

**GOVERNMENT OF INDIA  
FINANCE AND COMPANY AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:817  
ANSWERED ON:22.11.2002  
LOSS MAKING BRANCHES OF BANKS  
AMBATI BRAHMANAIAH

**Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:**

- (a) whether there is a proposal to hand over loss-making branches of public sector banks to cooperative institutions;
- (b) if so, the details of the scheme;
- (c) whether the banks have identified their loss-making branches all over the country;
- (d) if so, the criteria used to identify loss-making branches; and
- (e) the steps taken by the Government to ensure that the banking sector does not reduce its presence in rural areas ?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE & COMPANY AFFAIRS (SHRI ANANDRAO V. ADSUL)

(a): No, Sir.

(b): Does not arise.

(c)&(d): The banks continually review the performance of their branches. Efforts are made to ensure the viability of those branches which are identified as loss-making, failing which the banks consider their relocation/ merger/ closure.

(e): Reserve Bank of India have advised the banks that a branch which is the only branch functioning at a rural center should not be shifted/ closed/ merged outside the service area as this would render the area unbanked.