



Business Correspondent (BC) Engagement Policy

1. Business Correspondent

2. BC Supervisor

**Financial Inclusion Department
Head Office
Vadodara**

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1. CONCEPT OF BUSINESS CORRESPONDENTS:

The Business correspondent model envisages the use of identified institutional agents/organizations and other entities, for supporting the Bank in extending financial services, operating from different locations away from the bank branches. These services involve the conduct of banking business by Business Correspondent.

2. OBJECTIVES OF ENGAGING THE SERVICES OF BUSINESS CORRESPONDENTS:

- a) Twin objective of ensuring greater financial inclusion and business growth by increasing the outreach of the Bank combined with the need to substantially increase our market share in the rural, semi-urban areas and among the urban poor.
- b) To provide banking services in the underbanked/ unbanked Sub Service Areas (SSAs) and ensure compliance of guidelines of Ministry of Finance/ RBI.
- c) To leverage on the strengths of intermediaries in accelerating the process of financial inclusion, for business growth and operational efficiency of the Bank through innovative solutions utilizing the latest technology.
- d) To improve process efficiencies and reduce transaction costs by providing linkages between the existing network of our branches and the informal and formal agencies engaged with the poor, by adopting technology based solutions.
- e) To provide comprehensive financial services to the underprivileged encompassing savings, term deposits, credit, remittance, insurance, pension, DBTs (Direct Benefit Transfers), utilities and payment products including recovery of loan in a cost effective manner, particularly in untapped / unbanked areas.

3. ELIGIBLE ENTITIES:

(In terms of RBI Circular no. DBOD.No.BL.BC.43/22.01.009/1010-11 dated September 28, 2010), the bank may engage the following individuals/entities as BC:

- a) 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, individuals who own Petrol Pumps, authorized functionaries of well run Self Help Groups (SHGs) which are linked to banks, any other individual including those operating Common Service Centers (CSCs);
- b) NGOs/ MFIs set up under Societies/ Trust Acts and Section 25 of Companies Act;
- c) Cooperative Societies registered under Mutually Aided Cooperative Societies Acts/ Cooperative Societies Acts of States/Multi State Cooperative Societies Act;
- d) Post Offices; and
- e) Companies registered under the Indian Companies Act, 1956 with large and widespread retail outlets, **excluding deposit taking Non-Banking Financial Companies (NBFCs), subject to conditions as prescribed by RBI from time to time.**
- f) While a BC can be a BC for more than one bank, at the point of customer interface, a retail outlet or a sub-agent of a BC shall represent and provide banking services of only one bank. The terms and conditions governing the contract between the bank and the BC should be carefully defined in written agreements and subjected to a thorough legal vetting. While drawing up agreements, bank should strictly adhere to instructions contained in the guidelines on managing risks and code of conduct in outsourcing of financial services by

banks, issued by Reserve Bank of India on November 3, 2006. The bank will be fully responsible for the actions of the BCs and their retail outlets / sub agents.

Bank has adopted the Corporate Business Correspondent Model for appointing field level BC agents;

A. CORPORATE BUSINESS CORRESPONDENT MODEL

1. Selection criteria:

Financial Inclusion Department will select the Corporate Business Correspondents as per the following criteria:

a) Operational:

- i. The entity should have minimum 3 years' experience as Corporate Business Correspondents of which minimum one year as CBC of Public Sector Banks (PSBs) or Regional Rural Banks (RRBs). Government entities/ SRLMs/ Cooperative Societies are exempted from the experience criteria. The MSE/Startup entity should have minimum 1 years' experience as CBC of Public Sector Banks (PSBs) or Regional Rural Banks (RRBs).
- ii. Prospective CBCs should have deployed BC Agents conforming to the RBI's definition of "Banking Outlet" (a fixed point service delivery unit, manned by either bank's staff or Business Correspondent where services of acceptance of deposits, encashment of cheques / cash withdrawal of lending of money are provided for a minimum of 4 hours per day for at least five days a week). The entity should have minimum 250 active field BCs working under them.
- iii. The entity should possess relevant technology and operational strength for engaging, handholding, training, supporting and monitoring field level agents.
- iv. Discreet market opinion about the entity shall be obtained and satisfied upon.
- v. The entity should have significant rural / semi-urban presence.

b) Financial:

- i. The net worth of the entity should be assessed, verified and satisfied upon. The net worth of the entity must not be below 2 crores as per latest audited balance sheet.
- ii. Off balance sheet exposure of the entity should also be considered while assessing the financial strength of the entity.
- iii. CIBIL reports of the entity, its proprietor, partners, directors, trustees, etc., should be generated, verified and satisfied upon.
- iv. Credit Report and CRILC reports of the entity should be verified and satisfied upon.
- v. The entity should have a satisfactory track record and should be able to generate the funds required for this service.

c) Others:

- i. The organization / office bearers / members should not have any criminal record.
- ii. The office bearers, directors, etc., of the entity should not be a Director or officer/employee of the Bank or a relative having the same meaning under Section 6 of the Companies Act 1956 and suitable sworn affidavit may be obtained.
- iii. There must not be any cases pending against the entity like income tax attachment order, notices under NCLT or any other revenue or other Government or quasi-government authorities, etc.
- iv. Wherever possible, above information may be verified through publicly

available information. An undertaking from the organization / office bearers / members to this effect shall be obtained. Letter from other Banks/Institutions shall also be obtained to ascertain suitability & conduct.

- v. The entity should not have been black listed by the Bank or the industry and should not be non-performing/causing concern etc. An undertaking to that effect may be obtained from the entity. Enquiry with other Banks/Institution may be made to ascertain suitability & conduct.
- vi. The entity should obtain minimum 60% scoring as per scoring matrix (non-individuals) which is annexed to the policy - Annexure – A.

d) Field Level BC agents:

Field level agents shall be engaged through the Corporate Business Correspondents in consultation and with the approval of respective link branches and Regional Offices.

2. Selection Procedure for Corporate BC

- a. Bank shall invite applications through RFP (Request for Proposal) for on-boarding Corporate Business Correspondents floated through various Newspapers and Bank's website, once or twice in a year depending on the requirement during June/July or Nov/Dec in each financial year. In case there is no requirement, bank need not invite applications for empanelment. Interested and eligible companies/firms must apply strictly as per the eligibility criteria. A minimum amount of security deposit may be prescribed for discouraging undesirable applicants. Committee on Financial Inclusion shall prescribe the minimum security deposit from time to time. Tenders are to be free of cost and Security Deposit / Earnest Money Deposit (EMD) is exempted for registered MSEs (Micro & Small Enterprises).
- b. The entity shall submit application for engagement as Corporate BC in the prescribed format along with supporting documents, evidences and other annexures.
- c. The selection of Corporate Business Correspondents engaged by the Bank will be done by "Committee on Financial Inclusion", a committee of executives from Head Office, Baroda consisting of CGM in charge of Financial Inclusion Dept, Head – Financial Inclusion, GM – Operations & Services, GM – Operations, GM & Head – Rural & Agri Banking, GM/DGM/Head – RRBs & R-SETIs, DGM - Operations & Services, DGM - Operations, GM & Head – Digital Operations Group, DGM – Rural & Agri Banking, Head – Internet Banking MFKs, SSPs Development & Adoption, ATMs (Policy, Roll out & Reporting), DGM – Customer Experience. The Committee is empowered to decide in implementation of various FI activities. The Committee is a recommendatory body for proposals having financial implications for FI Dept. Once the committee recommends the proposal, it will be placed before Board/ERMC/MD&CEO/ED/CGM/GM etc depending on the delegated discretionary administrative powers for final approval. The Quorum of the Committee is five signatories of which one CGM and two GMs is mandatory and in the absence of CGM, there should be minimum 3 GMs & 2 DGMs.
- d. Financial Inclusion Department, Head Office may also arrange for conduct of field survey of the entities to assess the availability of infrastructure/equipment / man power and conduct due diligence of the entities. They shall submit note to the Committee on Financial Inclusion with due recommendation along with the scoring matrix for each entity.
- e. The Committee on Financial Inclusion shall take into consideration business expansion plan of the Bank, selection criteria for corporate BCs, their business potential and organizational strengths and other performance

- parameters as per BC scoring matrix (non-individuals), which is annexed to the policy – Annexure – A. The Corporate BC must score minimum 60% as per scoring matrix (non-individuals).
- f. The Committee on Financial Inclusion shall have power to waive any of the selection criteria for engagement of Corporate BC after thoroughly examining the criteria and providing proper justification for each waiver. The Steering Committee of the Board on Agri, FI & CSR has the power to consider the proposal for engagement of Corporate BC without initiating RFP process under exceptional circumstances such as business exigencies, etc.
 - g. During the selection process, it would be made clear to the selected entities that they / their agents will render services to the Bank on contract basis with remuneration depending on work / performance and that there will be no employer-employee relationship between the Bank and the BC. The relevant agreements with the Business Correspondents will include clauses to this effect.
 - h. When a Corporate BC is appointed, it will furnish a list of field level agents to be engaged by them with details of their bio-data containing photograph, address, age, educational background, present occupation, monthly income, details of existing banking arrangements (should not be a defaulter with any bank), area of operation and past experience, if any, related to banking & insurance.
 - i. The number of entities selected shall depend on business expansion plan, guidelines of DFS / RBI, and their eligibility / potential for business. The Corporate BC may be selected to operate PAN India or specific to certain states or areas depending upon the requirements of the Bank or suitability of the entity.
 - j. Upon selection, the agreements, on behalf of the Bank, with the Corporate Business Correspondents, for a period of 3 years, will be signed by Head /General Manager (Financial Inclusion) or by DGM (Financial Inclusion) or by the alternate executive functioning in the absence of Head /GM (FI) / DGM (FI) or by the Zonal Head of the respective zone, as per the advice of Committee on Financial Inclusion.
 - k. Agreement should contain relevant clauses as per the Bank's outsourcing policy and RBI Guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services by Banks.

3. Appointment of BC agents through Corporate Business Correspondents

- a. For engagement of Field level BC agents, the Corporate BC will identify the potential and eligible individuals as per the selection criteria and as per business requirement of the Bank in consultation with the Link branch and Regional Office.
- b. The Corporate BC shall arrange for police verification and after satisfactory due diligence shall recommend the BC agent to the Link branch for appointment. If police verification report is not obtained within 7 days of submission, BC can be on boarded by obtaining the acknowledgment of the police authorities of receipt of application for police verification. This relaxation is extended to only those Corporate Business Correspondents, who are willing to indemnify the Bank of any liability arising out of any misappropriations during the said period and on obtaining the undertaking from Corporate BC that in case of termination of BC due to adverse Police report, an alternative/substitute BC shall be engaged for that location, so that Banking Services are not interrupted. Satisfactory police verification report has to be submitted within a maximum period of 60 days from the date of on-boarding, failing which the BC Services shall be put on hold till further

submission of police verification report or discontinued, if any adverse remarks are identified in the report.

- c. The link branch also shall conduct due diligence process (including KYC verification, CIBIL, enquiries etc) verify the potential and eligibility of the identified agent, complete BC Scoring Matrix for individuals – Annexure C (minimum 60%) and forward the short listed names of BC agents with recommendations to the Regional Office for approval and final selection.
- d. It should be ensured that the BC agent is proficient in local language & dialect (both written & verbal).
- e. Regional Office shall approve the selection of the BC agent as per recommendation of the link branch upon satisfaction.
- f. Corporate BCs shall enter into agreement with the BC agents engaged by them containing and terms and conditions in line with their agreement with the Bank and share the copy of the agreement entered with the field agent with the Link branch.

4. Appointment of joint / associate BC agents through Corporate Business Correspondents

Wherever required, at the recommendation of Corporate BC, Bank can consider appointing joint / associate BC agent as a substitute to the main BC agent with same terms & conditions subject to the following:

- a. Eligibility criteria of appointing BC agent through Corporate BC are applicable for appointment of joint / associate BC agent;
- b. The joint / associate BC agent shall be related to the main BC agent only as a spouse / parent / child; Individuals not related as a spouse/parent/child shall not be considered for engagement as a joint/Associate BC agent.
- c. The joint / associate BC agent shall function from the same location of CSP (Customer Service Point) outlet identified for the main BC agent;
- d. The main BC agent or in his absence the joint/associate BC agent shall be allowed to login and both may be allowed simultaneously login to Bank's server so that extra business can be canvassed; If there is requirement for an additional agent for door step banking, it may be considered on merits .
- e. Corporate BC shall enter into separate agreement with the joint / associate BC agent with similar terms and conditions;
- f. There shall be a separate settlement account in the name of joint / associate BC agent with the same link branch;
- g. Both the main BC agent and his / her joint / associate BC agent shall jointly undertake to receive commercials in a single account in the name of main BC agent;
- h. Corporate BC shall be responsible for actions of and monitoring of both main BC agent and his / her joint / associate BC agent;

5. Waiver of Advertisement for selection of Corporate BC directly by the bank:

RFP/Advertisement in newspaper may be waived in case of:

- a. National or zonal Level tie-ups with reputed corporate having I.T. enabled rural outlets or entities with an established presence (e.g. Reliance, ITC, etc).
- b. When the entity is associate/ undertaking of Government Department.(e.g. India Post)
- c. NGO's, MFIs already financed by us whose repayment and performance is satisfactory.
- d. In other cases, at the discretion of the Committee on Financial Inclusion.

6. Fidelity / Secrecy Undertaking

A suitable Fidelity / Secrecy Undertaking needs to be obtained from CBCs. The undertaking will form part of the Agreement signed between the CBC & the Bank.

7. Security Deposit

- a. **For initial block of 250 BC agents (New Corporate BC):** Security deposit for a total amount of Rs.50 lakhs of which Rs. 25 lakhs minimum by way of FDR for a minimum period of 5 years held with Bank of Baroda and rest in the form of FDR held with Bank of Baroda or Bank Guarantee issued by a Scheduled Commercial Bank other than Bank of Baroda for minimum period of 5 years, to be obtained by the Bank.
- b. **For initial block of 500 BC agents (Existing Corporate BC):** Security deposit for a total amount of Rs.25 lakhs of which Rs.10 lakhs minimum by way of FDR for a minimum period of 5 years held with Bank of Baroda and rest Rs.15 lakhs in the form of FDR held with Bank of Baroda or Bank Guarantee issued by a Scheduled Commercial Bank other than Bank of Baroda for minimum period of 5 years, to be obtained by the Bank.
- c. **For additional block of every 200 BC agents for New and 400 BC agents for Existing Corporate BC:** Additional Security deposit Rs.10 lakhs of which Rs. 5 lakhs minimum by way of FDR for a minimum period of 5 years held with Bank of Baroda and rest in the form of FDR held with Bank of Baroda or Bank Guarantee issued by Scheduled Commercial Bank other than Bank of Baroda for a minimum period of 5 years, to be obtained by the Bank.
- d. This security is separate from any of the security the field level agents may need to provide for provision of limits in the settlement account.
- e. This provision is applicable for all existing Corporate BCs as well as for new Corporate BCs who may be appointed by the Bank. Corporate BCs should arrange to provide Security Deposit (both BG and FDR) with a 5 years' term during every renewal process.
- f. Committee on Financial Inclusion is empowered to fix and relax the timeline/ period within which security deposit needs to be obtained as per Clause 7.b and 7.c above.
- g. In case of any event of misappropriation/fraud committed by BC agent, such amount will be recovered from concerned Corporate BC. The amount reported in the FMR-I submitted to RBI shall be reckoned as "total fraud amount", subject to subsequent revisions in the FMR report, if any and such amount will be recovered within 3 months from the date of filing FMR-I to RBI.
- h. The security deposit furnished by the CBCs in the form of FDR / Bank Guarantee shall be released two years after their de-panelling / de-listing.

Discretion to reduce/ waive security deposit:

In case of national level alliances like India-Post and State/Central Govt backed CBC like CSC, etc., the discretion to waive / reduce the security deposit shall rest with the 'Committee on FI'. Security deposit or Bank Guarantee should be for a minimum period of 5 years and kept at Financial Inclusion Department, Head Office under safe custody.

8. Review / Renewal of MOU / Agreement

Initial Agreement shall be signed for a period of three years with yearly review of the performance of the entities. The review shall be carried out by the Committee on Financial Inclusion, Head Office Baroda. The process of review should start -6-months in advance. In case of any delay, committee may go for short review for a period of 6 months. If the CBC services are not satisfactory, Bank may at its

discretion not renew the agreement.

The periodicity may be changed (for renewal only) at the discretion of Head/General Manager (Financial Inclusion), HO, Baroda in case of agreements with CBCs.

Review Criteria – Corporate BCs:

- i) The selection criteria for eligibility for engagement shall continue to remain valid
- ii) There must not be adverse reports against the Corporate BC
- iii) There must not be any cases pending against the Corporate BC like income tax attachment order, notices under NCLT, notices by any other revenue or other Government or quasi-government authorities, etc.
- iv) Overall total performance, including active & inactive status of agents especially in SSAs (Sub Service Areas) and performance vis-à-vis targets allocated, of the field agents engaged by the corporate BC shall be assessed and satisfied upon.
- v) Growth in agent engagement and business vis-à-vis potential shall be assessed and satisfied upon.
- vi) The periodicity and quality of handholding and training & certification and capacity building of field agents shall be assessed and satisfied upon
- vii) Overall quality of functioning of CSP (Customer Service Point) outlets including upkeep of business hours, display of required boards / banners, maintenance of records, availability and functioning of devices shall be assessed and satisfied upon
- viii) Functioning of central / state level and area level field coordinators engaged by the corporate BC shall also be assessed and satisfied upon
- ix) The quality of help desk support provided by the Corporate BC shall also be assessed and satisfied upon. There must be clear escalation matrix defined.
- x) The periodicity and quality of field level monitoring shall also be assessed and satisfied upon
- xi) Details of complaints against field level agents and frauds perpetrated by field level agents & their redressal and fraud monitoring & control measures adopted by the Corporate BC shall be assessed and satisfied upon
- xii) Extant guidelines on security deposit to be provided by the Corporate BC must be ensured
- xiii) There should not be any breach of guidelines on code of conduct, activities, duties & responsibilities, fidelity / secrecy undertaking, and other clauses and violation of terms and conditions forming part of agreement with Corporate BCs
- xiv) For conduct of review of Corporate BC, apart from reviewing the performance of the Corporate BCs and their field agents, Financial Inclusion Department, HO shall also:
 - a. Obtain necessary financial statements from the Corporate BCs for due consideration.
 - b. Any change in directors or promoters of the Corporate BC shall be sought for, analysed and satisfied upon. Declaration from the partners/Directors etc of the entity that they are not Director/Officer/employee of the Bank or a relative having the same meaning under Section 6 of the Companies Act, 1956 shall be obtained.
 - c. CIBIL reports of the entity, its proprietor, partners, directors, trustees, etc., shall be generated, verified and satisfied upon.
- xv. Minimum 60% scoring is mandatory as per Scoring Matrix for review of Corporate BCs which is annexed to the policy (Annexure – B).
- xvi. In case any CBC is not fulfilling any operational / financial standards, on request from the concerned CBC, “Committee on Financial Inclusion” is empowered to consider their review /renewal proposal for a period of 6 months

/ 12 months, as the case may be, with valid justifications. Concerned CBC shall submit an undertaking to the Bank that the required operational / financial standards will be fulfilled within the stipulated timelines. If the CBC fails to comply with the timeline, the de-panelling process shall be initiated.

9. Migration of field agents from one CBC to another:

Whenever a field agent engaged by one Corporate BC intends to get his engagement migrated to another Corporate BC, the following procedure shall be adopted. This procedure shall also be applicable for bulk migrations when an agreement with a CBC is terminated / not renewed and field agents engaged by the CBC intend to get migrated to other CBCs.

- a. Written application from the field BC agent concerned, requesting for such migration, must be obtained by the link branch.
- b. The link branch, before forwarding the request to Regional Office, must conduct discreet enquiry and due diligence of the BC agent including police verification and the same has to be satisfied upon and kept on record with the link branch and Regional Office. The request in the prescribed format must be forwarded to FI Department, Head Office, Baroda under the signature of Regional Manager/ Deputy Regional Manager of the Region.
- c. The present CBC who deployed the agent must be informed of the request for migration and their opinion must be sought by concerned Regional Office. Based on the response received or in case no response is received from the concerned CBC, Regional Office may use their discretion for acceptance or rejection of the request of field BC agent for migration.
- d. Duly stamped indemnity, in prescribed format which shall contain undertaking, from the new CBC, liability / responsibility for any fraudulent activity performed by the concerned field BC agent in past, present or future, shall be obtained from the new CBC to whom the agent intends to get migrated. The same shall be kept on record with the link branch and RO.
- e. Regional Offices have to submit recommendation for migration, copy of indemnity and confirmation on adoption of above procedure while forwarding requests for agent migration.
- f. Regional Offices have to check and ensure ability of new CBC for providing necessary support to the migrating agents and availability of proper monitoring mechanism with them before recommending for any agent migration.

10. Termination of Arrangement:

- i. If the performance is not satisfactory or If any of the terms & conditions of the Agreement/MoU/Code of Conduct are found to be violated by an entity or its agents, the withdrawal of Bank's approval in respect of that entity or its agent would be conveyed to the Corporate BC concerned. The entity or the agent will be withdrawn with Notice period of 30 days. However, in case of fraud/forgery/adverse report, the services will be withdrawn with immediate effect.
- ii. The decision in regard to termination of Corporate BCs would be taken by the Committee on FI at Head Office on its own or under recommendations from the Zone / Region. The decision in regard to termination of agents engaged by Corporate BCs would be taken by the Region on its own or under recommendations from Link branch.
- iii. The security deposit shall be adjusted or appropriated and/or the Bank guarantee submitted by the CBC shall be invoked towards any dues or indemnities or claims of the Bank under this CBC agreement.
- iv. Bank or its Offices or branches on their own or on behalf of customers,

employee or other agents or vendors can file FIR against any field agent/s, or official/s of CBC to protect interest of the Bank, its staff / official, customers or other vendors engaged by the Bank.

- v. The termination to be publicized, through IBA/newspaper notices/ notice in Branches/ Zonal Offices etc. Identity card issued to BC will be taken back, destroyed and suitable noting made in the identity card issued register and the name of BC agent in the notice board at link branches shall be updated.
- vi. The letter / notice for termination of the agreement with Corporate Business Correspondent should be finalized in consultation with Legal department at Corporate Office.
- vii. RBI will be notified in the event of any breach of security and leakage of confidential customer related information like revealing the transaction details, account balance, mobile number, aadhaar number etc of a customer to others. Link Branch should report such incidences to respective Regional Office, who in turn submit the report to Zonal Office. Zonal office will advise any instance of breach of security & leakage of confidential customer related information by the BC, to the Financial Inclusion Department at Head Office for onward reporting to RBI. Notifications has to be recorded in BC registry of IBA about blacklisting/termination of CBCs & BC agents.

B. WELL ESTABLISHED BC OUTLETS (WEBCO) MODEL

As part of our constant efforts to leverage the existing BC Network and to deepen our reach, in addition to the existing regular BCs, Bank has come up with Well Established BC Outlets (WEBCOs) model wherein main BC Agent and his/her Sub-Agents together are authorized to undertake customer transactions under single Settlement account. Other salient features of the model are mentioned below:

- a. Strategic Location: Outlets to be opened at location where branches were rationalized, co-located or to capture business.
- b. Facility of more than one operator (Sub Agent facility). Main BC agent can also engage third party Individuals i.e., other than blood relatives as Sub/Joint/Associate Agents (exclusively for WEBCO).
- c. Retired Staff is given priority and can be on boarded as Direct BC with security of Rs 5.00 lakh. The outlet can be continued in the name of nominee in case of sad demise of ex-staff.
- d. Higher transaction limits in identified services and higher commission to these identified services.
- e. Initial OD Limit applicable to first six months is Rs.2,00,000/- against 100% FDR.

Model was approved by ERMV vide Note BCC:RMD:113:Note:82 dated 20.01.2021. Issuance sub-KO code to third party under WEBCO was approved by the Board vide Agenda No B-1 dated 08.07.2021.

C. COMMON GUIDELINES

1. Selection criteria for field level BC agents:

The field level Business Correspondent agents:

- a. Should be minimum 18 years of age and maximum 65 years and can continue to work as BC agent till 70 years provided he / she is physically fit.
- b. In case of appointment of retired bank officers in WEBCO as direct field level BC agents of the Bank, they should not have exceeded 65 years provided he/she is physically fit at the time of appointment and continue to work as BC agent till 70 years
- c. Should be a local resident continuously at least for the last 3 years.

- d. Should have passed minimum 10th standard.
- e. Should have completed or ability to complete IIBF certification as per extant guidelines of RBI which is currently 9 months from date of engagement.
- f. Should know the local language/dialect
- g. Should satisfy the norms of due diligence as laid down, including police verification
- h. Should have knowledge of the area
- i. Preference shall be given to women and leaders of SHG as field agents
- j. Should not be affiliated to any political organization
- k. Should not have been black listed by the Bank or the industry
- l. Should have been referred by at least two persons known to the bank and having satisfactory dealings with the bank
- m. Should score at least 60% marks per scoring matrix (Individuals) which annexed to the policy - Annexure C
- n. Police verification must be arranged & conducted in respect of each applicant found suitable.
- o. Past dealings, if any, with the Bank should have been satisfactory
- p. Should not be a Director or officer/employee of the Bank or a relative having the same meaning under Section 6 of the Companies Act 1956, wherever felt necessary suitable sworn affidavit may be obtained.
- q. Should be well established, enjoy good reputation and stature and have the confidence of the local people.
- r. Should possess ability to manage the required cash at CSP (Customer Service Point) outlet and reconcile the balances in the settlement account on continuous basis. CIBIL report of the individual may be scrutinized, wherever required.
- s. The Link Branch should carry out a vigorous screening process as per parameters enumerated in the BC Scoring Matrix (individuals) & should coordinate with the Corporate BC in identification of field BC agent. The minimum scoring shall be 60% to be eligible.

2. Code of Conduct

Apart from the agreement, an engagement letter is also to be exchanged with the Corporate BC / BC agent along with code of conduct containing contractual obligations/ quality of service etc. (The Code of Conduct will form part of the Agreement signed between the CBC & the Bank) The code of conduct includes among other things the following:

- a) Corporate Business Correspondents and their agents will handle their responsibilities with care, diligence and sensitivity.
- b) Corporate Business Correspondents will ensure that their agents (customer service provider) conduct all financial transactions online.
- c) During recovery procedures, BC agents will adhere to the Bank's Fair Practices Code for Lenders. The BC agents will refrain from any action that could damage the integrity and reputation of the Bank and observe strict customer confidentiality. The BC agent must provide services on behalf of the Bank in a manner befitting the status of BANK OF BARODA as the most trustworthy and customer oriented Bank in the country. The BC agents will not resort to intimidation or harassment of any kind, either verbal or physical, against any person in their recovery efforts.
- d) The BC agents will not engage in obtaining biometric of the customer for any other purposes other than the customers intended transactions. They should not store or distribute any biometrics or other personal data of the customers.

- e) The Corporate BC, field BC agent must not indulge in any act prejudicial to the interest of the bank or the customers. They must not discuss or reveal the processes followed by the Bank to any outsiders, social media etc.
- f) The CBCs will be solely responsible for the acts of their agents who conduct financial/non-financial transactions.
- g) The BC agents will not charge any fee from the customer directly for services rendered by them on behalf of the Bank.
- h) The BC agents should adhere to the Code of Conduct in letter & spirit failing which penal provisions including termination of arrangement would be attracted.
- i) A complaint book will be maintained by the BC agent at their outlet to enable customers to record their complaints if any.
- j) On resignation/deactivation of the BC agent, following steps need to be taken by them:
 - Close the settlement account maintained with the Link Branch
 - Return the ID card, signage board, do's & don't board, devices supplied and other banking related materials provided to the BC agent.

3. KYC Norms

Even though accounts are being opened by BC agent with eKYC, ensuring compliance with KYC and AML norms under the BC model continues to be the responsibility of bank.

4. Distance Criterion

Vide Circular No. RBI/ 2013-14/ 653 DBOD. No. BAPD. BC. 122/ 22.01.009/ 2013-14 dated 24th June 2014, RBI removed the stipulation regarding distance criteria between the base branch and place of business of a retail outlet/sub-agent of BC with a view to providing operational flexibility to banks and in view of the technological developments in the banking sector. However, while engaging field BC agents, the objectives of adequate control of the BC agents as well as provision of services to customers shall be kept in mind by the Bank. No BC agents should be deployed within the bank's/ATM premises.

5. Other Common procedures:

- a. Link branch shall obtain full KYC of the BC agent, including Aadhaar Number of the agent for submission of request for creation of BC agent ID number and for opening of settlement account of the agents.
- b. BC agent to get the infrastructure like laptop/desktop/Tablet, Pinpad, Biometric, Printer, furniture, office space, stationery etc by himself or with help of Corporate BC. Bank may consider sanction of loan in this regard as well, if found suitable and as per extant guidelines of the Bank.
- c. The names and contact numbers of the field BC agents and the list of villages served by each agent shall be displayed at the link branch and kept updated
- d. Zonal Office will arrange to impart suitable training to all the Business Correspondents enrolled and their Agents (through Regional Training Centers) at regular intervals.
- e. The Link Branch Manager will review the performance and conduct of the BC agents at periodic intervals and take necessary steps for improvement of their performance. They will carry out necessary visits to the outlets of BCs at monthly intervals. These visits initially should be more frequent say once in a week and later could be fortnightly/ monthly. The record of visit report at BC point must be kept by the Branches. Format will be given by FI Department, Head Office, Vadodara.

- f. The BC agent who has not performed any business activity (Financial or Non-Financial transaction) for a period of 90 days will be termed as Inactive BC. The same may be revised as per any regulatory guidelines issued from time to time. Efforts should be made to reactivate the BC Agent. The link Branch shall carry out re-KYC and submit such proposal to concerned Regional Office. Regional Office shall verify and forward the reactivation proposal along with its recommendation to FI Department, HO for reactivation.
- g. All BC outlets should maintain uniform branding as prescribed and circulated by FI Department viz., Signage Board, Do's and Don'ts board, Contact details of the Link branch, List of Products & services, Identity Card of the BC Agent.
- h. Identity Cards, as per design, will be issued to Business Correspondent agents only and not to sub-agents of Business Correspondent agents as per specimen. Record of Identity Card issued will be maintained at the Link branch. The Branch Manager of the Link Branch will designate a suitable official at the branch, who will be entrusted with maintenance and custody of the I-card register and blank I-cards.
- i. Each Link Branch should display notice board containing the information about the BC agents such as Name of BC agent, address, Mobile number and details of services offered by BC agent.
- j. Visit register shall be maintained by the BC agent at the CSP (Customer Service Point) outlet for the visits of officials of Corporate BC, Bank and other agencies.
- k. The BC outlet shall be located as per norms fixed by RBI from time to time and shall be in consultation with the Link branch and Regional Office.
- l. BC agents shall take permission from the Link branch for changing the location of the CSP (Customer Service Point) outlet.
- m. Efforts should be made to have exclusive relationship with BCs. In a given geographical area they should not have relationship with any other Bank except us.

6. Monitoring of field BC agents:

Activities of field BC agents have to be monitored regularly by the respective link branches, Regional Offices and BC Supervisors through periodical visits. This apart, BC points shall be audited by the branches, Regional Offices and Internal Auditors from ZIAD during their regular inspection of the branch. During such visits / inspections functionalities of BC applications shall be tested and proof thereof be collected and made part of the reports.

- a. Settlement OD account of the BC agents have to be monitored on daily basis by the respective BC Supervisors and officials of link branches and actions to be initiated if any abnormalities are observed in the transactions.
- b. BC Supervisors and Officials of link branches have to visit their CSP outlets at least once in a month.

In case of BC points established under any Government projects like UPSRLM, Rajeevika etc, officials of link branches have to inspect them at least once in every quarter. During such visits of BC Supervisors and branch officials have to necessarily conduct the following checks:

- i. BC agent performs transactions of the customers connecting online to the Bank's server using his / her approved credentials;
- ii. BC agent provides system generated printed receipt to the customers for each transaction, successful or failed; He/She should not provide any manual receipt/acknowledgement to the customers for any transaction.
- iii. BC agent does not perform any offline transaction misusing bank's

- deposit slips for acknowledging cash received from customers;
- iv. BC agent does not use any rubber stamp prepared by him for providing manual acknowledgement for cash received from the customers;
- v. No other person impersonating / representing BC agent provides service from the CSP (Customer Service Point) outlet;
- vi. BC agent does not store fingerprint and / or other biometrics of the customer in his / her desktop / laptop or other devices;
- vii. BC agent does not obtain fingerprint and / or other biometrics of the customers for any other purposes other than for bank's approved services;
- viii. Bank's signage board, Do's and Don'ts board, board displaying contact details of link branch, timing, etc., are prominently displayed at the CSP (Customer Service Point) location;
- ix. BC agent wears all time the Identity Card supplied by the Bank;
- x. The CSP (Customer Service Point) outlet is functioning at the same address as approved by the Bank;
- xi. BC agent does not provide service for multiple banks from the same outlet;
- xii. BC agents does not obtain sensitive information from the customer against Bank's guidelines;
- xiii. BC agent does not use any external devices for (1) authenticating (through biometric / Card + PIN) the customer or (2) providing printed receipt or (3) performing transactions without getting connected online to Bank's server;
- xiv. BC agent does not use Bank's stationery like passbook for providing manual entry;
- xv. BC agent does not collect any charges from the customer for providing services at the CSP (Customer Service Point) outlet;
- xvi. BC agent does not collect and store Aadhaar number of customers in violation of Aadhaar act and UIDAI guidelines;
- xvii. BC agent maintains proper record of customer feedback/ complaints/ suggestions;
- xviii. Entries in complaint book maintained at BC point have to be scrutinized and follow up have to be taken for pending complaints.
- xix. Discreet enquiries to be made with customers about operation of the CSP (Customer Service Point) outlet, collection of charges, etc.;
- a. Visiting officials have to record their observation in the Visit Register maintained by the BC agent;
- b. Visit/ Inspection report has to be submitted by the respective BC Supervisors, officials of link branches/ ROs/ZIAD to their reporting authorities;
- c. Reporting authorities have to scrutinize the visit / inspection reports carefully and take suitable action if required;
- d. Corporate BCs should also visit/inspect the BC points at least once every quarter and submit individual reports to concerned link branches and respective Regional Offices. A half yearly compliance certificate in this regard shall be submitted by Zonal Office to Financial Inclusion Department, HO.

7. Custody Of Agreements/MOU entered into with CBC:

The custody and responsibility for review/renewal agreement with CBCs rest with Financial Inclusion Department, Head Office.

8. Activities, Duties & Responsibilities of BC

- i. Compulsory accessibility to the account holders / customers, of minimum 4 hours a day, preferably from 10.00 A.M to 2.00 P.M. and for minimum 5 days in a week. However, the BC agents are free to work beyond the stipulated hours and days.
- ii. Each BC Point should display a notice board with details such as Timing of BC point, contact details and address of Link branch, villages covered, Grievance redressal details and information on public awareness about dubious schemes.
- iii. To ensure that the outlets are manned by reliable and knowledgeable persons so that business continuity is maintained.
- iv. Providing permitted banking services on behalf of the Bank. While the CBC can act for more than one Bank, BC agent shall at the point of customer interface or at retail outlet, represent and provide banking services to Bank of Baroda only.
- v. Creating awareness about savings and other products and education and advice on managing money and debt counseling, marketing of financial products including savings/providing product information etc.
- vi. Visit to the villages and approach households with application form for opening the account.
- vii. Identify Potential Customers.
- viii. Promoting, nurturing and monitoring of Self Help Groups/ Joint Liability Groups/Credit Groups/others;
- ix. Data collection: Data collection of the beneficiaries, capturing their demographic, geographical and economic profile is to be done by business correspondents, if required any time. Complete the customer enrolment procedure as per the Bank's requirement which includes filling of account opening forms, verification of primary information/data, capturing of KYC data, photo / image of the identified customer, his/her finger prints of all fingers of both hands etc.
- x. Account opening: BCs will send the enrolment documents & details to designated branch to authenticate in the system. Beneficiaries will be enrolled by business correspondents and branch to ensure compliance with KYC norms. It will be the responsibility of the BC to ensure correctness of the enrolment data.
- xi. Transactions: Transactions in the accounts will be allowed to the beneficiaries through handheld devices / kiosk channel/ tablets only after biometric identification and cash settlement up to permissible limits will be undertaken by the business correspondents. In addition to transactions through BC agents, customers will be allowed to carry out transactions at the branches as well.
 - a. In case of Individual account holder: Acceptance of cash, disbursement of cash, cheque book issue, debit card hot listing, cheque status enquiry, balance enquiry, mini statement, aadhaar authentication, mobile seeding, IMPS, NEFT, passbook printing, Jeevan Pramaan, request for SMS alert, e-mail statement, Apply for RuPay debit card, etc.
 - b. In case of 3rd Party Products: Sale of micro insurance/ mutual fund products/ pension products/ other third party products.
 - c. Receipt and delivery of small value remittances/ other payment instruments. Disbursement of Government Payments like Pension, wages under National Rural Employment Guarantee Scheme (NREGA) etc, Assist in Fund Transfer, Assist in Bill / Utility Payments like payments towards pre-paid recharge, insurance premium, electricity bill, water bill,

telephone bill etc. Balance Enquiry, Issue of Mini statements.

- xii. In case of Credit /Loans:
Loan Lead Generation, PMJDY OD request, Processing and submission of loan applications to branches, Disbursal of small value credit, Post-sanction monitoring; Follow-up for recovery, Recovery of principal / collection of interest.
- xiii. Cash management at the level of BCs
A suitable cash management scheme for BCs is put in place on the lines suggested by the IBA sub-group. Business correspondents will be allowed maximum cash holding as per the limit fixed by the branches and they will not be allowed to receive cash beyond those limits. They will have to deposit excess Cash with them within a stipulated time (default 24 hours) in the link branch. BCs will be allowed to withdraw cash within their permissible limits from the link branch as per their requirement. Settlement/Reconciliation of the Cash-on-hand balance of the BC/BC-subagent with the designated branch to be done within Bank's cash-retention time limit for BC (default 24 hours) and in his account maintained at that link branch. Bank shall obtain suitable cash Insurance cover for holding cash overnight and in transit.
- xiv. **Capacity building**
Business correspondent agents will be trained by the field level functionaries of the Corporate BCs about the technical aspects. Simultaneously, they will be sensitized about KYC norms, form filling, group formation, and risk issues involved in credit linkage and documentation etc. by field and branch level functionaries of the Bank.
Bank will leverage existing infrastructure of our staff training colleges/FLCCs/BSVS and Lead District offices to impart training to business correspondents/ sub-agents. By linking commercial interest of the Service provider with actual implementation of the project, overall involvement of Service Provider in engaging / training / handholding of BCs/subagents at each stage are ensured.
- xv. The activities to be undertaken by the BCs would be within the normal course of the bank's banking business, but conducted through the BCs at places other than the bank premises/ATMs.
- xvi. Any other service on behalf of the Bank, duly authorized by the appropriate authority.

9. Duties / Responsibilities of Link Branches towards BC Selection

- i. Identify a suitable official to deal with the implementation and operation of the product / facility.
- ii. Develop contacts with NGOs, MFIs, Working co-operative societies, Post Offices, Community Based Organizations, Well functioning Panchayats etc. and seek their help in identifying suitable BC.
- iii. Assist the Regional Office and Service Provider in due diligence exercise in selection of BC, verifying the particulars of the BC through enquiry/ public opinion.
- iv. Prepare a panel of eligible / suitable BCs keeping in view their area wise representation, and advise them to apply for engagement.
- v. Call the empanelled BCs along with representatives of NGOs and apprise them about our brand equity, our expectations, goals, product features, KYC norms etc. Deliberate on the roles and responsibilities of BCs and clarify their doubts if any.

10. Payment of Commission / Fee

- i. The bank may pay reasonable commission/ fee to the BC on transactions performed by the field agents and on the average savings bank deposit canvassed by the BC, the rate and quantum of which may be fixed by FI department, Head Office, Baroda after approval from respective committees of the Bank as per extant guidelines and keeping in view of the local conditions and viability and to be reviewed periodically.
- ii. The agreement with the BC should specifically prohibit them from charging any fee to the customers directly for services rendered by them on behalf of the bank. Commission structure or incentive mechanism should be devised in a manner that mere increase in the number of clients served or the transaction volume does not drive the commission.
- iii. The remuneration may be variable/combo of fixed and variable parts dependent, inter-alia, on some indication or measure of customer satisfaction. Some part of the variable remuneration could be deferred or clawed back in case of deficiency of service.
- iv. The bank (and not BCs) is permitted to collect reasonable service charges from the customers in a transparent manner as per the decision taken by the bank from time to time.
- v. In case of field level agents appointed through Corporate BC, the sharing ratio of remuneration between Corporate BC and the field agents would be in the ratio of 20:80. Financial Inclusion Committee while considering engagement/renewal of CBC can suggest suitable ratio.

11. Consumer Protection Measures:

Some of the safe guards to protect the interests of the customers as suggested by RBI are outlined below:

- i. The retail outlet /agent of the Corporate BC should be personally introduced to the members of public by the bank officials in the presence of village elders and government functionaries in a public meeting so that there is no misrepresentation/impersonation.
- ii. The products and processes should be approved by the banks and the company should not introduce any product/process without the approval of the bank concerned.
- iii. Each retail outlet/sub-agent may be required to post a signage indicating their status as service providers for the bank as also disclose the name of the BC, the telephone number of the base branch/controlling office of the bank, PMJDY grievance cell and the Banking Ombudsman and the fees for all services available at the outlet.
- iv. Financial services offered by the retail outlets/sub-agents of the BC should not be tied to the sale of any product of such company.
- v. The charges for offering various services should be indicated in a brochure and made available at the retail outlets/with the sub-agents.
- vi. Bank should develop suitable training modules in the local language(s) in order to provide proper attitudinal orientation and skills to the BCs/sub-agents.
- vii. As a measure of social audit, there could be periodic block level meetings where members of public are invited along with the BCs operating in the area as also the linked branch managers to express their difficulties and to obtain feedback. Lead District Manager (LDM) of the lead bank could attend such meetings in the district to get a direct feedback and provide such feedback to the controlling offices.

- viii. In case a company is engaged as CBC by more than one bank, Bank's interest must be kept in mind. The field agents of the CBC should not provide service for multiple banks from the same CSP (Customer Service Point) outlet / location.
- ix. The Bank will evolve an appropriate Business Continuity Plan to ensure uninterrupted services in case of termination of agreement with the BC / BC sub agents.

12. Chapter of Compliance:

Details are enclosed as per the Annexure-E.

13. Redressal of Grievances:

The Complaints and Grievances would be dealt with by the DRM of the Region under whose area, the BCs are operating.

BUSINESS CORRESPONDENT SUPERVISOR

1. Background

Business Correspondent Supervisor policy is put in place to strengthen the bank's supervisory system. Subsequent to amalgamation, the scheme for engaging BC supervisors was revised and last approved by the Board of the bank in meeting dated 23.03.2020. BC supervisors are being engaged by the Bank as per this policy, based on the requirement of different Zones/Regions.

2. Eligibility Criteria

a) For Retired Bank Employees:

- i. Retired Officers (including voluntarily retired) of any bank (PSU/RRB/Private Banks/Co-operative Banks) upto the Rank of Chief Manager / equivalent may be appointed for the purpose.
- ii. Retired clerks and equivalent of Bank of Baroda having passed JAIIB with good track record.
- iii. All Applicants should have rural banking experience at least 3 years.
- iv. The maximum age for continuation of BC supervisors will be 65 years.

b) For Young Candidates:

- i. Minimum qualification should be graduate with Computer knowledge (MS Office, email, Internet etc.), however qualification like M.Sc (IT)/ BE(IT)/ MCA/MBA will be given preference.
- ii. Should be in the age group of 21-45 years at the time of appointment.
- iii. The maximum age for continuation of BC supervisors will be 65 years.

3. Geographical location of the candidates

- i. The candidates should be selected from the same District where they will be assigned to function and if suitable candidates are not available in the same district, the candidates may be selected from the adjoining districts. Candidate should be proficient in local language & dialect both reading and writing. Under no circumstances the candidates will be selected from other states.
- ii. Applicants should be willing and in a position to visit villages in the district for supervision and other activities as and when assigned on periodic intervals.
- iii. Should have accommodation near the nodal branch and not in any case outside the district for which selection is to be made.

4. Due diligence

- i. Due diligence including KYC & CIBIL reports should be followed at the time of appointment (Those who are having adverse record, or terminated/ dismissed from past service etc. should not be considered).
- ii. Police verification must be arranged and conducted in respect of each selected applicant before assignment of duty.

5. Selection and Approval of BC Supervisor

Respective Regional Office shall invite applications for engaging BC Supervisors on contractual basis, through various Newspapers and Bank's website depending on the requirement.

The selection will be held through an interview process by a committee headed by Regional Head. The concerned Regional Head and the Chief Manager/ officer in-charge of Financial Inclusion in the Region will be the committee members. Based on the recommendations of the committee, the Regional Head would approve the appointment and/ or renew the contract of individual BC Supervisor.

6. Period of Contract

The contract will be initially for a period of 36 months subject to annual review.

7. Assignment of BC Agents / Conflict of Interest

- i. BC supervisors will monitor about 35 BCs mapped to them. The number of BCs mapped to the supervisors can be increased or decreased in case of exigencies with the approval of CGM/GM-FI.
- ii. While assigning BC agents to a supervisor, it should be ensured that No BC agent is related to the supervisor as a family member, blood relation, close relative or having any business relations.

8. Review of performance

- i. BC Supervisors will report directly to the FI coordinators at Regional Offices. Deputy Regional Head, looking after FI activities, will review the performance of BC Supervisors on Monthly basis.
- ii. FI coordinators at Regional Offices shall place a review proposal before Regional Head on Yearly basis immediately after completion of financial year 31st March duly recommending for continuation / termination based on the performance of BC Supervisors during the previous financial year.
- iii. Regional Heads may recommend to Zonal Heads to renew the contract proposal on/or before completion of 3 years based on the performance of BC Supervisors during the previous financial years.
- iv. Renewal of the BC supervisors' contract will be based on their performance in the preceding years. Scoring Matrix is based on parameters fixed by Financial Inclusion Department from time to time.

9. Termination of services

- i. Either party can initiate for termination of contract by giving 30 days' notice. However, in case of non-satisfactory conduct /misbehavior, bank reserves the right to terminate the contract instantly without any prior notice.
- ii. Bank should blacklist the Supervisor who has been involved in fraud and a list should be circulated to Zones at regular intervals to avoid engagement in any other Zone.

10. Roles and Responsibilities of BC Supervisor

- i. Monitor BCs agents assigned.
- ii. Ensure that banking services are available to the identified villages/ SSAs (Sub Service Areas)/ Non-SSAs including communities in urban/metro areas.
- iii. Educate BCs about their roles and responsibilities.
- iv. Ensure redressal of grievances of customers/BCs and submit feedback to link branch with copy to Regional Office.
- v. Conduct meetings in the villages/SSAs(Sub Service Areas)/Non-SSAs as well as communities in their operational area to encourage villagers/customers for

- availing of banking services of our bank and submit the report to Regional Manager.
- vi. Visit to allocated villages/ SSAs (Sub Service Areas)/ Non-SSAs as well as communities in their operational area and BC points in the district at least once in a month and submit the report to Dy Regional Manager.
 - vii. Monitor & Control the activities of the BCs in coordination with link branch. BC supervisors must ensure that BCs remain active.
 - viii. Ensure that the BCs are operational during the working hours as per extant guidelines of the bank. To ensure that the BCs are available on daily basis and transactions in the BC points are taking place as per prescribed norms/guidelines.
 - ix. Ensure that BCs are not doing any type of off-line transactions at BC points.
 - x. Ensure that BCs are engaged in cross selling of our bank's and third party products.
 - xi. Ensure that BCs are engaged in recovery of our bank's dues.
 - xii. Conduct financial literacy sessions with villagers/communities during his visit to the villages/BC points.
 - xiii. Ensure that BCs have displayed the Dos & Don'ts board at BC points.
 - xiv. Ensure that BCs are issuing only system generated slips to customers
 - xv. Ensure that BCs are not using any stationary of the bank.
 - xvi. BC Supervisor must take feedbacks from local customers regarding functioning of the BC agent during his visit and submit the feedback/Report to Regional Office.
 - xvii. Plan and organize camps in consultation with the link branch /Regional Office from time to time for achieving various targets.
 - xviii. Coordinate with the branch and service provider for appointment of BC for identified location. In case of attrition of BCs, coordinated action should be taken for substitution of BCs at the earliest to ensure that continued banking services are available to customers.
 - xix. Ensure that the details of field BC and officer visiting the village are displayed in the village.
 - xx. Coordinate and interact with link branch, Regional Office and Corporate BCs and submit the suggestions for improvement of BC activities, if any.
 - xxi. Arrange for locational training programs on technical updates, operational guidelines etc for BCs.
 - xxii. The BC Supervisor will monitor the performance of each BC through dash board.
 - xxiii. The BC Supervisors will be responsible for fixation of targets and monitoring the progress vis-à-vis target. BC Supervisor will be evaluated based on the performance and achievement of various targets of BC agents.
 - xxiv. Region should allocate village/ SSA(Sub Service Areas)/ Non-SSA wise monthly targets for business development under financial inclusion to link branches. The BC supervisors would monitor the business development in village vis-à-vis targets. In the case of non-achievement of targets of financial inclusion in case more than 50% of BCs under particular supervisor for consecutive 2 months or any 2 quarters, the performance will be reviewed for continuation of service by Regional Head and if deemed fit, he/she can be discontinued with prior approval of Zonal Head.
 - xxv. Perform quarterly Verification of Cash with BCs and submit report to the link branch.
 - xxvi. Any other duties, as and when, assigned by the bank.

11. BC Supervisors as Brand Ambassador of Bank

The BC supervisors should act as brand ambassadors of the Bank. They will be provided Badge and other bank stationaries and will be give training to develop sense of belongingness.

12. Remuneration

Monthly remuneration of BC Supervisor shall comprise both **fixed and variable** components.

Fixed Component	Variable Component
Rs. 15,000/-	Rs. 10,000/-

The evaluation of the BC supervisors will be carried out based on their performance on these parameters on monthly basis and accordingly **variable** remuneration will be paid to BC supervisors. Committee on Financial Inclusion shall fix the parameters depending on the business requirement from time to time.

13. Payment of allowances

Each BC Supervisor is paid conveyance allowance of Rs.2000/ per month (Fixed). BC Supervisors should compulsorily complete inspection of all his/her BC locations in the month to be eligible for reimbursement.

- 75% of the BC Agents allocated to a BC Supervisor should be active for 21 days (SSA locations) / 24 days (Non-SSA locations) in the month.
- Minimum of 90% of the BC locations should be active for at least 15 days in a month.
- 50% of the BC Agents allocated to a BC Supervisor should have minimum "Satisfactory" grading. This proportion shall be increased to 60% from April 2023 onwards.

Each BC Supervisor is paid Mobile Expenses of Rs.200/ per month (Fixed). ERMC is authorized to approve any revisions in the above allowances in future.

14. Provision of TDS

Regional Offices while paying remuneration to BC Supervisors shall follow the Income Tax Department guidelines on TDS.

15. IIBF – BC certification

BC supervisors need to obtain IIBF BC certification within 2 months from the date of joining. Bank shall reimburse the registration fee one time upon completing the course. (Presently Rs 800/- is the registration fee per candidate) Upon non-compliance:

- From 3rd month to 6th month, Rs 1000/- will be deducted from the fixed component.
- From 7th to 12th Month, Rs 2000 will be deducted from the fixed component.
- After 12 months, the contract will not be renewed.

(Retired Bank staffs who already have completed JAIIB/CAIIB are excluded from IIBF BC certification)

16. Placement & Infrastructure

- Regions can make suitable sitting arrangement to BC Supervisors preferably in the Regional Office or respective District HQ branch based on the suitability. It should be convenient for the BC Supervisor to visit all the allotted BC points.

- ii. Regional Office shall also provide a non-CBS system with internet connectivity to BC Supervisor with due access to FI dashboard for monitoring the performance of BC Agents.

17. Issuance of ID Card:

- i. The ID card for BC Supervisors shall be issued by respective Regional Office immediately after onboarding them.
- ii. Deputy Regional Manager/Other Official not below the rank of Chief Manager should be the authorized signatory for issuance of ID card to BC Supervisors.
- iii. Regional Office to maintain the register of ID Cards.
- iv. ID cards should be collected back by respective RO and destroyed in the event of termination of BC Supervisor.

18. Provision of leave and maintenance of leave records

- i. BC Supervisors shall be eligible to avail 30 days of paid leave in a calendar year. Leave entitlement will be calculated at the rate of 2.5 days leave for each completed month from the date of joining.
- ii. BC Supervisor desirous to avail more than 3 days' of leave shall give not less than 7 days' notice.
- iii. Intervening weekly off or any other public holiday will be counted as a part of leave period.
- iv. In addition to the above, BC Supervisor may under extra ordinary circumstances (self-sickness / sickness of dependents or under any unforeseen circumstances/exigencies shall be eligible for Extra Ordinary Leave on Loss of Pay (ELOP) not exceeding 60 days during the entire period of engagement at the sole discretion of the Regional Head. This facility may be availed maximum twice during the total term of engagement.
- v. The Regional Office / Branch where BC Supervisor is provided with sitting arrangement shall maintain the attendance register as well as leave records. Separate register should be maintained for the BC Supervisors.

Validity of Policy: The BC Supervisor Policy will be valid for a period of -3- year i.e. till **31st March 2026.**

Business Correspondent Scoring Matrix for engaging Corporate BC agents

NAME OF CORPORATE BUSINESS CORRESPONDENT :
ADDRESS:
CONTACT DETAILS:

Sr. No	Parameter	Criteria	Marks	Max Marks	Marks Scored
1	Minimum Experience as CBC	Above 3 years	10	10	
		Above 1 year less than 3 years	6		
		Less than 1 year/ No Experience	0		
2	Function as CBC of Banks	> 3 Banks	5	5	
		1- 3 Banks	3		
		NIL	0		
3	Net Worth	2 Crs and above	5	5	
		Below 2 Crs	0		
4	Profitability	Since last 3 years	5	5	
		Since last 2 years	4		
		Since last 1 year	2		
		In Loss/NA	0		
5	CIBIL Reports of Directors/Partners	Satisfactory	5	5	
		Unsatisfactory	0		
6	CIBIL Reports of Company/Firm	Satisfactory	5	5	
		Unsatisfactory	0		
7	Litigation / criminal case against Directors / Partners / organization	No	5	5	
		Yes	0		
8	Relationship criteria (Arm's length rule)	No	5	5	
		Yes	0		
9	Political Affiliation	No	5	5	
		Yes	0		
10	BC Management tool	Yes	5	5	
		No	0		
11	Online Agent Monitoring Tool/App	Yes	5	5	
		No	0		
12	Online Helpdesk Support	Yes	5	5	

Sr. No	Parameter	Criteria	Marks	Max Marks	Marks Scored
		No	0		
13	Grievance Redressal Mechanism	Yes	5	5	
		No	0		
14	Availability of Training Mechanism	Yes	5	5	
		No	0		
15	Coordinators in all applied state, district and block level.	Yes	5	5	
		No	0		
16	No of BCs per coordinator	< 25 (one for every 25 BCs)	5	5	
		26-50	3		
		Above 50	1		
17	Presence across	All Areas (Urban, Metro, Semi Urban & Rural)	5	5	
		Only Rural/Semi Urban	4		
		Only Urban/Metro	1		
18	Market Report/Opinion	Satisfactory	5	5	
		Unsatisfactory/Not Available	0		
19	Black Listing Status/ Loan Default	No	5	5	
		Yes	0		
TOTAL				100	

To be eligible minimum score required is 60%

Date:
Place:

(Signature)

Business Correspondent Scoring Matrix for reviewing Corporate BCs
Period of Review:

NAME OF CORPORATE BUSINESS CORRESPONDENT :
ADDRESS:
CONTACT DETAILS:

Sr. No	Parameter	Criteria	Marks	Max Marks	Marks Scored
1	Net Worth	2 Crs and above	5	5	
		Below 2 Crs	0		
2	Profitability (in the previous year)	Yes	5	5	
		No	0		
3	CIBIL Reports of Directors/Partners	Satisfactory	5	5	
		Unsatisfactory	0		
4	CIBIL Reports of Company/Firm	Satisfactory	5	5	
		Unsatisfactory	0		
5	Adverse reports against the Corporate BC	No	5	5	
		Yes	0		
6	Status of Inactive Agents in SSA(Sub Service Areas)	NIL	5	5	
		< 3%	3		
		> 3%	0		
7	No of PMJDY accounts opened (% Growth over previous year total)	> 10%	5	5	
		> 5 % to 10%	3		
		> 1 % to 5%	2		
		NIL	0		
8	Growth in average deposit mobilized in PMJDY accounts over previous year	> 20%	5	5	
		> 10% to 20%	3		
		> 5% to 10%	2		
		> 1% to 5%	1		
		Negative	0		

Sr. No	Parameter	Criteria	Marks	Max Marks	Marks Scored
9	Growth in Micro Insurance policies enrolled over previous years	> 10%	5	5	
		>5% to 10%	3		
		>1% to 5%	2		
		NIL	0		
10	Achievement of targets allocated during the year	100%	5	5	
		80% to 100%	4		
		60% to 80%	3		
		30% to 60%	2		
		< 30%	1		
		NIL	0		
11	Online Helpdesk Support	Yes	5	5	
		No	0		
12	Grievance Redressal Mechanism	Yes	5	5	
		No	0		
13	Availability of Agent Training Mechanism	Yes	5	5	
		No	0		
14	Availability of Coordinators in all allotted states, districts and block levels.	Yes	5	5	
		No	0		
15	No of BCs per coordinator	< 25 (one for every 25 BCs)	5	5	
		26-50	3		
		Above 50	1		
16	Market Report/Opinion	Satisfactory	5	5	
		Unsatisfactory/Not Available	0		
17	Black Listing Status	No	5	5	
		Yes	0		
18	Conduct of Financial Literacy Camps in allotted places	Completed in all	5	5	
		Partially covered	2		
		Not responded	0		

Sr. No	Parameter	Criteria	Marks	Max Marks	Marks Scored
19	% of zero balance accounts opened by BC agents	< 2%	5	5	
		Above 2% less than 5%	3		
		Above 5% less than 8%	2		
		> 8%	0		
20	Indulgence in round tripping transactions / frauds by agents of CBC	No	5	5	
		Yes	0		
TOTAL					

To be eligible minimum score required is 60%

Date:

Place:

(Signature)

Annexure C
Business Correspondent Scoring Matrix for engaging individual BC agents

Bank of Baroda					
SCORING MATRIX FOR ENGAGING BUSINESS CORRESPONDENTS (INDIVIDUALS)					
NAME OF APPLICANT:					
APPLICATION NO:					
CONTACT NO:					
LOCATION:					
LINK BRANCH:					
SR. NO.	PARAMETER	CRITERIA	MARKS	MAX. MARKS	MARKS SCORED
1	Residence	Within Village	10	10	
		Other Village (Nearby)	5		
2	Duration of stay in Locality	More than 5 yrs	5	5	
		up to 5 yrs	3		
3	Distance from Branch	Up to 15 kms	5	5	
		More than 15 kms	2		
4	Education	Graduate & above	5	5	
		12th pass	4		
		10th pass	2		
5	Present occupation	Business	5	5	
		Educated Unemployed Youth	4		
		Retired	3		
6	Experience in above occupation	More than 2 years	10	10	
		up to 2 yrs	5		
7	Current ability to invest	Up to Rs.25000	10	10	
		Up to Rs.20000	8		
		Up to Rs.15000	5		
		Up to Rs.10000	2		
8	Knowledge	High - Has full formal knowledge & training in Financial products & insight into local trends	10	10	
		Medium - No formal training but has working knowledge & exposure in financial products	5		
		Low - No training or exposure in financial products	2		
9	Willingness	High - Willingness to work full time as BC for more than 4 hrs as per requirement and direction of branch heads.	10	10	
		Medium - Willingness to work full time as BC for more than 4 hrs as per requirement and direction of branch heads.	7		

		Low - Willingness to work full time as BC for more than 4 hrs as per requirement and direction of branch heads.	4		
		Poor - Will work part time as BC, No interest in hiring employees	2		
10	Sales Orientation	High - Has experience as an outbound sales person & will use his existing network to sell as a BC, Knows how to generate contacts & will telephone them	10	10	
		Medium - Aware of sales methods like approaching shops & houses (door to door) & getting contacts from Registrars, Panchayats, affluent merchants etc.	7		
		Low - Will approach shops, houses apart from selling to people approaching him with enquiries	4		
		Poor - Will sell to people approaching him with enquiries	2		
11	Scale of Commerce	High - Deep rooted & strong, affluent client base	10	10	
		Medium - Larger Client base but no strong ties	7		
		Low - Small number of irregular clients	4		
		Poor - Has no customers currently (no business experience)	2		
12	Communication Skills	Persuasive, pro active, takes lead	10	10	
		Good Communication skills	6		
		Unable to Convince - poor communication skills	2		
		TOTAL MARKS		100	
MINIMUM ELIGIBILITY 60%					

Date:

Place:

(Signature)

Annexure D

Business Correspondent Scoring Matrix for reviewing individual BC agents

Period of Review:
Name of BC Agent:
KO ID:
Name of Corporate BC:
SOLID:
Branch:
Region:

Sr. No	Parameter	Criteria		Marks	Max Marks	Marks Scored
1	Whether BC Agent is active for the last 6 months.	Yes		5	5	
		No		0		
2	Whether OD124 account limit is being misused/diverting funds for other purpose than cash management.	No		5	5	
		Yes		0		
3	Any adverse report / complaint by customers	No		5	5	
		Yes		0		
4	No of PMJDY accounts opened (% Growth over previous year total)	2ND Review onwards	1st Review		5	
		> 10%	>300	5		
		> 5 % to 10%	100 - 300	3		
		> 1 % to 5%	1 - 100	2		
		NIL	NIL	0		
5	Growth in average deposit mobilized in PMJDY accounts over previous year	> 20%	> 6 L	5	5	
		> 10% to 20%	4L - 6 L	3		
		> 5% to 10%	1L - 2 L	2		
		> 1% to 5%	20K - 1 L	1		
		Negative	< 20 K	0		
6	Growth in Micro Insurance policies enrolled over previous years	> 10%	> 75	5	5	
		>5% to 10%	> 25 - 75	3		
		>1% to 5%	1- 25	2		
		NIL	NIL	0		
7	Growth in APY over previous years	> 5%	> 35	5	5	
		>2% to 5%	10 - 35	3		
		>1% to 2%	1 - 10	2		
		NIL	NIL	0		
8	Achievement of targets allocated	100%		5	5	

Sr. No	Parameter	Criteria	Marks	Max Marks	Marks Scored
	during the year	80% to 100%	4		
		60% to 80%	3		
		30% to 60%	2		
		< 30%	1		
		NIL	0		
9	Upkeep of CSP (Customer Service Point) outlets - Average number of days functioning in a month	> 20 days	5	5	
		> 15 - < 20 days	4		
		> 10 - < 15 days	3		
		> 1 - < 10 days	1		
		NIL	0		
10	Upkeep of CSP (Customer Service Point) outlets Average no of hours functioning in a day	> 7 hrs	5	5	
		> 4 hrs - 7 hrs	4		
		< 4hrs	0		
11	Display of Boards Banners (BOB signage Do's & Don'ts, contacts, Timings)	Yes	5	5	
		No	0		
12	Customer Feedback	Very Good	5	5	
		Good	4		
		Satisfactory	2		
		Poor	0		
13	Maintenance of records (Transactions, visits, complaints)	Yes	5	5	
		No	0		
14	Following up for grievance redressal	Yes	5	5	
		No	0		
15	Business facilitation activities under taken	Yes	5	5	
		No	0		
16	Average product per customer	>= 5	5	5	
		2 - 4	3		
		< 2	1		
17	Participation in Financial Literacy	Yes	5	5	
		No	0		

Sr. No	Parameter	Criteria	Marks	Max Marks	Marks Scored
18	Management of SHGs linkage	Yes	5	5	
		No	0		
19	Engaging in Round Tripping/unwarranted transactions	No	5	5	
		Yes	0		
20	IIBF Certification and other courses completed	Yes	5	5	
		No	0		
TOTAL				100	
To be eligible minimum score required is 60%					

Date:

Place:

(Signature)

Chapter of Compliances

Annexure – E

SN	RBI Circular No.	Dated	Gist
1	RBI/2016-17/306 DBR.No. BAPD.BC.69.22.01.001/ 2016-17 Rationalization of Branch Authorization Policy – Revision	18.05.2017	A 'Banking Outlet' for a Domestic Scheduled Commercial Bank is a fixed point service delivery unit, manned by either bank's staff or its Business Correspondent where services of acceptance of deposits, encashment of cheques / cash withdrawal of lending of money are provided for a minimum of 4 hours per day for at least five days a week. The Bank should have a regular off-site monitoring and on-site monitoring of the 'Banking Outlet' to ensure proper supervision, 'uninterrupted service' except interruptions due to telecom connectivity, etc. and timely addressing of customer grievances.
2	RBI/ 2015-16/378 DBR.No.Leg. BC.93/09.07.005/2015- 16 Publicity in the bank branches cautioning public against placing deposits in dubious schemes	21.04.2016	Bank may consider places like ATMs or Business Correspondent points where such messages could get wider visibility.
3	RBI/DBR/2015-16/18 Master Direction DBR.AML.BC. No. 81/14.01.001/2015-16 Master Direction – Know Your Customer (KYC) Direction, 2016	25.02.2016	Biometric based eKYC authentication can be done by Bank officials/ Business Correspondent/ Business facilitator. Banks can use either OTP based Aadhaar eKYC authentication or Offline verification of Aadhaar for identification. Further services of Business Correspondent may be used by Banks for aiding the VCIP.
4	RBI/ 2015-16/59 DBR.No.Leg.BC.21/09.0 7.006/2015-16 Master Circular on Customer Service in Banks	01.07.2015	The charges levied on customers for inter-bank NEFT transactions at both branch locations and Customer Service Point (CSP)/ Business Correspondent/ agent locations at par.
5	RBI/2014-15 /77 DBOD. No. BDPD.BC. 7/22.01.001/2014-15 Section 23 of the Banking Regulation Act, 1949 – Master Circular on Branch Authorisation	01.07.2014	BC Model-Banks have been permitted to use the services of intermediaries in providing financial and banking services through use of Business Correspondent Model as per the guidelines issued in this regard. Guidelines for engaging BCs: Banks may engage Business Correspondent subject to compliance with the following guidelines. Banks may formulate a policy for engaging Business Correspondent with the approval of their Board of Directors. Due diligence may be carried out on the individuals /entities to

			be engaged as BCs prior to their engagement. Bank may engage Eligible individual / entities as BC/CBC
6	RBI / 2013-14/ 653 DBOBD.No. BAPD.BC.122/ 22.01.009/2013-14 Financial Inclusion by Extension of Banking Services – Use of Business Correspondent	24.06.2014	Exiting guidelines on appointment of Business Correspondent have reviewed for - Eligible individuals/ entities - Distance Criteria
7	RBI/2011-12 /425 DBOD.No.BL.BC. 82/22.01.009/2011-12 Financial Inclusion by Extension of Banking Services	02.03.2012	Use of Business Correspondent
8	RBI/2010-11/217 DBOD.No.BL.BC43/22.0 1.009/2010-11: Financial Inclusion by Extension of Banking Services – Use of Business Correspondents	28.09.2010	Use of Business Correspondent
9	RBI/2008-2009/455 DBOD.No.BL.BC.129 /22.01.009/2008-2009 Financial Inclusion by extension of Banking services – Use of Business Facilitators (BFs) and Business Correspondents (BCs)	24.04.2009	To increase maximum distance from place of BC and base branch from existing 15 Kms to 30 Kms.
10	RBI /2005-06/288 DBOD.No.BL. BC. 74/22.01.009/2007-08 Financial Inclusion by extension of Banking services – Use of Business Facilitators (BFs) and Business Correspondents (BCs)	24.04.2008	To permit banks to engage retired bank employees, ex-servicemen and retired government employees as Business Correspondents (BCs) in addition to entities already permitted.
11	RBI/2005-06/288 DBOD.No.BL.BC. 58/22.01.001/2005-2006 Financial Inclusion by extension of Banking services – Use of Business Facilitators and Business Correspondents	25.01.2006	To enable banks to use the services of NGOs/SHGs/MFIs and other CSOs as intermediaries in providing banking services through use of Business Facilitators and Correspondent models -Business Facilitator Model: Eligible Entities and scope of activities -Business Correspondent Model: Eligible Entities and scope of activities -Payment of commission/ fees for engagement of Business Facilitators/

			Correspondents -Other terms and conditions for engagement of Business Facilitators/ Correspondents -Redressal of Grievances in regard to services rendered by Business Facilitators/ Correspondents
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