GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

UNSTARRED QUESTION NO. 3495

ANSWERED ON MONDAY, AUGUST 10, 2026/SHRAVANA 19, 1948 (SAKA)

Role of Banking Correspondents in Financial Inclusion

3495. SHRI CHAVAN RAVINDRA VASANTRAO:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware that Banking Correspondents (BCs) play a vital role in financial inclusion by delivering banking and Direct Benefit Transfer (DBT) services in rural, remote, tribal and underserved areas, if so, the details thereof;

(b) whether the Government has taken note of the increasing attrition among BCs due to inadequate remuneration, lack of service and social security and engagement through intermediary agencies, if so, the details thereof;

(c) the number of BCs currently engaged and those who have discontinued during the last three years, Bank-wise and State/UT-wise along with the reasons therefor;

(d) whether the Government has assessed the impact of such attrition on financial inclusion and rural banking services, if so, the details thereof; and

(e) whether the Government proposes to improve BC service conditions through direct bank engagement, assured remuneration, fair commissions, social security, regulation of intermediary agencies and a comprehensive policy framework and if so, the details thereof?

ANSWER

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

(a) to (e) Business Correspondents (BCs) play a vital role in advancing financial inclusion by providing banking services at the doorstep, particularly in rural, remote, tribal and underserved areas. Over the years, the scope of services delivered through BCs has expanded significantly, and they are providing variety of services which, *inter-alia,* include transaction services, Pradhan Mantri Jan Dhan Yojana (PMJDY) account opening, deposit mobilisation, sourcing of loan leads, recovery of Non-Performing Assets (NPAs), enrolment under micro-insurance schemes, recurring deposit services, among other banking services.

As per extant guidelines of Reserve Bank of India (RBI), Scheduled Commercial Banks, including Regional Rural Banks and Local Area Banks, have been permitted to provide financial and banking services through the use of BCs. Banks formulate the policy for engaging BCs with the approval of their Board of Directors.

Banks also select corporate BCs through the RFP process and the selected Corporate BC (CBC) in turn deploys individual BC at locations suggested by Banks. The 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 through the BC Monitoring Committee.

The functioning and various other aspects of BCs, including renumeration, training, penalties, certification, deployment capacity building etc. is periodically monitored. Banks have accordingly been advised to take necessary steps to address all the issues that may impact functioning of Business Correspondents (BCs). Banks pay commission/fee to the BCs, the rate and quantum of which is reviewed periodically. BCs earn commission based on the volume of business and individual Bank's remuneration policies.

As per data available on the Jan Dhan Darshak (JDD) GIS App, a total of 17.36 lakh Banking Correspondents (BCs) act as the last-mile interface for the banking system. Details of BCs engaged State-wise & Bank type-wise during the last three years, is at Annexure. Data of BCs disengaged during the last three years, Bank-wise and State/UT-wise is not centrally maintained.

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Annexure

Annexure as referred to in part (a) to (e) of the Lok Sabha Unstarred Q.No. 3495 for answer on 10.08.2026					
State-wise number of BCs					
S.No.	**State Name**	**March,2024**	**March,2025**	**March,2026**	**June,2026**
1	ANDHRA PRADESH	37,536	41,939	49,723	49,944
2	ARUNACHAL PRADESH	1,224	1,286	1,304	1,314
3	ASSAM	25,498	29,268	50,314	50,569
4	BIHAR	1,29,981	2,20,058	2,30,141	2,30,327
5	CHHATTISGARH	28,880	50,409	52,406	52,761
6	GOA	1,098	1,186	1,260	1,260
7	GUJARAT	37,984	59,519	63,112	63,407
8	HARYANA	18,860	22,342	23,554	23,568
9	HIMACHAL PRADESH	4,420	4,929	4,890	4,909
10	JHARKHAND	38,049	45,758	79,557	81,424
11	KARNATAKA	30,595	56,805	57,139	57,199
12	KERALA	9,036	9,477	9,268	9,317
13	MADHYA PRADESH	1,04,844	1,72,021	1,81,577	1,85,018
14	MAHARASHTRA	86,459	1,41,593	1,57,349	1,58,544
15	MANIPUR	1,332	1,408	1,435	1,443
16	MEGHALAYA	1,529	1,564	1,570	1,570
17	MIZORAM	538	631	628	629
18	NAGALAND	489	517	514	519
19	ODISHA	29,324	34,468	49,848	53,305
20	PUNJAB	17,816	18,859	19,552	19,774
21	RAJASTHAN	60,712	1,09,168	1,08,872	1,09,405
22	SIKKIM	150	173	167	169
23	TAMIL NADU	28,064	33,578	34,505	34,586
24	TELANGANA	32,781	38,693	44,033	44,058
25	TRIPURA	1,960	2,270	2,320	2,325
26	UTTAR PRADESH	2,05,178	3,37,974	3,59,499	3,62,515
27	UTTARAKHAND	6,097	7,263	9,344	9,528
28	WEST BENGAL	48,434	63,329	92,386	1,07,355
29	ANDAMAN & NICOBAR	26	27	27	27
30	CHANDIGARH	235	243	543	543
31	DADRA & NAGAR HAVELI, DAMAN & DIU	499	501	510	510
32	DELHI	11,328	13,352	14,072	14,134
33	JAMMU & KASHMIR	2,993	3,431	3,911	3,644
34	LADAKH	164	164	103	105
35	LAKSHADWEEP	3	3	3	3
36	PUDUCHERRY	256	284	332	333
Total		10,04,372	15,24,490	17,05,768	17,36,041
Bank Type-wise number of BCs					
S.No.	**Bank Type**	**March,2024**	**March,2025**	**March,2026**	**June, 2026**
1	PUBLIC SECTOR BANKS	2,20,671	2,59,347	2,77,676	2,81,382
2	PRIVATE SECTOR BANKS	32,173	30,422	29,774	30,765
3	REGIONAL RURAL BANKS	61,879	65,682	65,459	65,592
4	PAYMENT BANKS	6,87,211	11,67,193	13,30,937	13,56,379
Total		10,04,372	15,24,490	17,05,768	17,36,041
Source: JDD App					