

Government of India
Ministry of Finance
Department of Financial Services

LOK SABHA

Unstarred Question No. 3525
Answered Monday, August 8, 2022/Sravana 17, 1944 (Saka)

AGRICULTURAL CREDIT BY URBAN AND METRO BANK BRANCHES

3525. SHRI HEMANT TUKARAM GODSE:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that twenty five per cent of the direct credit to agriculture is given to farmers through urban and metro branches of banks;
- (b) if so, the details thereof, State-wise;
- (c) whether the Government has any plans to extend more loans to farmers through setting up of more rural branches of banks; and
- (d) if so, the details thereof, State-wise?

Answer

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

(a) & (b): Since 2004, Service Area Approach has been done away with and now farmers can avail credit from any of the bank branches. Further, data on percentage of agriculture credit given by urban branches and rural branches, is not maintained by the Department or National Bank for Agriculture and Rural Development (NABARD).

(c) & (d): The Banks disbursed agriculture credit amounting to Rs. 17.09 lakh crore last year and has a target of ground level credit to agriculture of Rs. 18.5 lakh crore for FY 2022-23.

As regards setting up of Bank branches is concerned, Reserve Bank of India (RBI) has granted general permission to domestic Scheduled Commercial Banks (excluding Regional Rural Banks) to open banking outlets including branch at any place in the country, without seeking prior approval of RBI in each case, subject to at least 25 percent of the total number of banking outlets opened during a financial year being in unbanked rural centres i.e. centres having population less than 10,000 (Tier 5 and Tier 6 centres).

In pursuance of extant RBI guidelines, rolling out of banking outlets in uncovered areas is a continuous process. Banks, *inter-alia*, consider proposals for opening banking outlets in the light of RBI's instructions, their business plans and their commercial viability.

In order to ensure availability of banking outlet (Bank branch/ Business Correspondent/ India Post Payments Bank) within 5 kilometres of all inhabited villages in the country, the Government has launched a Geographic Information System (GIS) based App., namely, Jan Dhan Darshak App. Based on the data uploaded by the Banks on this App, as on 30.06.2022, there are 5,53,804 mapped inhabited villages in the country, out of which 5,53,625 (99.97%) are covered with a banking outlet.
