

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5933
ANSWERED ON:11.05.2012
BANKS IN RURAL AREAS
Rani Killi Krupa

Will the Minister of FINANCE be pleased to state:

- (a) whether there is reluctance on the part of commercial banks to open branches in the rural areas and provide adequate staff to the existing branches ;
- (b) if so, the details thereof alongwith the reasons therefor, bank-wise; and
- (c) the corrective measures taken proposed to be taken by the Government in this regard?

Answer

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

(a) to (c): There are 93,659 branches of Scheduled Commercial Banks (SCBs) functioning in the country as on 31st March, 2012, out of which 34,671 branches are in rural areas and 24,133 are in semi-urban areas, which together constitute about 63% of the total bank branches.

During 2010-11, the SCBs opened 3,294 branches in rural/semi-urban areas against 1,795 branches opened in urban/Metropolitan areas of the country.

As per the extant Branch Authorization Policy of Reserve Bank of India (RBI), general permission has been granted to domestic SCBs (other than Regional Rural Banks) to open branches in centres with a population up to 99,999 and in all centres of the North-Eastern States and Sikkim, subject to reporting. In order to further expand the banking network, RBI has advised that while preparing their Annual Branch Expansion Plan, the banks should allocate at least 25 percent of the branches proposed to be opened during a year in unbanked rural centres with population upto 9999.

Further, under the `Swabhimaan` financial inclusion campaign, banking facilities have been provided to over 74,000 villages having population over 2000.