



भारतीय रिज़र्व बैंक  
**RESERVE BANK OF INDIA**

www.rbi.org.in

RBI/2008-2009/455

DBOD.No.BL.BC.129 /22.01.009/2008-2009

April 24, 2009  
Vaishakha 3, 1931(Saka)

**All Scheduled Commercial Banks  
(including RRBs) & Local Area Banks**

Dear Sir,

**Financial Inclusion by Extension of Banking Services – Use of Business  
Facilitators (BFs) and Business Correspondents (BCs)**

Please refer to [paragraph 4 of our circular DBOD.No.BL.BC.74/22.01.009/2007-2008](#) dated April 24, 2008, on the above subject.

2. In this connection, we advise that as announced in paragraph 144 of the Annual Policy Statement for 2009 – 10 (extract enclosed), it has been decided to increase the maximum distance criteria (distance between the place of business of a BC and the base branch) for the operation of a Business Correspondent (BC) for rural, semi-urban and urban areas from the existing 15 kms. to 30 kms. All other instructions contained in the above circular remain unchanged.

Yours faithfully,

**(P. Vijaya Bhaskar)**  
**Chief General Manager**  
Encl: as stated

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## **Extracts from Annual Policy Statement 2009-10**

### ***Financial Inclusion: Relaxing Eligibility Criteria for Business Correspondents***

***144. With the objective of achieving greater financial inclusion and increasing the outreach of the banking sector, banks were permitted, to use the services of NGOs/MFIs set up as societies, trusts, Section 25 companies, post offices, co-operative societies and more recently retired bank employees, ex-servicemen and retired government employees as business correspondents (BCs). Scaling up the BC model is a challenge. It is, therefore, proposed to increase the maximum distance criterion for the operation of the BC for rural, semi-urban and urban areas from the existing 15 kms. to 30 kms.***