

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2839

ANSWERED ON:07.02.2014

BANKING FACILITIES IN RURAL AREAS

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Will the Minister of FINANCE be pleased to state:

- (a) whether the banking facilities are not adequately available to the common man especially 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 of the country, State/UT-wise;
- (c) the number of branches of Scheduled Commercial Banks (SCBs) presently functional in the rural and urban areas of the country, State/UT-wise;
- (d) the number of branches of SCBs 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 household of the country?

Answer

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

(a) and (b) :- As per Census 2011, 58.7% households are availing banking services in the country. The State-UT-wise detail of the percentage of households availing banking facilities in the rural and urban areas is given in Annex 1.

(c) and (d) :- Reserve Bank of India (RBI) has reported that as on 30th September 2013, there are 1,09,200 branches of Scheduled Commercial Banks (SCBs) in the country, out of which 41,158(37%) branches are in rural areas; 29,333 (27%) in semi-urban areas; 20,290 (19%) branches in Urban areas and 18,419 (17%) in Metropolitan areas.

The State/UT- wise details of the number of functional branches of SCBs are given in Annex 2. Number of branches opened by SCBs in rural areas are given in Annex 3.

(e):- In order to expand the banking network in the country, the Government and the RBI are taking various initiatives from time to time viz. -

Banking facilities have been provided to over 74,000 villages having population of over 2000 under "Swabhimaan" campaign of the Government during 2010-12.

Since January 2006, RBI has permitted banks to engage Business Correspondents as intermediaries for providing financial and banking services. According to the data maintained by RBI, as in March, 2013 there were 2.21 lakh BC outlets deployed by Banks.

RBI under its simplified branches authorization policy has permitted domestic scheduled commercial banks to freely open branches in Tier 1 Tier 6 centres subject to certain stipulation and reporting.

The domestic SCBs have been mandated by RBI to open at least 25 per cent of their total number of branches to be opened during a year in unbanked rural (Tier 5 and Tier 6) centres.