

F. No. 8/25/2011-FI Vol II
Government of India
Ministry of Finance
Department Financial Services
(FI Section)

3rd Floor, Jeevan Deep Building,
Parliament Street, New Delhi
Dated: 10th July, 2012

To,

Chairman / CMDs of All PSBs
Chairman RRBs (through Sponsor Banks)

Sub: Preparation of Implementation Plan for engagement and activation of Business Correspondents Agents (BCAs) and monitoring progress thereof - regarding

Sir (s),n

I am directed to refer to the RFP floated by various Public Sector Banks on geographical cluster basis for Business Correspondents services for ensuring greater financial inclusion and to provide comprehensive financial services to the underprivileged, particularly in unbanked and under-banked areas. The Business Correspondents Agents will render services on behalf of the banks, on contract basis, through their outlets through use of Information and Communication Technology for various PSBs and RRBs. Selection of Service Provider / Business Correspondent and the rates for all the 20 clusters is likely to be finalized by the respective lead banks by 31st July, 2012.

2. The lead banks will thereafter be required to ensure a smooth and expeditious implementation so that the objective of Financial Inclusion is achieved in all the Financial Inclusion villages. This will in particular require the following steps to be taken by the lead bank and the other banks:-

- (a) Signing of agreement with the selected Service Provider by all the member banks operating in the respective clusters.
- (b) Infrastructure Establishment by the Service Provider in terms of procurement of hardware, software & hardware installation, procurement of PoS machine etc.
- (c) Selection of BCAs by Service Provider in terms of the RFP in consultation with Branch Manager for all the FI Villages

- (d) Training of BCAs in consultation with LDM as per the new course designed by NABARD / IIBF.
- (e) Enrollment of customers including collection of biometric and other details.
- (f) Issuance of Cards by Banks etc.
- (g) RRBs, operational in the geographical cluster need to be also informed about the details of the RFP finalized so that they also sign an agreement with the Service Provider, as per terms and conditions of the RFP.
- (h) There is a need for a regular interaction between all the member banks who have signed the agreement so that all the operational issues are resolved.
- (i) Financing of PoS Machines to the selected Service Provider is essential. A model scheme has already been circulated based on which all banks have finalized or, are in the process of finalizing it. It is necessary that financing is extended to the Service Provider on need basis, as per this scheme, by following standard banking procedures.
- (j) It would be desirable that one district in the cluster is chosen as a pilot and all member banks in this district get the BCAs engaged within a period of one month from the date of signing of the agreement. This will enable the Service Provider as well as the banks to resolve all technical and operational issues which will be useful for ensuring a rapid implementation in rest of the districts in the cluster.

3. It is essential that all the concerned banks monitor the implementation on a regular basis. In particular, it will be important to ensure that BCAs are engaged and activated by the Service Provider on priority within the prescribed period of six months. Each BCA is also expected to enroll at least 25% of the target households in the area of operation within six months of starting the activity and at least 300 accounts in the first year of operation. It is, thus, imperative for Banks to prepare an Implementation Plan to enable them to monitor the engagement and activation of BCAs. Format for preparation of this Implementation **Plan** indicating district-month wise rollout plan for a State/UT is enclosed herewith as **Annexure PI- P3**.

4. The concerned member banks will then furnish the district-month wise Progress **Report** to the respective SLBC Convener of the State/UT in the format at Annexure **R1** which should consolidate the information in formats as given in **Annexure R2 & R3** and furnish to the Department.

5. District-Month wise Implementation Plan as explained above should be prepared and furnished to the SLBC Convener by all the concerned member banks by 30th July, 2012 in **Annexure P1**. The SLBC Convener shall thereafter consolidate the information in **Annexure P2 & P3** and furnish to this department by 14th August, 2012. Progress Reports should be prepared and sent to the SLBC Convener of the State/UT or to this Department, as the case may be, starting from the month of July, 2012, for which the report be sent by the member Banks to the SLBC Convener by 5th August, 2012 and by SLBC Convener to the Department by 10th August, 2012. Reports for subsequent months be similarly furnished by 5th & 10th of the succeeding month. The information may only be sent through email at fi-dfs@nic.in and no hard copy should be sent to this Department.

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

Yours sincerely,

(Jitendar Kumar Mehan)
Under Secretary (FI)
01123748767

Encl. As Above

Copy to:

1. Chairman, NABARD
2. SLBC Convener Banks for information and necessary action
3. Incharge NIC, DFS to place a copy of the letter along with Annexure on DFS website ("What New" and FI Circulars Section)

District - Monthwise Progress Report on engagement of BCAs for Member Bank in a State/UT					Annexure R-1
Name of Member Bank			Name of the State/UT		
Name of Service Provider			Month & Year		
Name of District	Total No. of FI Villages	No. of BCAs scheduled to be engaged during the month as per Implementation Plan	No. of BCAs engaged during the month	Cumulative No. of FI Villages Covered	Remarks

District - Monthwise Progress Report on appointment of BCs for Member Bank in a State/UT					Annexure R-2
Name of SLBC Convener			Month & Year		
Name of Service Provider			Name of the State/UT		
Name of District	Total No. of FI Villages	No. of BCAs scheduled to be engaged during the month as per Implementation Plan	No. of BCAs engaged during the month	Cumulative No. of FI Villages Covered	Remarks

Bank - Monthwise Progress Report on appointment of BCs for State/UT					Annexure R-3
Name of SLBC Convener			Name of the State/UT		
Name of Service Provider			Month & Year		
Name of Member Bank	Total No. of FI Villages	No. of BCAs scheduled to be engaged during the month as per Implementation Plan	No. of BCAs engaged during the month	Cumulative No. of FI Villages Covered	Remarks