

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
**LOK SABHA**

**UNSTARRED QUESTION No. 998**

TO BE ANSWERED ON 8<sup>th</sup> FEBRUARY, 2019 (FRIDAY)/MAGHA 19, 1940 (SAKA)

**Financial Literacy**

998. DR. P.K. BIJU:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has conducted surveys to measure financial literacy in rural populations;
- (b) if so, the details thereof, State/UT-wise, including Kerala and if not, the reasons therefor;
- (c) the ratio of public and private sector banking agents to population in rural areas, State/UT-wise;
- (d) whether the Government has an action plan to increase personalised banking services to improve financial literacy and awareness in rural areas; and
- (e) if so, the details thereof?

Answer

The Minister of State in the Ministry of Finance  
(SHRI SHIV PRATAP SHUKLA)

- (a) and (b) As apprised by Reserve Bank of India (RBI), they have conducted a pan-India Financial Literacy and Inclusion survey in 29 States and 5 Union Territories (excluding Andaman & Nicobar Islands and Lakshadweep Islands). Under this survey, financial literacy was measured across three components namely financial knowledge, attitude and behaviour. Further, the maximum score for the three components of financial knowledge, financial attitude and financial behaviour are 7, 5 and 9, respectively. India's average scores in the three components are 3.7, 2.6 and 5.6, respectively and for overall financial literacy it is 11.9 out of the total score of 21.

As apprised by RBI, although, the State-wise financial literacy scores, based on the survey, for rural areas are not available, the same is available zone wise. The average score for different zones is as under-

Zone	Overall Financial Literacy Score	Urban	Rural
North	11.5	11.5	11.5
East	12.1	12.1	12.1
Central	12.4	12.5	12.1
West	12.6	12.6	12.5
South	11.0	11.2	10.3

Source: RBI

(c) Data regarding ratio of public and private sector banking agents to population for rural areas is not centrally maintained.

However, under PMJDY, all villages in the country are mapped into 1.59 lakh Sub Service Areas (SSAs), where each SSA covers 1,000 to 1,500 households. Out of 1.59 lakh SSAs, while 0.33 lakh SSAs are covered with bank branches, approximately 1.26 lakh SSAs are covered with inter-operable Business Correspondents (BCs). Further, State/UT-wise number of SSAs covered with BCs is at **Annex**.

(d) and (e) Following RBI guidelines, rural branches and Financial Literacy Centres (FLCs) of banks conduct camps for financial literacy across the country. Rural branches and FLCs of banks have been advised by RBI to use the audio visuals on basic financial awareness messages such as address proof declaration under KYC norms, use of Business Correspondents, electronic payment systems NEFT/RTGS, not falling prey to fictitious emails/calls and ponzi schemes, using the Unified Payment Interface through BHIM and various ways of going digital and cashless, prepared by National Centre for Financial Education.

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Annexure to Rajya Sabha question no. 998 for 8.2.2019 regarding "Financial Literacy"

State/Union Territory	Number of SSAs covered with Business Correspondents
Andaman & Nicobar Islands	26
Andhra Pradesh	6399
Arunachal Pradesh	82
Assam	3232
Bihar	10466
Chandigarh	5
Chhattisgarh	2510
Dadra & Nagar Haveli	28
Daman & Diu	6
Delhi	18
Goa	61
Gujarat	5846
Haryana	2108
Himachal Pradesh	1729
Jammu & Kashmir	1024
Jharkhand	3233
Karnataka	5154
Kerala	1314
Madhya Pradesh	10383
Maharashtra	11780
Manipur	250
Meghalaya	166
Mizoram	53
Nagaland	105
Odisha	5116
Puducherry	42
Punjab	2392
Rajasthan	7638
Sikkim	100
Tamil Nadu	8827
Telangana	4183
Tripura	323
Uttar Pradesh	21411
Uttarakhand	1710
West Bengal	8530
<b>Total</b>	<b>126250</b>

Source: Banks