



**KERALA STATE FINANCIAL ENTERPRISES  
STAFF ASSOCIATION**

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To

23.05.2018

Sri. Dr. TM. Thomas Isaac,  
Honorable Minister For Finance,  
Government Of Kerala, Secretariat,  
Thiruvananthapuram

Sir,

Sub: Pravasi Chitty - Unscientific Man Power deployment at Virtual Branch  
- Lacunae in providing infrastructure at branches for DDFS - Our Demand  
to convene trade union meeting - Urgent intervention necessary from  
government - Relevant Facts Intimating -reg:

All the works in a branch except the securitization process are to be normally carried out in Virtual Branches. The Main Functions of Virtual Branch are related below.

**1. Chitty prior sanction and related activities :**

Decision to define chitty pattern and counts based on the demands and information obtained from different sources (CRM and customer portals) and process of obtaining sanction order from government are the main duties of this section.

**2. Domain experts at the top end of the CRM escalation matrix.**

Top level of the CRM escalation matrix will be KSFE domain expert who is capable of answering sophisticated queries and also having power to take decisions . In a shift, a 15 member CRM executives will be handling customer calls and queries and 10 to 15% of the queries may need an escalation. This should be handled by domain experts and at least two of them should be present on each shift to handle the escalated queries.

**3. KYC confirmation process:**

(On an average it will take about 5 -7 min. to complete one KYC verification if done rigorously. )

Initially KYC verification process will have to be given prime importance because subscription can be possible only for a KYC verified customer. Now 3 types of KYC process have been envisaged.

i). **Direct KYC** : (in which customer directly uploads documents to be verified and virtual branch verify the data through DDFS application). E-KYC is also a part of direct KYC. Here also the customer has to upload passport and visa details and VB to do the verification process. 17 fields to be cross checked with the uploaded documents and corrections (if any) to be made or discrepancy marking to be done with proper remarks. As this is a very responsible and risky job, due care should be given to this process. On an average at least 5-7 minutes time frame is needed to complete one direct KYC verification.

ii). **International Agent KYC verification.**

Here Documents are uploaded by the international Agent at the time of first remittance to the chitty and remittance can be taken place only after the verification of the uploaded documents with the data provided by the customer. High priority should be given for this KYC process as the customer is waiting at the agents premises for completion of KYC . In this case also, minimum 5 to 7 minutes is needed to complete the process.

iii). **Local agents KYC:**

Here the local agents , through a device ,enroll the customer and accept first remittance through debit card. Here also , the verification process is the same as in the case of international agents KYC. On average 5 to 7 minutes will be taken to complete the verification process at VB.

Now the calculation part: For an anticipated customer base of 1 lakh in the first year

Nos. of Verification by one employee in one day : 60 to 72

So At least 10 employees per shift are necessary at the initial stage.

If the KYC -applications are distributed through out the year proper staff structuring is needed to streamline the operations accordingly.

If some of the verifications (verifying Virtual Branch staff can make minor changes in the data while approving the same) need second level approval by a higher authority , adequate number of staff should be provided in this case also. (Average time taken would be around 2 minutes)

10-15% needs these second level approval and it will take at least 2 minutes to complete the same.

Number of staff needed : At least 2 Supervisory Officer in every shift

iv). **Chitty management:** This includes, chitty registration ,auction management,Prize money payment ,filing of statutory reports ,security/default management and related activities.

If 1 lakh subscribers are there in the initial year 1 lakh payments would have to be carried out and staff strength should be decided accordingly.(All the securitization processes are earmarked to be done at local branches and the status of the process would be informed to

VB through DDFS ie, no staff requirement is there for assessing the offered security .)

Payment process includes , validating the bank details of the customers, Verifying the security status , considering the FD conversion requests, transferring the amount to concerned accounts. As this process involves bank transfer, 2 persons (maker /checker concept) should be there for each payment task.

Security related issues and default management are also the part of the job profile. Personal security (spark) is exclusively handled at VB (Virtual Branch). Even though first level default management process can be handle by the CRM Staff, subsequent activities such as default settlement decisions, salary recovery proceedings, redemption of other financial documents, RR initiations etc. are of course should be done by the VB staff and optimum number of staff should be allocated for this important portfolio.

v). **Fixed deposit** : FD interest management,FD closure, FD renewal etc.,.

vi). **Insurance** : All the subscribers are insured with LIC and SID. Timely enrolling ,premium payments, renewal ,claim request handling, assistance to the needed customers for claim settlement etc, are some of the duties in this section.

**Vii) Agency management** : Includes , managing local as well as international agents. Dealing with the day to day activities , payment of commissions etc ,. are under the purview of this section.

**viii)Bond management** : Job profile include **a.)**Transferring the float to the KIIFB short term bond on day to day basis. **b.)**Chitty registration security conversion to long term KIIFB bonds according to period of the chitty. **c.)**Releasing the short term bond on need basis **d.)**Releasing the chitty security bond after the termination of the chitty etc,.

**ix)Bank reconciliation:** Here 3 kinds of reconciliations are needed (Very important function -must be done in day to day manner)

**a). Reconciliation of online remittance** : Bulk of the transactions may fall under this category. Here we have to ascertain all the successful transactions are accounted correctly and the discrepancies (such as customer bank account is debited but transaction failure at our end, pending status from the payment gateway , other failures etc,.) are handled properly. Liaisoning with banks and payment gateways are integral parts of this work.

**b). Cheque collection and reconciliation:** Cheques are accepted at local branch levels(through DDFS) for second installment onwards. Collected cheques are deposited in the VB bank account and the local branches responsibility ends

there. Realization/dishonor should be addressed by the VB reconciliation team.

**c). Reconciliation with international agents:** Enrollment as well as subsequent remittance can be done through international agents (selected Money transferring companies). Reconciliation of these transactions are also one of the duties of reconciliation team.

**x.) IT and IT support team.** There are a multitude of software applications in this software ecosystem such core app,DDFS ,CRM app, Mobile apps (customer as well as agents) etc. As this application is exposed in public domain , keen observation is needed to ensure the proper functioning and security aspects. Modifications /additions to the software applications are to be thoroughly tested in staging servers prior to incorporating it in to the production environment. Reported bugs in the application are to be reproduced in the testing environment and proper feedback to be passed to the vendors to rectify the same in a timely manner. Proper backup mechanisms are also vested with KSFE IT team. As this is a huge system with different facets of software and hardware , proper liaising with experts, followups and verification of rectifications of the same should be ascertained by the IT team. Generation of reports (MIS) required by the higher management is also the duty of the IT team.

In addition to the above, an efficient Business Management Wing supported by R&D Wing is necessary at Virtual Branch. After properly assessing various inputs from CRM and from the Market, the Business Management Wing should design Proper chitty patterns best suited to the needs and interests of Pravasi Malayalis. We communicated these issues to the management, but their response is not positive. The Managing Director has neither visited Virtual Branch nor tried to understand these basic issues till date. So we request your intervention, take immediate steps to deploy proper man power at the Virtual Branch. The Basic infrastructure at all branches shall also be strengthened for effective DDFS activities. We request you to instruct KSFE management to convene trade union meeting to discuss these issues in detail.



Muraleekrishna Pillai S

General Secretary

### **KSFE Staff Association(CITU)**

NB : Most of the pravasis belongs to low income groups. They are manual labourers. They get free time on Fridays only. If we propose Weekly Chitty with Chitty Auction on Every Friday, these sections of common people can be attracted to our scheme. We got this input from the relatives of pravasis during our interaction with them.