

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:447  
ANSWERED ON:20.11.2009  
OPENING OF NEW BRANCHES AND ATM COUNTERS  
Deo Shri Kalikesh Narayan Singh

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government has conducted any survey to study blocks which have a low penetration of bank branches/ATMs in India;
- (b) if so, the details thereof;
- (c) whether the Government directed banks to open new bank branches in the country including Orissa during the current year; and
- (d) if so, the places identified for opening of the new branches in the country including districts of Orissa?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (d): In terms of Section 23 of the Banking Regulation Act, 1949, banks are required to obtain prior approval of Reserve Bank of India (RBI) for opening a new place of business. Such approvals are granted to banks depending on the thrust of the extant Branch Authorisation Policy, RBI, while granting approval, ensures that the approvals include centers in rural/underbanked districts also. The choice of centre/location for opening of new branches has been left to the discretion of banks, which banks decide taking into account various factors including profitability, viability, availability of infrastructure, etc.

There are 375 underbanked districts in India (of which 24 are in Orissa). A list of underbanked districts has been forwarded to banks to enable them to identify centres for opening branches in such districts. Also, while considering applications for opening bank branches received from banks, RBI gives weightage to the nature and scope of banking facilities provided by banks to common persons, particularly in underbanked areas, actual credit flow to the priority sector, pricing of products and overall efforts for promoting financial inclusion. RBI has reported that during the period 1st April 2009 to 30th September, 2009, 1553 commercial bank offices have been opened of which 34 are in Orissa.