

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4978  
ANSWERED ON:02.09.2011  
BUSINESS CORRESPONDENTS  
Rajesh Shri M. B.

**Will the Minister of FINANCE be pleased to state:**

- (a) the details of the policy adopted by the Government alongwith eligibility criterion for selection and appointment of Business Correspondents (BCs) under the Swabhiman Scheme and financial inclusion plan;
- (b) the details of the number of BCs appointed by the Scheduled Commercial Banks (SCBs) under the said scheme, bank-wise;
- (c) whether the said BCs are being paid minimum wages in the SCBs;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the steps taken/being taken by the Government to improve the functioning and ensuring proper wages to the said BCs?

**Answer**

The Minister of State in the Ministry of Finance (Shri Namu Narain Meena)

(a) to (e) :- Scheduled Commercial Banks have been permitted since 2006, to adopt the Business Facilitator (BF) / Business Correspondent (BC) model for delivery of banking services in the unbanked and underbanked areas of the country. A variety of entities/ individuals like retired bank employees, retired teachers, retired government employees and ex-servicemen, individual owners of kirana / medical /Fair Price shops, individual Public Call Office (PCO) operators, agents of Small Savings schemes of Government of India/Insurance Companies etc., had been permitted by the Reserve Bank to act as BCs. The guidelines in engaging BCs were reviewed by RBI in September 2010 and banks have been permitted to engage companies registered under the Indian Companies Act, 1956, with large and widespread retail outlets, excluding Non Banking Financial Companies (NBFCs), as BCs in addition to the individuals / entities permitted earlier, subject to compliance with the guidelines issued. The Bank wise details of number of BCs appointed is given in the Annexure.

Service providers are selected through a tender process and payments are made to BCs as per the contract between Service Providers and Banks.