

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3010

ANSWERED ON:24.07.2009

BANK BRANCHES

Ahir Shri Hansraj Gangaram;Pratapsinh Shri Chauhan Prabhatsinh

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to open new branches in rural and urban areas where banking facilities are less;
- (b) if so, the details thereof, State-wise; and
- (c) the ratio of bank branches in rural and urban areas as on date?

Answer

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

(a) & (b): As per the Branch Authorisation Policy of the Reserve Bank of India (RBI), banks are encouraged to open branches in underbanked districts and rural centres. In order to facilitate this, a list of underbanked districts has been forwarded to banks under cover of the Master Circular on Branch Authorisation dated 1st July, 2009, which has also been placed on the RBI website (www.rbi.org.in). Banks have also been permitted to approach RBI for urgent proposals regarding opening of branches, especially in rural/underbanked areas (districts) anytime during the year, in addition to the approvals given under the annual plan.

Furthermore, the Government, in its Budget proposals for 2009-10, have set aside Rs.100 crore as a one-time grant-in-aid to ensure provision of at least one centre/Point of Sales (POS) for banking services in each of the unbanked blocks in the country.

(c): As per provisional data of the RBI, available for 31st March, 2009, out of 82,185 branches of Scheduled Commercial Bank (SCB) in the country (including administrative offices), 31,653 were in rural areas and 16,564 were in urban areas (the balance 18,999 were in semi-urban and 14,969 in metropolitan areas).