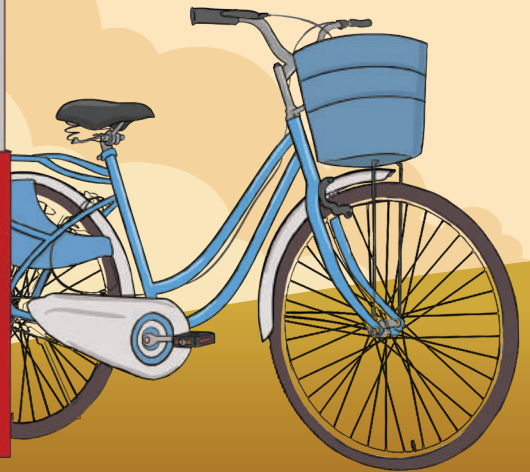


BANK SAKHI

Business Correspondent Agent (BCA)

Assam State Rural Livelihoods Mission(ASRLM)





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B C.Sakhi



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1. Background

The network of bank branches in the state Assam is very unevenly distributed and situation is even worse. This is more so in rural areas. Hence, the rural population doesn't have access to timely and quality financial services. Community faces many challenges in availing the financial services through mainstream banking system.

Some of the major challenges are :

- Bank branches are located at significant distance from their villages.
- Shortage of man power at the bank branches.
- Repeated visits to branches for completing a single activity.
- High cost and more time for availing financial services.
- Documentation complexities etc.

In order to overcome these challenges ASRLM conceived pilot project for doorstep-banking services through Banking Correspondent Sakhis or BC Sakhis in the year 2016-17. This intervention envisaged not only to help rural people in terms of awareness generation on financial services but also to make them access the services like insurance, pension and remittance services etc. with ease.

The pilot project started with 18 BC Sakhis in Guijan , Kakopathar and Sadiya Development Block of Tinsukia District with the following rationale –

- Providing doorstep financial services to unbanked and under banked areas.
- Enhancing the existing community based financial services to SHGs, its members and also, poor and needy households within the vicinity.
- Support to existing and future bank credit linkage.
- Support to follow up bank's recovery, renewal of CC loans, insurance, pension accounts etc.
- Support for regular transaction in PMJDY A/c and further opening of Insurance and Pension accounts.
- Support in remittances under DBFT etc.
- Communitization.



2. Business Correspondent (BC) model :

2.1 Concept:

The challenges mentioned in availing the financial services of the banks in the unbanked or under banked areas, are also being faced by SHG members and also the SHG in general in making the transactions/ repayments. Business Correspondent Sakhis (BCA) or BC Sakhi was therefore proposed to serve the dual purpose of door step banking services to the community/ SHGs and also providing a scope of alternate livelihood for SHG members.

ASRLM therefore shall:

- Facilitates Banks in promoting SHG members as BCA or BC Sakhis where BCAs of banks are not deployed or are dormant.
- Enables individual and group transactions of the SHGs through BCA or BC Sakhis, in consultation with banks.

Thus, SHGs will not only work as entrepreneurs and enhance their own income but will also serve the interests of the larger community by providing banking services and facilitating access to social security schemes to individual SHG members, other community members and SHGs. They will also facilitate direct benefit transfer of government entitlements.





2.2 Services offered:

Following are the services which are expected to be performed by the BC Agents:

Account opening

Deposits

Withdrawal

Remittance

Fixed deposit and recurring deposits

Promoting and selling insurance products

Promoting and selling pension products

Delivering reminder notices for non-performing assets on behalf of bank branches

Recovering NPAs

Generating eligible loan applications

Any other services as per the need of banks



2.3 Who can be BCA or BC Sakhis

The BC Agents will be selected by the CLF/VO from the SHG members that meet the following criteria:

- Should be a member of SHG promoted/nurtured by ASRLM.
- Should be a member of a VO.
- Should have attended at least 24 weekly meetings.
- Age should be between 18 and 45 years.
- Should be minimum 8th pass; preferably as per the criteria set by the bank of the Sub Service Area (SSA).
- Should have basic arithmetic and writing skills.
- Should have interest and aptitude in entrepreneurship.
- Should have cordial relations with community members.
- Should be willing to travel within service area to deliver financial services, and attend block/district/state-level training.





3. Financial Requirement :

The total initial investment of the SHG member working as BC agent (including hardware, operational, registration, processing and overdraft facility, etc) is expected to be Rs 60,000/- (Sixty Thousand only). This will include Capital Investment, Registration & Processing Fees and Overdraft facility.

Support from project

During piloting, the initial support of Rs.60,000/-to meet the capital and other expenditure was provided as additional Community Investment Fund (CIF) in the form of grant by ASRLM. The fund was provided to the SHG members working as BC Sakhis through its SHG. The SHG has procured the necessary equipments and accessories etc. from the partner bank with the additional CIF and provide the same to the BC-Sakhis as grant.

In the year 2017-18, additional 104 BC Sakhis were developed taking the total no to 122 in 8 districts. In the expansion plan, ASRLM has provided the additional CIF of Rs. 60,000/- per BC Sakhi to concerned VO/CLF for procurement of the necessary equipment and accessories etc .The VO/CLF will extend the CIF amount to the BC Sakhi as loan with low interest/interest-free loan as per decision taken by respective VO/CLF.



The flow of fund in this case is the same as that in the case of CLF, as explained below:



The CLF/ VO will facilitate the SHG members working as BC Sakhi in purchase of hardware equipment's, following community procurement procedure.

4. Honorarium :

There is a provision to support the VO/ CLF for providing initial honorarium support to SHG members as BC Sakhis. Under this provision, the VO/ CLF will be provided Rs 3,000 per SHG member working as BCA or BC Sakhi to meet the BC remuneration maximum for 6 months.

Besides, there is a provision of operational expenses for the BC Sakhi which would include expenses like signboard, electricity, internet, hardware maintenance and travel expenditure. The monthly operational expense is Rs Rs 2,000 for maximum 6 months per BC Sakhi.

Honorarium and operational expenses is provided to the BC Sakhis on a monthly basis as per submission of claims and verification by the VO/CLF.

The honorarium and operating expenses are disbursed to the SHG member working as BC agent through the following channel:

DMMU

CLF

VO

BC agent





5. Provision for allotment of various Aids and Infrastructures

Considering that the SHG members working as BC Sakhis will deliver door step financial services to the SHG members and other rural poor in her service area, provision is made for support the BC Sakhi to purchase of Bicycle . Along with this the BC Sakhis are also provided Uniforms Half Jacket, Caps, badges, bag, and Umbrella. A Canopy Set Up with Table and Chairs is also provided at block level so that the BC Sakhi can establish a mobile banking unit in Market places, SHG Fairs and special events.



6. Projected revenue and honorarium support from banks :

The SHG member working as BC agent would earn commission from Business Correspondence and Business Facilitation activities. The details of are as follows:



6.1 Commission:

Serial.no	Component	Unit	Rate per unit for Corporate BC/TSP and BC Sakhi
1	Enrolment of customers on Micro ATM / POS Machine, uploading to Service Provider (SP) Server, Submission of Documents to Base Branch.	Per enrolment	Will be as per decision of the partner bank
2	Financial Transaction from Micro ATM / POS Machine Withdrawal & Deposit		

On Non financial transaction, no commission will be provided.

The estimated commission may increase up to Rs. 8000/- depending on the performance of the SHG member working as BC Sakhi.



6.2 Remittances:

Fee payable for recovery in NPA and written off accounts (per account) will be as per decision of the partner bank.

Atal Pension Yojana and other Insurance schemes: This will be remitted to the BC Sakhi per the decision of the partner bank.



7. Training :

A 3 days classroom training programme is conducted with the SHG members working as BC Sakhis along with 2 days field training.

Serial.no	Subjects	Duration
1	Generic Training <ul style="list-style-type: none"> ● Introduction to banking services and BC model ● Roles and responsibilities as BC agent ● Services offered ● Personal finance management and financial literacy ● Record-keeping and reporting ● Soft skills 	3 days
2	Technical Training <ul style="list-style-type: none"> ● Product and services ● Operating the devices and software 	2 days

Refresher training of 1-2 days will be conducted for the SHG members working as BC Sakhis at the project district after 3 months gap of the orientation training. The course content will depend on the need of the BCs. ASRLM will take support of Technical Service Provider/ Corporate BC of partner Bank.





8. Monitoring and hand holding support :



8.1 Role of VO/ CLF

- Identification of SHG members to work as BC Sakhi.
- Introduction of SHG member appointed as BC Sakhi to the community through awareness camp at VO/ CLF meetings.
- Organizing enrolment camps at panchayat/village level
- Regular monitoring of the BC Sakhis.
- Coordination with DMMU, Bank and concerned Corporate BC.
- Disbursement of Honorarium and other operational expenses of BC Sakhis



8.2 Role of DMMU/BMMU, ASRLM

The major roles and responsibilities of DMMU/BMMU are:

- Regular monitoring of services delivered by SHG members working as BC Sakhis.
- Coordination with bank branch and corporate BC staff for troubleshooting, Grievance Redressal and timely commission payment.
- Handholding and training SHG members to manage/monitor project operations in the future.



8.3 Role of Partner Bank

The major roles and responsibilities of partner bank are:

- Timely provision of necessary equipments and accessories to the BC Sakhis
- Handholding and training SHG members through its Corporate BC, to manage/monitor project operations in the future.
- Regular monitoring of services delivered by SHG members working as BC Sakhis.
- Coordination with DMMU/BMMU, bank branch and corporate BC staff for troubleshooting, Grievance Redressal and timely commission payment.
- Any other operational issue as and when arises, in functioning of BC Sakhis.

9. DO's AND DON'T's at BC-SAKHI Point:

What Customer Shouldn't DO:

- ✗ Do not give original document to BC- Sakhi/Bank during opening of account.
- ✗ Do not allow BC-Sakhi or any other person to give their finger print during opening of your account.
- ✗ Do not give cash to BC-Sakhi or Bank before activation of account number.
- ✗ Do not pay any service charge for any kind of service provided by BC- Sakhi.
- ✗ Do not give higher denomination note for small deposit.
- ✗ Do not accept hand written receipt for any transaction.
- ✗ Do not any transaction if PoS Machine/Kiosk banking server is not functioning properly.
- ✗ Do not leave cash with BC-Sakhi if transaction is failed.
- ✗ Do not argue with BC-Sakhi for transaction if link is down or network is not available.
- ✗ Do not disclose information about transaction in your account.

What BC-Sakhi Shouldn't DO:

- ✗ Do not do any transaction if server or GPRS is not functioning properly.
- ✗ Do not do any transaction if battery of the machine is not having sufficient charge/power.

What Customer Should DO:

- ✓ Customer should bring proper and original documents for identity proofs and address proofs (KYC) for verification along with photo copies duly sign with date during opening of account with BC-Sakhi.
- ✓ Please fill up the account opening form properly and correctly.
- ✓ Please give details of the nominee while opening of account and change whenever required.
- ✓ Bring 3 recent colored passport size photographs while coming for account opening.
- ✓ Customer should use his/her own fingerprint while opening of account.
- ✓ Take provisional account number immediately after enrolment with BC-Sakhi. However, it will take some time for actual activation of account.
- ✓ Link your mobile number with your account and activate message alert for getting updates about your transaction.
- ✓ Check your account balance before and after doing any transaction and sign in the transaction register.
- ✓ Bring proper change/coins while coming for deposit with BC-Sakhi.
- ✓ Take printed receipt for each transaction with BC-Sakhi.
- ✓ Bank will not take responsibility of any transaction without printed receipt.
- ✓ Count your cash before giving to BC-Sakhi or received from BC-Sakhi after doing withdrawal before leaving the BC- Sakhi point.

What BC-Sakhi Should DO:

- ✓ Please accept clean and clearly visible copy of documents after verifying it with original documents only during opening of account.
- ✓ Open account using all the fingers of the customer.
- ✓ Please check the machine properly every morning before opening the BC-Sakhi point.
- ✓ Please Keep sufficient paper/roll in the BC-Sakhi point and insert in the machine properly.
- ✓ Please charge the machine properly.
- ✓ Give printed receipt to the customer for every transaction.
- ✓ Maintain proper register for every service in the BC-Sakhi point.



Duties of BC-Sakhi

- A. Opening accounts of SHG members & other villager.
- B. Deposit and Making withdrawals for customers from their accounts
- C. Direct Transfer Benefits
- D. Scheme Payments (IAY, NREGA, Old Age Pension, Widow Pension, Scholarship, other Govt. wages etc)

**Benefits from BC-Sakhi**

1. Doorstep service to the poor.
2. Reduce transportation cost of the SHG members
3. Saving man-days of the SHG members for bank related works
4. Easy and relaxed documentation (Relaxed KYC)
5. Reduce workload in the bank, productive use of time of bank officials.
6. Livelihood creation of village women

**Benefits of BC-Sakhi**

1. Bank Sakhi gets commission for each activities from Bank.
2. Average earning of BC-Sakhi is around 6000.
3. Total 122 BC-Sakhi Engaged in 8 District.
4. Total Partner Bank-2, Assam Gramin Vikash Bank (AGVB) & State Bank of India(SBI).
5. Technical Partner Senrysa Technology Pvt. Ltd (AGVB), Drishtee Development and Communication Ltd (SBI).





₹
BC.Sakhi



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