

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5465
ANSWERED ON:28.04.2000
BRANCHES OF PRIVATE BANKS IN RURAL AREAS
DUKHA BHAGAT

Will the Minister of FINANCE be pleased to state:

- (a) the names of private banks which have completed more than three years since their inception;
- (b) whether the above private banks have been opening their branches in rural and semi-urban areas laid down by the Reserve Bank of India in this regard;
- (c) if so, the details thereof; and
- (d) if not, the action taken by the Government against them?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR) :

(a) and (b) A statement I and II indicating names of private sector banks which have completed more than three years since their inception, alongwith the classification of their branches, is attached.

(c) and (d) Of the 24 Old Private Sector Banks, 21 have complied with the requirement of 25% of their branches in rural/semi urban areas. Development Credit Bank Limited which was a Cooperative bank before its conversion into a private sector commercial bank, has been given extension of time upto 31st March 2001 to comply with the norm of locating 25% of its total branches in rural/semi-urban centers. Bharat Overseas Bank Limited is also marginally falling short of locating 25% of the total branches in rural and semi-urban areas. SBI Commercial and International Bank Ltd, a wholly owned subsidiary was formed in October 1993 to effectuate the take over the operations of erstwhile BCCI Bank. In view of this specific objective, the bank has only a limited number of 3 branches located in Mumbai. The new private sector banks have also by and large complied with the, requirement of locating branches in rural/semi-urban centres. Two of the banks which are marginally short have been advised by the RBI to give priority in opening of marginal backlog of the branches in the rural/semi-urban areas with a view to strictly conforming to the stipulated norms on an ongoing basis. Fresh authorization are issued when the banks fulfil the norm of locating 25% of its total branches in rural/semi-urban areas.