

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION No. 1164

Answered on Monday, February 10, 2020/Magha 21, 1941 (Saka)

Business Correspondents for Banking Services

1164. DR. G. RANJITH REDDY:

Will the Minister of FINANCE be pleased to state:

- (a) whether there are more than 5 lakh Business Correspondents in the country who provide banking services, particularly in rural areas;
- (b) if so, the details thereof, State and district-wise;
- (c) the details of social security that these Business Correspondents are getting, including their salary and other allowances; and
- (d) whether it is a mandatory requirement to open 25% of new branches proposed to be opened/have to be opened in rural and unbanked areas of the country and if so, the details thereof along with out of more than 10,000 new branches opened, the percentage of branches opened in unbanked areas, State-wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

(a) to (d) As per extant guidelines dated 18.5.2017 on rationalisation of Branch Authorisation Policy, Reserve Bank of India (RBI) has granted general permission to domestic Scheduled Commercial Banks (excluding Regional Rural Banks), to open banking outlets at any place in the country, without seeking prior approval of RBI in each case, subject to at least 25 percent of the total number of banking outlets opened during a financial year being in unbanked rural centres i.e. centres having population less than 10,000 (Tier 5 and Tier 6 centres).

A 'Banking Outlet' for a Domestic Scheduled Commercial Bank (DSCB), a Small Finance Bank (SFB) and a Payment Bank (PB) is a fixed point service delivery unit, manned by either bank's staff or its Business Correspondent (BC).

As informed by RBI, as on 31.3.2019, there were 5.41 lakh banking outlets in villages providing banking services through BCs. State-wise data of banking outlets in villages through BCs is at Annexure. District-wise data of banking outlets is not maintained by the RBI.

Further, under Pradhan Mantri Jan-Dhan Yojana (PMJDY), all villages were mapped by banks into 1.59 lakh Sub-Service Areas (SSAs) with one SSA catering to 1,000 to 1,500 households. While 0.33 lakh SSAs have been covered with bank branches, 1.26 lakh SSAs, have been covered by deployment of interoperable Business Correspondents (BCs).

As per RBI's master circular dated 1.7.2014 on 'Branch Authorisation' banks are permitted to formulate a policy for engaging BCs with the approval of their Board of Directors. Further, the terms and conditions governing the contract between the bank and the BC are required to be defined in written agreements and subjected to a thorough legal vetting.

Annexure as referred in reply to in part (b) of the Lok Sabha unstarred Q. No. 1164 for answer on 10.2.2020	
State-wise data as on 31.03.2019	
State	No.of Banking Outlets in Villages through BCs
Andaman and Nicobar Islands	479
Andhra Pradesh	22,759
Arunachal Pradesh	2,497
Assam	21,387
Bihar	42,536
Chandigarh	150
Chattisgarh	15,613
Dadra & Nagar Haveli	106
Daman & Diu	17
Delhi	1,087
Goa	263
Gujarat	19,555
Haryana	9,428
Himachal Pradesh	7,363
Jammu & Kashmir	3,516
Jharkhand	25,676
Karnataka	26,117
Kerala	2,728
Lakshadweep	-
Madhya Pradesh	46,406
Maharashtra	37,842
Manipur	2,263
Meghalaya	4,315
Mizoram	426
Nagaland	803
Odisha	40,998
Puducherry	92
Punjab	11,062
Rajasthan	29,698
Sikkim	1,170
Tamil Nadu	18,817
Telangana	9,749
Tripura	751
Uttar Pradesh	90,613
Uttarakhand	10,345
West Bengal	34,502
Grand Total	5,41,129

Source: Reserve Bank of India

