

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3394

ANSWERED ON:13.08.2010

COVERAGE OF COMMERCIAL BANKS IN RURAL AREAS

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;Sule Supriya

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

- (a) the details of the branches of the scheduled commercial banks in the country, as on date, State-wise and Bank-wise;
- (b) whether banks are reluctant to open their branches in the rural areas;
- (c) if so, the details thereof alongwith the reasons therefor;
- (d) whether banks have fixed any target for deposits and disbursement of loans to their customers during the last three years; and
- (e) if so, the details thereof, Bank-wise alongwith the achievements made in this regard?

**Answer**

The Minister of State in the Ministry of Finance (Shri S.S. Palanimanickam)

(a) to (c): The Reserve Bank of India (RBI) has reported that, as on 30-06-2010 there are 88,363 offices of Scheduled Commercial Banks (SCBs) in the country, out of which 32,603 (37%) bank offices are in the rural areas, 21,011 (24%) in semi-urban areas, 18,268(20%) in urban areas and 16,481 (19%) in metropolitan areas. Thus, the number of offices of banks in semi-urban and rural areas constitute around 61 per cent of the total number of offices in the country. The State-wise and bank-wise data are at Annex I and II.

In order to extend the reach of banking in rural areas, Reserve Bank of India (RBI) has permitted on 01-012-2009 all scheduled commercial banks (SCBs), (excluding Regional Rural Banks) to open branches in Tier 3 to Tier 6 centres (with population upto 49,999 as per Census 2001) without having the need to take permission from RBI in each case, subject to reporting. Further banks have been permitted to open branches in rural, semi-urban & urban centres in the North Eastern States & Sikkim, without prior permission from the RBI. RBI has also relaxed its Branch Authorisation policy under which SCBs are permitted to install offsite ATMs at centres / places identified by them without having the need to take permission from the RBI. This is expected to result in further expansion of banking network.

(d) and (e): Indian Banks Association have informed that every year, as part of their business strategy banks fix their business targets for deposit growth and credit disbursements to different sectors. While doing so, they also take into consideration the mandatory targets fixed for priority sector lending, export and other mandated credit target. These targets are internal to banks and are not available in public domain.