

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:127

ANSWERED ON:22.02.2013

BANKING SERVICES IN RURAL AREAS

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Will the Minister of FINANCE be pleased to state:

- (a) the details of accessibility penetration of banking services in the rural areas, State-wise, public and private sector, bank-wise;
- (b) whether a number of villages/habitations in the country do not have banking facilities;
- (c) if so, the details thereof, State-wise and the reasons therefor along with the number of public and private sector banks and their branches opened in the rural areas during the last three years and the current year, bank-wise and State-wise; and
- (d) the steps taken/being taken by the Government to bring the unbanked areas of the country under the banking network?

Answer

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

(a) The details of functioning branches of Scheduled Commercial Banks (SCBs), in rural areas, State-wise and Bank-wise, are given in Annex-1 & 2.

(b) and (c):- The State-wise Average Population Per Bank Branch (APPB) in the country as on 31.03.2012 is at Annex-3. The details of branches opened by Scheduled Commercial Banks (SCBs), in rural areas, during last three years and current year, State-wise & Bank-wise are given in Annex-4 & 5.

(d) The Government and the Reserve Bank of India (RBI) are taking various initiatives from time to time to expand banking network in the country. Under 'Swabhimaan' campaign of the Government, banking facilities to over 74,000 unbanked habitations having population in excess of 2000 have been provided during 2010-12.

The RBI under its Branch Authorization Policy has permitted domestic SCBs (excluding RRBs) to open branches in Tier 2 to Tier 6 centres (with population upto 99,999 as per census 2001) without the need to take permission from RBI subject to reporting. The domestic SCBs have also been advised that while preparing their Annual Branch Expansion Plan, they should allocate at least 25% of the total number of branches proposed to be opened during a year in unbanked rural centres with population upto 9999).