

March 22, 2006  
Chaitra 01, 1928 (S)

**The Chairmen & CEOs  
(All Scheduled Commercial Banks including  
Regional Rural Banks and Local Area Banks)**

Dear Sir,

**Financial Inclusion by Extension of Banking Services - Use of Business Facilitators and  
Correspondents**

Please refer to our Circular DBOD.No.BL.BC. 58/22.01.001/2005-2006 dated January 25, 2006 on the above subject.

2. In terms of the above circular, under the "Business Correspondent" Model, registered NBFCs not accepting public deposits are among the eligible entities that can be engaged as intermediaries by banks. RBI is in the process of examining the eligibility criteria, etc. of NBFCs who can be assigned the role of Business Correspondent/s by banks. Pending the exercise, banks are advised to defer selection/use of NBFCs as Business Correspondent/s. However, banks can use NBFCs licensed under Section 25 of the Companies Act, 1956 as Business Correspondents.

Yours faithfully,

**(P. Vijaya Bhaskar)  
Chief General Manager**