

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4786  
ANSWERED ON:23.04.2010  
BANKING SERVICES THROUGH POST OFFICES  
Jagannath Dr. M.

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government proposes to provide banking services through the post offices in the country;
- (b) if so, the details thereof;
- (c) the number of post offices in which such facilities are likely to be provided; and
- (d) the time by which said services are likely to be provided through the post offices?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (d):- In January, 2006, the Reserve Bank of India (RBI) permitted banks to utilize the services of intermediaries in providing financial and banking services through the use of Business Facilitators and Business Correspondents (BC Model). Banks have been permitted to use Post Offices as their BCs. BCs can disburse small value credit, recover principal, collect interest and collect small value deposits, sell micro insurance / mutual funds products / pension products / other third party products and receive and deliver small value remittances and other payment instruments.

The Department of Posts has reported that it is operating the Small Savings Schemes of Government of India through its network of more than 1,54,000 Post Savings Banks, out of which about 1,37,000 are in rural areas. A total of 20.50 crore accounts are in operation through all the Post Offices in the country as on 31.3.2009.