

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3499  
ANSWERED ON:14.12.2012  
SURVEY TO INCREASE OF BANK BRANCHES  
Lal Shri Kirodi

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

- (a) whether the Government has conducted any survey/study to increase the branches of both public and private sector banks in view of the increasing number of customers;
- (b) if so, the findings thereof and the number of new branches proposed to be set up by the public sector banks during the current financial year and the next two years; and
- (c) The steps taken/being taken by the Government to increase the number of branches of banks in rural and urban areas of the country?

**Answer**

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) to (c):- Decision to open bank branches are taken by the banks concerned, inter alia, keeping in view business potential, viability, profitability and availability of infrastructure.

The Reserve Bank of India (RBI) has granted general permission to domestic Scheduled Commercial Banks (other than RRBs) to open branches in Tier 2 to Tier 6 centres (with population upto 99,999) which include rural centres; in rural, semi urban and urban centres of the North-Eastern States and Sikkim; and to open mobile branches in Tier 3 to Tier 6 Centres (with population upto 49,999) without permission from RBI in each case, subject to reporting.

The New Private Sector Banks are also required to have 25% of their total number of branches in rural and semi-urban centres with population below one lakh on an on-going basis. The Banks are also required to allocate at least 25% of the branches proposed to be opened during a year in unbanked rural Tier 5 and 6 centres.

Besides opening of brick and mortar branches, banking penetration has been further strengthened by appointing Business Correspondents where banking facilities are not available.