

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

UNSTARRED QUESTION NO. 5157

ANSWERED ON MONDAY, APRIL 4, 2022/CHAITRA 14, 1944 (SAKA)

Banking Services by CSPs

5157. SHRI SANJAY SETH:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that the Customer Service Points (CSPs) are operated to provide banking services in rural areas, if so, the details of the functions under them;
- (b) the number of banks and CSPs thereunder operated in Ranchi along with the facilities provided to its operators and the amount of honorarium paid to them;
- (c) whether there is any plan to increase the facilities of CSP operators; and
- (d) the details of the number of Jan Dhan accounts opened during the last three years through CSPs in entire Jharkhand including Ranchi, district-wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR BHAGWAT KARAD)

(a) to (c) As per the extant guidelines of Reserve Bank of India (RBI) dated 01.07.2014, with the objective of ensuring greater financial inclusion and increasing the outreach of the banking sector, scheduled commercial banks, including Regional Rural Banks and Local Area Banks, have been permitted to use the services of intermediaries in providing financial and banking services through the use of Business Facilitator/ Business Correspondent (BC) [Customer Service Points (CSPs)].

Vide the above guidelines of RBI, banks have also been advised to formulate a policy for engaging BCs with the approval of their Board of Directors'. Accordingly, the banks may pay reasonable commission/fee to the BC, the rate and quantum of which may be reviewed periodically. Further, banks have been advised to develop suitable training modules in the local language(s) in order to provide proper attitudinal orientation and skills to the BCs/sub-agents

The scope of activities of a BC/CSP may inter-alia include:

(i) receipt and delivery of small value remittances; (ii) collection of small value deposits; (iii) creating awareness about savings and other products; (iv) identification of borrowers; (v) collection and preliminary processing of loan applications including verification of primary information/data; (vi) processing and submission of applications to banks; (vii) promoting, nurturing and monitoring of Self Help Groups/ Joint Liability Groups/Credit Groups/others; (viii) post-sanction monitoring; (ix) follow-up for recovery: (x) sale of micro insurance/ mutual fund products/ pension products/ other third party products and (xi) distribution of banknotes and coins.

In terms of extant guidelines of RBI dated May 18, 2017, rolling out of “Banking Outlets (BO)” which includes both physical brick and mortar branches and Business Correspondent (BC) in uncovered areas is a continuous process which is being looked after by the State Level Bankers’ Committee (SLBC), in consultation with the concerned State Government, member banks and other stakeholders. Banks, inter-alia, consider proposals for opening banking outlets in the light of RBI’s instructions, their business plans and their commercial viability. To further assess the viability for opening a banking outlet, banks carry out survey as required.

As per the data reported by Banks on Jan Dhan Darshak GIS Application, the total number of bank branches (including BCs) for the Ranchi District is 1,292.

(d) The District-wise position of Pradhan Matri Jan Dhan Yojana A/Cs for the state of Jharkhand during the last three years is at **Annexure**.

**Annexure as referred to in part (d) of the Lok Sabha Question No. 5157 due for answer on
04.04.2022**

District wise details of PMJDY Accounts of Jharkhand State (in lakh)

District Name	As on 31.03.2019	As on 31.03.2020	As on 31.03.2021	As on 16.03.22
Bokaro	5.81	6.12	7.06	7.33
Chatra	5.24	5.47	6.15	6.13
Deoghar	6.64	7.48	8.75	9.30
Dhanbad	8.76	9.29	10.43	10.75
Dumka	5.24	6.07	7.35	7.56
Garhwa	6.09	6.55	7.66	7.93
Giridih	9.01	9.80	11.47	12.06
Godda	5.27	5.85	6.94	7.27
Gumla	4.36	4.66	5.25	5.36
Hazaribagh	5.93	6.42	7.83	8.67
Jamtara	3.20	3.58	4.18	4.36
Khunti	1.40	1.54	1.83	1.90
Kodarma	2.60	2.77	3.17	3.35
Latehar	3.88	4.51	5.10	5.30
Lohardaga	1.97	2.07	2.47	2.59
Pakur	4.44	4.92	5.60	5.93
Palamu	9.03	9.60	11.30	11.80
Pashchimi Singhbhum	5.30	5.70	6.35	6.87
Purbi Singhbhum	5.77	6.22	7.18	7.59
Ramgarh	2.39	2.55	2.86	2.75
Ranchi	8.92	9.59	11.07	11.54
Sahibganj	6.46	7.18	7.97	8.56
Saraikele-Kharsawan	3.04	3.23	3.72	3.88
Simdega	2.79	2.81	3.03	3.18
Total	123.51	133.97	154.71	161.93

