

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:855

ANSWERED ON:25.02.2011

BANKING COVERAGE

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Will the Minister of FINANCE be pleased to state:

- (a) the details of accessibility / penetration of banking services in the rural areas, State-wise and Bank-wise;
- (b) whether a large number of villages / habitations do not have banking facilities in the country;
- (c) if so, the details thereof, State-wise including Karnataka and the reasons therefor alongwith the number of public and private sector banks opened in the rural areas during the last three years and the current financial year, Bank wise;
- (d) whether the Government is contemplating to encourage private sector banks to provide banking facilities to the unbanked areas of the country;
- (e) if so, the details thereof alongwith the target fixed by the Government for public and private sector banks in this regard for the current financial year; and
- (f) the other corrective steps taken / being taken by the Government to bring the unbanked areas of the country under the banking network?

Answer

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

(a) to (c): There are approximately 6 lakh rural habitations in India. The Reserve Bank of India (RBI) has reported that as on December 31, 2010 there are 87,051 branches of Scheduled Commercial Banks (SCBs) in the country. The numbers of branches in semi-urban and rural areas constitute around 63 per cent of the total number of bank branches in the country. The RBI has also reported that the all India average population per bank branch office as on September 30, 2010 was 13,800. In spite of the presence of these banking offices, a significant proportion of the households, especially in rural areas and in remote and inaccessible areas, remain outside the fold of the formal banking system. As reported by the RBI, the State-wise (including the State of Karnataka) and Bank-wise number of branches as on December 31, 2010 are at Annex-I and Annex-II respectively. The details of number of Bank branches opened by public sector banks and private sector banks, in rural areas during the last three years and the current financial year upto December 31,2010 is given at Annex-iii.

(d) to (f): In order to extend the reach of banking to the rural hinterland, Banks have been advised to provide appropriate banking facilities to habitations having a population in excess of 2000 (as per 2001 census) by March, 2012. These services will be provided using the Business Correspondent and other models, with appropriate technology back up. Accordingly, the State Level Bankers Committees (SLBCs) have drawn up plans for Financial Inclusion for each State and have identified approximately 73,000 habitations with a population of 2000 and above for providing banking services. These 73,000 habitations across the country including the unbanked areas also, have been allotted to Public Sector Banks, Private Banks, Regional Rural Banks and Cooperative Banks for extending banking services in a time bound manner.