is enclosed for information and necessary action.

4.         SLBC conveners are requested to send the consolidated information for the 43 pilot districts for their State by 31.12.2012 and for the remaining districts by 31.01.2012  to this Department through e-mail at [fi-dfs@nic.in](mailto:fi-dfs@nic.in).

Yours faithfully,

(Sandeep Kumar)

Director (FI)

Encl: as above

Copy to:

1.         CMDs of all Public Sector Banks,

2.         Chairman of all RRBs (through sponsor Banks) ,

3.         LDMs of all 43 Pilot District

4.         All JS/ Director/ DS in DFS

|  |
| --- |
| **Annexure -9** |

**From: Secretary (FS)**

D.O. No. 1/9/2014-FI July 17, 2014

Dear

Financial Inclusion has been one of priority areas for the Government. This is mainly ensuring access to formal financial sector of people in rural and urban areas particularly the vulnerable groups such as weaker sections and low income groups. It has been decided at the level of Hon’ble Prime Minister to give a new thrust to this programme by relaunching it with focus on households on 15th August, 2014. The purpose is to ensure that two bank accounts per household are opened within one year time frame all over the country.

2. Pursuant to above, a Comprehensive Financial Inclusion Plan is being formulated by this Department. As you will agree, the success of such a comprehensive and wide–spread scheme is largely dependent on the active involvement of State Government and its implementation at the ground level.

3. Simultaneously with the launch of programme in Delhi on 15th August, 2014, the launch programme would also need to be held in the state capitals and district Head Quarters on the same date. The role of State Government is very critical in the implementation of the plan. NABARD and Banks will support the State Government in doing this. Details about the launch programme shall be conveyed to you in due course of time.

4. The entire programme is proposed to be implemented in a Mission mode. The Mission at the Central level shall be headed by the Hon’ble Union Finance Minister with Minister of Communications, Minister of Rural Development, Secretary (Financial Services), Governor RBI, Secretary (Telecom), Secretary (Rural Development) and Chairman IBA as members.

5. For effective implementation of the plan, State Governments are expected to play the following role:-

(i) Appointment of Mission Director at State level. It is suggested that Mission Director, NRLM may be made Mission Director for this project also. Alternatively, the Principal Secretary (Finance) or any other senior officer may be made State Mission Director of the project. The convener GM of the State Level Bankers’ Committee in your State will be the Secretary to the State Level Implementation Committee.

(ii) Monitoring of financial inclusion campaign in coordination with State Level Bankers’ Committee (SLBC) and all the stake holders.

(iii) The District Collectors should be made responsible for the implementation of the plan in their district. The Lead District Manager (LDM) and District Development Manager (DDM) of NABARD would be assisting him in doing this.

(iv) All Direct Benefit Transfer schemes of the State Governments to be routed through the bank accounts of the beneficiaries.

(v) Adhering to the Service Area Plan for coverage of banking facilities in the State and not allocating the areas to other banks. It has been seen that some of the State Governments have called for bids from banks and allocated same area to banks other than the service area bank of these areas. This creates confusion among banks besides making the Business Correspondents (BCs) already deployed by banks in these areas as unviable. It is, therefore, requested that such measures may not be resorted to.

(vi) Some States like Odisha and Madhya Pradesh have offered Panchayat Bhawan space for Business Correspondent (BC). Other States can also consider the same.

(vii) A special SLBC meeting needs to be convened in **the first week of August, 2014**. Banks have been instructed about this meeting and the State Level Convener shall be contacting you to seek your advise in the matter.

(viii) A communication needs to be sent to all District Collectors communicating the key highlights of this programme and asking them to remain prepared for the Launch function on 15.08.2014 in the district. Lead District Manager of Banks shall be contacting the concerned District Collector.

6. In view of the priority accorded by the Government to the plan, I would solicit your cooperation for effective implementation of the same as per the timelines.

7. I look forward to whole- hearted support from the State Government which will help in effective implementation of the plan as per timelines.

With warm regards,

Yours sincerely,

Sd/-

(Gurdial Singh Sandhu)

Chief Secretaries of States/ UTs

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| **Annexure-10** |

Finance (FC) Department GoAP vide G.O Ms. No 161 dated 31.07.2014 has designated Dr.P.V Ramesh, IAS Principal Secretary to Govt (R&E) Finance Department as Mission Director to monitor the Financial Inclusion plan in coordination with SLBC and all other stakeholders.

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| **Annexure-11** |

District wise - Bankwise details of villages / SSAs/ Households Allotted and covered including urban wards as on 30.06.2014 .

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| **Annexure -12** |

List of Mandals in Andhra Pradesh

1. *Source RBI.* “Rural” areas are defined as those centres which have population of less than 10,000. [↑](#footnote-ref-2)
2. One BC can cover more than one village [↑](#footnote-ref-3)