

Annexure-10.47

Action Taken Report on the implementation of Directives of Finance Ministry (Position as on 18.08.2012)

Sl. No.	Ministry Directive	Action Plan Proposed by Ministry	ATR by SLBC (LDMs & Banks)
1	Whether each non-defaulter farmer living in the village falling in the service area of the branch has got a Kisan Credit Card (KCC)	• <i>Evolving common application for KCC in vernacular</i> • <i>Printing of common Application form for KCC</i> • <i>Giving wide publicity through print & local media</i> • <i>Assigning service area to banks and granting loans through them without the need to obtain no due certificate</i> • <i>100% coverage of farmers in the state etc.</i>	➤ <i>SLBC had evolved common KCC application format in Malayalam & the same was printed and circulated among banks.</i> ➤ <i>Advertisement was given in popular FM channels and KCC poster was also printed and circulated.</i> ➤ <i>Banks were advised to conduct credit camps jointly with Krishi Bhavans so as to mobilize maximum number of loan applications. Banks in the State are in the process of sourcing applications to ensure 100% coverage.</i> ➤ <i>Registration process of farmers in a common website of Agriculture Department is in progress. It is expected to be completed in 3 months time as informed by the Department.</i> ➤ <i>Only then the 100% coverage can be ensured.</i>
2	Banks to implement revised ATM enabled KCC scheme. SLBC convenor to identify pilot districts (2-4) in each state and the entire state is to be covered by Sept 2012.	• <i>Banks have been advised to cover all new KCC accounts and those due for renewal this year as ATM enabled KCC as per revised scheme. The entire process shall be completed by Sept 2012.</i>	➤ <i>SLBC has identified Alappuzha & Palakkad as pilot districts and special DCC meetings were conducted in these districts requesting banks to implement the same.</i> ➤ <i>ATM linked KCC cards are launched in Palakkad district. The process is in progress in Alappuzha District.</i> ➤ <i>All banks in the State are in the process of issuing ATM linked KCC cards and a few banks are yet to confirm.</i>
3	Whether each non-farmer family living in rural area falling in the service area of the bank has got a Savings-cum-OD Account.	<i>All banks to evolve a facility to provide OD in savings account.</i>	➤ <i>The Saving cum OD Account product is being developed & implemented in the CBS package by Banks.</i> ➤ <i>Confirmation to this effect is yet to be submitted by banks.</i>
4	Whether extra manpower has been posted in rural and semi-urban branches to see that each village of 2000 more population is visited once a week on a fixed date, time and place and supports BCs for undertaking requests for account opening, loan and recovery.	<i>Semi urban/rural branches to be adequately staffed so as to ensure smooth implementation of financial inclusion programmes/directives</i>	➤ <i>SLBC had conveyed this to the Controlling Office of all banks and banks in turn are taking steps to ensure this.</i>

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5	Whether Branch Manager himself visits one village in a week.	<i>Branch Manager has to visit each of the service area village on a notified day every week.</i>	➤ SLBC had directed the controlling offices of banks to comply with this directive. It is informed that this instruction is being complied with.
6	Whether schedule for opening new branches as per the new guidelines on Financial Inclusion has been prepared and being implemented	Banks must try to open as many brick and mortar branches in all habitations with population of 10,000 and above without any bank branches at present with in a radial distance of 5 kms. The process is to be completed by September 2012.	➤ 12 villages with more than 10,000 population and with no bank branch within 5 km radius was identified and will be covered through new branches by September 2012. ➤ As at June 2012, 5 such branches were opened. Details are given in <u>Annexure 10.42</u> . ➤ Progress is being monitored in regular SLBCs. LDMs were also instructed to monitor this.
7	(a) Whether accounts are being opened as per guidelines on KYC issued by DFS. (b) No. of households without account within 500 M of semi-urban/urban/metro branch	Ministry has issued Guidelines for ○ Opening of accounts by close relatives, ○ Full operational facilities in joint account with spouse, ○ Account portability / opening of new bank accounts ○ Opening of accounts of migratory workers.	a) Yes. b) Kerala has been declared financially included in the first phase in the year 2007 wherein it was ensured that each household in the State has a bank account. Hence this task is already accomplished. However effort is made to ensure that coverage is fool proof by undertaking a survey with the electoral list.
8	Preparation of District Service Plan and uploading of the same on district website as per format revised by DFS	<i>Service area approach would be adopted for the coverage of entire country for financial inclusion. Service area of bank branches are to be defined by LDMs, both for existing and new branches and the service area plan for the entire district is to be prepared and uploaded in the District website.</i>	➤ All LDMs have uploaded the District Service Plan (SAP) on the district website. ➤ The consolidated plan for the state is uploaded by the SLBC convenor in the SLBC website. ➤ However ministry recently had come up with some amendments in the format. ➤ LDMs were requested to prepare the plan as per the revised format and upload in the district website. Matter is being attended to.
9	E-payment and Electronic Benefit Transfers under 32 schemes	Presently 32 schemes are in operation, funded by the Government of India, under which benefits are to be given directly to the beneficiaries. Transfer of such subsidies into the accounts of the beneficiary under Electronic Benefit Transfer would enhance the efficiency of delivery of such services. Benefits in the areas covered under Financial Inclusion must be transferred electronically into the accounts of the beneficiaries.	➤ This is yet to be implemented. Only in the case of MGNREGA, students scholarship distribution like schemes manually transfer of fund is effected. ➤ Core Group is formed at Government level to formalize the modalities – A series of meeting has taken place and the matter is being attended to by the Government. ➤ Uniform procedure to be evolved for all departments.

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10	Issuance of General Purpose Credit Cards (GCCs).	<i>Each non defaulter non farmer living in the Service Area without any landholdings is to be granted a credit facility in the form of GCC.</i>	➤ Banks are issuing GCCs. ➤ Progress is being reviewed in regular SLBC meetings.
11	List of villages having connectivity problem (block, name, census code of village- 2001 census) is to be identified.	<i>Broadband connectivity to be ensured in all FI villages.</i>	➤ All villages have broadband connectivity and no issues have been brought to the notice of SLBC which was confirmed.
12	Setting up of Ultra Small Branches (USB) in each FI village	Considering the need for close supervision and mentoring by the respective bank branch taken up/being taken up under Financial Inclusion Plan, and to ensure that a range of banking services are made available to the residents of such villages, USBs are to be set up in all villages covered under financial inclusion. The bank branch responsible for financial inclusion of the village in its Service Area would designate a specific officer to visit such villages on pre-notified fixed day and time every week.	➤ Banks have been advised to put in place USB in each FI villages allotted to them and where BCs are operating. ➤ Banks have been instructed to regularly inform SLBC the status of opening USBs through the monthly FI statement devised. ➤ As at July 2012, 54 USBs have been reported to have been opened by the banks against the total BC number of 98.
13	The bank branch responsible for financial inclusion of the village in its Service Area would designate a specific officer to visit such villages on pre-notified fixed day and time every week with a laptop which should have VPN connectivity to the CBS so that various other services such as account balance, etc. could be offered. The officer shall also undertake various verification, field inspections, etc., for allowing undertaking of banking functions by the person concerned.		➤ Banks have been advised on this aspect, ➤ Controlling offices/LDMs have been instructed to ensure the direction.

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14	Urban Financial Inclusion - Launch of campaign to ensure at least one bank Account for each family & capturing of Biometrics while opening accounts.		➤ The matter is communicated to all banks and LDMs. ➤ Further SLBC has supplied the publicity material evolved by IBA to both LDMs and banks. ➤ The progress in this regard is being followed up. The latest RBI guidelines on Basic Savings Bank Account given in Annexure 10.48 for information & guidance.
15	Opening of one bank account per family which is to be used for EBT/DTKS by making use of data from Census directorate (2011 census) / District Supply Officer.		
16	Financial Inclusion drive to open bank accounts of migrant labour and street vendors / hawkers in Urban areas	Government desires that to begin with, accounts of all migrant labour and street vendors / hawkers who are working within 500 metres of the branches in urban and metro areas, should be opened. To achieve this marketing staff of branches should contact personally all street vendors / hawkers who are working within 500 metres of the branches to open their accounts. Thereafter, the branches should extend this process of opening of accounts beyond 500 metres so that all such persons get financially included.	➤ Banks have been informed of the requirement. ➤ Individual banks are yet to confirm conduct of these campaigns.
17	Preparation of Comprehensive District Financial Services plan in each district with the coordination of banks, insurance companies & Govt Departments	<i>In order to develop a comprehensive framework for delivery of financial services and to promote financial inclusion, it is necessary that the comprehensive financial services plan for the entire district and state is prepared by the co ordination of LDM,DDM, nodal officers of public sector insurance companies - both life and non life.</i>	➤ SLBC had convened a meeting of banks & insurance companies. ➤ LIC has nominated nodal officer in each district. ➤ LDMs have been instructed to constitute the district level subcommittee to proceed further in the matter.
18	Installation and Managed Services of Cash Dispensers (CDs) in each District - District Month wise & Bank Month wise plan.	RFP is to be floated by Public Sector Banks for "Outsourcing of Installation and Managed Services of Cash Dispensers (CDs)".on a geographical cluster basis. Banks to prepare District-Month wise Rollout Plan which will be used by the lead bank for the preparation of the District-Month wise and Bank-Month wise Rollout Plan for the State/UT.	➤ SLBC is awaiting the details on the modalities to be adhered to in respect of the subject instruction. ➤ Meeting is scheduled to be held with Punjab National Bank, the lead bank for the proposed work.

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19	Data entry module for GIS for Financial Inclusion through web site of DFS - Periodical updation of data.	The project envisages capturing existing information about bank branches, ATMs, clearing houses and currency chests of Scheduled Commercial Banks and branches of Insurance Companies at village level. This would enable the Department to easily identify the areas where expansion of branch/ATM/network needs to be carried out, set the targets for Banks/Insurance Companies and monitor the progress of such expansion.	➤ Though GIS data is uploaded by all LDMs, the gaps, errors, shortcomings need to be corrected and periodical updation of data should happen. Necessary instructions have been provided to LDMs. ➤ LDMs have been advised to periodically update the data.
20	Availability of web-based Desktop Video Conferencing and confirmation of opening of account & connectivity with DFS	The Desktop VC may be provided to Lead District Managers in the Bank and to the SLBC Convenors who do not have access to the VC facility. The Desktop VC facility can also be used by the DFS to interact with LDMs and SLBC Convenors. In the second phase, the VC facility shall be extended to the Bank Branches in the North East/ difficult areas/ remote districts, etc.	➤ Instructions have been passed on to LDMs to confirm having put through videoconferencing facility and having checked the connectivity with DFS through NIC network. ➤ Only 5 out of the 14 LDMs have confirmed installation of the facility as at 16.08.2012. The matter is followed up by SLBC.
21	Automation of State government Treasuries and Interface with banks	Automation and interface of state Govt treasuries with banks would facilitate convenient and smooth processes, instant fund transfer, quick credit to beneficiaries accounts, cost & time efficient transactions, quick settlement of claims etc	➤ SLBC had taken up the matter with state government and reply in the matter awaited. ➤ Further this is made a standing agenda in all SLBC meetings.
22	Establishment of Clearing house at centre's with three or more branches	DFS desires that Clearing houses are to be established in all those centres with three or more bank branches which are without clearing facilities at present.	➤ 176 Centres have been identified as per the subject instruction. However, in view of the centralized CTS being implemented by RBI, SLBC had taken up the matter with RBI seeking clarifications in the wake of proposed cheque truncation system to be implemented in the state from Sept 2012 onwards.
23	Implementation of Scheme for Promotion of Women SHGs in Backward Districts of India- leveraging NGOs as Business Facilitators. Wayanad & Palakkad Districts are identified in the state.	The scheme envisages identification of an anchor NGO in each of the select backward districts of the country, which will work as promoting and nurturing agency for SHGs as also facilitator bank linkages and recovery of loans from SHGs for a due consideration. This approach is expected to facilitate sustained financial inclusion through bank loan, promote livelihood development of women and deliver social development programmes for Women through SHGs	➤ Wayanad social service society is identified as the anchor NGO in Wayanad. SHG linkage is in progress. ➤ In Palakkad Attapadi Hill Area Development Society (AHADS) is identified as anchor NGO. Agreement is to be signed by banks with NGO.

