

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:164
ANSWERED ON:22.08.2012
SHORTAGE OF BANKS IN VILLAGES
Anuragi Shri Ghansyam ;Kanubhai Patel Jayshreeben

Will the Minister of FINANCE be pleased to state:

- (a) whether new branches of public sector and private banks have been opened in the rural areas of the country to meet the banking needs;
- (b) if so, the details thereof, State-wise, bank-wise/sector-wise during the last three years and the current year;
- (c) whether there is shortage of banks in the villages of the country;
- (d) if so, the details thereof, State-wise; and
- (e) the steps taken/proposed to be taken by the Government/Reserve Bank of India for opening of new branches of banks in rural areas?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI P. CHIDAMBARAM)

(a) to (e) A statement is laid on the table of the House.

Statement referred to in reply to parts (a) to (e) of Lok Sabha Starred Question No.164 for 22.8.2012 tabled by Shri Ghanshyam Anuragi and Shrimati Jayshreeben Patel regarding Shortage of Banks in Villages.

(a) to (e): As reported by Reserve Bank of India (RBI), the details of number of branches opened by the Public Sector and Private Sector Banks, State-wise in rural areas during the last three years and current year are given in Annex I.

As on March 31 2012, there are 93,659 branches of Scheduled Commercial Banks (SCBs) functioning in the country, out of which 34,671 branches are in rural areas and 24,133 in semi-urban areas, which together constitute about 63% of the total bank branches. There are 375 underbanked districts in the country on the basis of Average Population Per Bank Branch (as per 2001 census). State-wise details of number of underbanked districts are given in Annex II.

In order to further extend the reach of banking to the rural hinterland, Banks, during 2010-12 have provided banking facilities to 74,194 habitations having a population in excess of 2000 (as per 2001 census) by March, 2012 under 'Swabhimaan' campaign, using the Business Correspondent model / branch / mobile van etc.

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. New Private Sector Banks are required to have 25% of their total number branches in rural and semi urban centres with population below 1,00,000 on an ongoing basis.