

F.No. 6/36/2012-FI
Government of India
Ministry of Finance
Department of Financial Services

3rd Floor, Jeevan Deep Building,
SansadMarg, New Delhi,
Dated the 26th December, 2012

To

1. All SLBC Convenors
2. CEO, CSC e-Governance Services India Ltd.

Sub: Operationalising the Common Service Centres (CSCs) as Business Correspondent Agents

Sir/ Madam,

Please refer to this Department's letter of even number dated 20.12.2012 regarding mapping of Gram Panchayats based on the Sub Service Area(SSA) approach, for providing banking services, and engaging the Common Service Centres established under the Department of Information Technology, in view of the decision of the Government for Direct Cash Transfer.

2. It was, inter alia, stated that within the service area of the bank branch, sub-service areas need to be carved out using Gram Panchayat(s) as a Unit. An existing and functional BCA, if available, needs to be assigned specific sub-service areas for providing banking and other financial services. The bank branch will also be assigned a Sub Service Area for this purpose (even though the branch shall continue to be responsible for all development activities including implementation of Government Schemes in the Service Area, as hitherto). For the remaining sub-service areas, existing and functional CSCs, if available, should be engaged as BCA, under the agreement signed by the Banks with the CSC e-Governance Services India Ltd. In the areas remaining uncovered after this exercise, new CSCs would need to be set up by the CSC e-Governance Services India Ltd. The time lines for completion of these activities have already been detailed in the letter of even number dated 20.12.2012, referred to above.

3. CSC e-Governance Services India Ltd. has reported that there are over 6,000 functional CSCs in the 51 pilot districts identified for direct cash transfer. It is imperative that all concerned complete the preparatory steps of mapping and by engaging the CSCs wherever required and making them functional by 31.12.2012. Some of the important steps are outlined below:

4. Activities to be undertaken by Banks

- i. Complete the mapping exercise and identify sub-service areas where existing functional CSCs are to be engaged as BCAs.
- ii. Allocate Kiosk Operator (KO) code to these CSCs and complete other procedural requirements for engaging the CSCs as BCA. Allocation of codes needs to be rationalized and, to expedite the process, code allocation can be done centrally, if possible. CSC e-Governance Service India Ltd. is being advised to organize a one day workshop in each district where inter alia the allotment of KO codes can be completed. It needs to be ensured that the code allocation is done on top priority and in the shortest possible time.
- iii. Finalise locations where new CSCs have to be set up in consultation with the Service Center Agencies (SCA), designated by the CSC e-Governance Service India Ltd. In case of CSCs, as the agreement for BC has been signed by the banks with CSC e-Governance Service India Ltd., there should be no need to enter into any fresh agreement with Service Center Agencies (SCA), who are sub-BC for the CSC e-Governance Service India Ltd.
- iv. Opening of the settlement account for operationalisation of CSCs.
- v. Training for CSCs as BCAs must be completed on priority with Service Center Agencies designated by the CSC e-Governance Service India Ltd. as per the agreed terms and conditions.
- vi. Field functionaries of banks to be trained on internet based Kiosk Banking Model.
- vii. Installation of the Kiosk banking application, its integration with bank system and activation of the CSCs for undertaking the transaction

5. Activities to be undertaken by CSC e-Governance Services India Ltd.

- i. To immediately communicate to the SLBC Conveners and LDMs in various States/ UTs the details of Service Centre Agencies and advise these Agencies.

- ii. To assist the Lead District Managers (LDMs) through SCAs to identify the SSAs having functional CSCs so that these could be immediately engaged as BC Agent.
 - iii. To ensure that the existing and functional CSCs are ready with hardware and other infrastructure support for functioning as BCA. This would include the availability of hardware, bio-metric scanner, card reader, connectivity and printer.
 - iv. To decide, in consultation with the Lead Bank, date for district wise one day workshop where the following activities could be completed
 - a. Issuance of KO code to CSCs
 - b. Bio-metric enrolment of the CSC operator to start the activities
 - v. To ensure setting up of a new CSC in the sub-service areas which remain unserved by existing bank branch, BCA or CSC.
6. Engagement of CSCs as BCAs in a time bound manner requires very close coordination and cooperation between the LDMs and SCAs under overall guidance of SLBCs and CSC e-Governance Services India Ltd. All concerned are therefore requested to ensure adherence to above instructions for expeditious engagement of CSCs as BCAs in SSAs, not having a bank branch or existing functional BC Agent.
7. This issues with the approval of Secretary (FS).

Yours faithfully,

(Sandeep Kumar)
Director (FI)

Copy to:

1. Chief Secretaries of all States/ UTs of 51 Districts
2. Secretary, Department of Information Technology, Govt. of India
3. Deputy Governor, RBI
4. Chairman, IRDA
5. CMDs of all PSBs
6. Chairman of all RRBs (through Sponsor Banks)
7. CEO, IBA
8. DFS Nodal Officers to SLBC