GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION No. 113
ANSWERED ON MONDAY, 20 JULY, 2026/ASHADHA 29, 1948 (SAKA)

Role of Business Correspondent Supervisors and Coordinators in Financial Inclusion

†113. DR. ANAND KUMAR**:**

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware that Business Correspondent (BC) Supervisors and Coordinators appointed on a direct contract basis by various Public Sector Banks (PSBs) and other banks play a pivotal role in the implementation of financial inclusion initiatives, including the Pradhan Mantri Jan-Dhan Yojana (PMJDY), Direct Benefit Transfer (DBT), special security insurance and pension schemes, if so, the details thereof;

(b) whether these BC Supervisors are deprived of essential social security benefits such as Employee-State-Insurance (ESI), health insurance, pension and job security and are frequently terminated from service without any assigned reason or prior notice, if so, the details thereof;

(c) whether the Government is formulating any policy to ensure transparent procedures for termination from service, minimum notice periods and social security benefits for these personnel, if so, the details thereof; and

(d) whether any proposal to provide service security or long-term contractual arrangements to these personnel working for a long time is under active consideration of the Government and if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) Business Correspondent (BC) model was implemented by RBI in 2006 and has undergone changes on continuous basis specially after the launch of Pradhan Mantri Jan Dhan Yojana (PMJDY). As per the extant guidelines of Reserve Bank of India (RBI) dated 01.07.2014, Scheduled Commercial Banks, including Regional Rural Banks and Local Area Banks, have been permitted to provide financial and banking services through the use of Business Correspondents (BCs).

(b) to (d) Banks select corporate BCs through a RFP process and the selected Corporate BC (CBC) in turn deploy individual BC at locations suggested by Banks. BC engaged on a contractual basis are not regular employees of the banks. Accordingly, service conditions, including remuneration, engagement, continuation, termination and any contractual benefits, are governed by the terms of the contract entered into between the concerned the CBC and the BC. However, the functioning and various other aspects of BCs are periodically monitored by mechanisms like BC Monitoring Committee. Banks are advised to take necessary steps to address issues that may impact functioning of Business Correspondents (BCs), wherever found necessary.

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