

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4666
ANSWERED ON:25.04.2008
BRANCHES OF PUBLIC SECTOR BANKS
Khanna Shri Avinash Rai

Will the Minister of FINANCE be pleased to state:

- (a) the number of branches of private sector banks opened in rural areas during the last three years in the country, State-wise, Bank-wise;
- (b) whether a number of private sector banks have closed their branches in rural areas during the above period;
- (c) if so, the details thereof and the reasons therefor, State-wise, Bank-wise; and
- (d) the steps taken by the Government to stop closure of private sector banks in rural area?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI PAWAN KUMAR BANSAL)

(a): As reported by the Reserve Bank of India (RBI), the State-wise & Bank-wise details regarding number of branches opened by private sector banks in rural areas as in 2005-06, 2006-07 and 2007-08(April 1, 2007 to December 31, 2007) are annexed.

(b), (c) & (d): State-wise & Bank-wise details regarding number of branches of private sector banks closed/merged/converted in rural areas as in 2005-06, 2006-07 and 2007-08(April 1, 2007 to December 31, 2007) are as under:

Details regarding number of branches of Private Sector Banks Closed/Merged/Converted

STATE NAME	BANK NAME	Apr 1, 2005-Mar 31, 2006	Apr 1, 2006-Mar 31, 2007	Apr 1, 2007-Dec 31, 2007
ANDHRA PRADESH	ING VYSYA BANK LTD 1	-	-	-
TAMILNADU	KARUR VYSYA BANK LTD 2	-	-	-
	SOUTH INDIAN BANK LTD 2	-	-	-
	TAMILNAD MERCANTILE BANK LTD -	-	-	1
TOTAL		5	-	1

Under the extant Branch Authorisation Policy of RBI, closure of even loss making branches in rural centres having a single commercial bank branch (excluding Regional Rural Bank branch) is not permitted, as the closure would render the centre unbanked. The proposals for closure of a rural branch at a centre served by more than one commercial bank branch are required to be submitted to RBI by banks in the Annual Branch Expansion Plan after obtaining approval of District Consultative Committee (DCC). RBI considers these proposals on a case-to-case basis and closure of rural branches is approved only under exceptional circumstances like adverse law and order problem, natural calamities, etc.