

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1402

ANSWERED ON:04.03.2011

OPENING OF BANKS IN RURAL AREAS

Bundela Shri Jeetendra Singh;Panda Shri Prabodh;Punia Shri P.L. ;Saroj Smt. Sushila

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

(a) the details of the branches of the Public and Private Sector Banks opened/ proposed to be opened in rural areas during the last three years and in the year 2011-12, State-wise including Bihar, Madhya Pradesh, Uttar Pradesh and West Bengal and Bank-wise alongwith the time by which such proposed branches are likely to be operational;

(b) the criterion to be followed by banks to open their branches in the country;

(c) whether the number of workers under Mahatma Gandhi National Rural Employment Guarantee Scheme of an area is included in the norms for opening of a bank branch;

(d) if so, the details thereof; and

(e) the steps taken / being taken by the Government to encourage banks for providing banking facilities in the rural areas?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (Shri Namo Narain Meena)

(a) to (e): The details of number of Bank branches opened by Public Sector Banks and Private Sector Banks in rural areas during the last three years and the current financial year upto December, 2010 are at Annex-I. The State-wise position of number of bank branches opened is at Annex-II.

In order to facilitate opening of bank branches in the villages and to address the issue of the uneven spread of bank branches, RBI since December 2009, has permitted domestic scheduled commercial banks to freely open branches in Tier 3 to Tier 6 centres with a population of less than 50,000 under general permission, subject to reporting. In the North Eastern States and Sikkim, domestic scheduled commercial banks can now open branches in rural, semi urban and urban centres without the need to take permission from Reserve Bank in each case, subject to reporting.

Further, in order to extend the reach of banking to the rural hinterland, Banks have been advised to provide appropriate banking facilities to habitations having a population in excess of 2000 (as per 2001 census) by March, 2012. These services will be provided using the Business Correspondent and other models, with appropriate technology back up. Accordingly, the State Level Bankers Committees (SLBCs) have identified approximately 73,000 habitations with a population of 2000 and above for providing banking services. These 73,000 habitations have been allotted to Public Sector Banks, Private Banks, Regional Rural Banks and Cooperative Banks for extending banking services in a time bound manner.