

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:261
ANSWERED ON:15.03.2013
BANKING FACILITIES QUESTION
Singh Shri Ravneet

Will the Minister of FINANCE be pleased to state:

- (a) whether the benefits of banking facilities are not adequately available to the common man especially the people in the rural areas of the country and if so, the details thereof and the reasons therefor;
- (b) the number of bank accounts opened in the rural areas and the number of households in terms of percentage availing banking facilities in the rural and urban areas, State/UT-wise;
- (c) the number of branches of scheduled commercial banks as on date in the rural and urban areas of the country. State/UTwise;
- (d) the number of branches of scheduled commercial banks opened in the rural areas during each of the last three years and the current year, State/UT-wise; and
- (e) the steps taken/being taken by the Government to ensure banking facilities to each rural household of the country?

Answer

the Finance Minister (SHRI P. CHIDAMBARAM)

(a) to (e) A statement is laid on the table of the House

Statement referred to in reply to parts (a) to (e) of Lok Sabha Starred Question No.261 for 15th fturch, 2013 by Shri Ravneet Singh regarding Banking Facilities.

(a):- It is the objective of the Government to extend the facility of banking services to the entire country in a phased manner. As per Census 2011, 58.7% households, comprising of 67.8% in urban areas and 54.4% in rural areas, reported availing banking services. In comparison, 35.5% households, comprising 49.5% in urban areas and 30.1% in rural areas, had reported availing banking services in 2001 census. There are 100,277 branches of Scheduled Commercial Banks (SCBs) in the country, as on 31st December 2012, out of which 36,972 (36.9%) bank branches are in the rural areas and 26,595 (26.5%) are in semi-urban areas. Over 63 per cent of the total numbers of branches are in rural and semi-urban areas of the country.

(b):- The State-wise details of number of deposit accounts of banks in rural areas as on 31.3.2011 are at Annex-1. State-wise details of households availing banking services in rural and urban areas, as per 2011 Census, are at Annex 1.

(c) & (d) State-wise details of number of bank branches of SCBs in rural, semi-urban, urban and metropolitan areas are at Annex-2. The number of bank branches opened by SCBs in rural areas in the last 3 years and upto December 2012 in current year is also given at Annex-2.

(e):- The decision of the Government to implement Direct Benefit Transfer envisages extension of the banking services in the entire country in a phased manner. To extend the reach of banking facilities particularly to rural hinterlands, Government and Reserve Bank of India (RBI) has been taking a number of initiatives from time to time. These include

(i) Under `Swabhimaan`, banking facilities were provided to over 74,000 habitations having population of 2000 or more (2001 census) during 2010-12.

(ii) The `Swabhimaan` campaign was further extended to habitations which had population of 1000 or more (2001 census) in North East & Hilly States and habitations which had a population of 2000 or more (2011 census).

(iii) As in December 2012, there were 152,328 Customer Service Points (CSPs)/ Business Correspondent Agents (BCAs), deployed by various banks, through whom transactions worth Rs. 16,533 crore were carried out during April- December, 2012.

(iv) RBI has permitted domestic Scheduled Commercial Banks (excluding RRBs) to open branches in Tier 2 to Tier 6 Centres (with population upto 99,999 as per census 2001) without the need to take permission from RBI in each case, subject to reporting.

(v) RBI has also permitted SCBs (excluding RRBs) to open branches in rural, semi urban and urban centres in North Eastern States and Sikkim without having the need to take permission from RBI in each case, subject to reporting.

(vi) Domestic SCBs have been advised that while preparing their Annual Branch Expansion Plan (ABEP), they should allocate at least 25% of the total number of branches proposed to be opened during the year in unbanked Tier 5 and Tier 6 centres (population upto 9999) which do not have a brick and mortar structure of any SCB for customer based banking transactions.

(vii) Regional Rural Banks (RRBs) are also allowed to open branches in Tier 2 to Tier 6 centres (with population upto 99,999 as per Census 2001) without the need to take permission from the Reserve Bank in each case, subject to reporting and fulfilling certain conditions.

(viii) RRBs have also been advised to allocate at least 25 percent of the total number of branches proposed to be opened during a year in unbanked rural (Tier 5 and Tier 6) Centres.

(ix) New private sector-banks are required to have 25% of their total number branches in rural and semi urban centres with population below 1,00,000 on an ongoing basis.