

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3561

ANSWERED ON:16.04.2010

BANKING SERVICES IN RURAL AND REMOTE AREAS

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Will the Minister of FINANCE be pleased to state:

- (a) the details of percentage of banked and unbanked areas in the country alongwith the percentage of rural population deprived of banking facilities;
- (b) whether the Reserve Bank of India (RBI) has started a special drive to cover the more rural areas by banking facilities by strengthening the banking operation in remote villages;
- (c) if so, the details thereof; and
- (d) the facilities likely to be provided to rural people in comparison to urban area?

Answer

The Minister of State in the Ministry of Finance (Shri Namu Narain Meena)

(a) to (d):- Financial Inclusion is an important priority of the Government as only 37.6% of bank branches of Scheduled Commercial Banks are in rural areas and approximately only 40% of the country's population has bank accounts. During the last year, the Reserve Bank of India and the Government of India have announced various measures to increase the reach of banking services to the excluded population of the country. The Reserve Bank of India has recently permitted all Scheduled Commercial Banks excluding Regional Rural Banks to open branches in Tier-III to Tier-VI Centers (with a population upto 49,999 as per 2001 census), without having to take permission from the Reserve Bank of India. Further, 5.63 crores 'No Frill Accounts' have been opened by banks upto December 31st, 2009. The Business Correspondent Model has been reviewed and certain additional entities such as individual Kirana/Medical/Fair Price Shop owners/PCO operators, agents of small savings/insurance companies, owners of Petrol Pumps, retired teachers and authorised functionaries of well run Self Help Group linked to banks have been allowed to engaged as Business Correspondents.