

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3111

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Banks in Rural Areas

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

- (a) the norms for opening of new bank branches in rural areas;
- (b) whether the accessibility/percentage of banking network in rural/hilly/remote areas of the country are not adequate and if so, the details thereof;
- (c) whether the rural areas are not covered under financial inclusion scheme and if so, the details thereof along with the number of public and private sector bank branches opened/presently functioning in rural / urban areas during the last three years and the current year, bank and State-wise;
- (d) whether the Government proposes to open new branches of the scheduled commercial banks to improve coverage of banks and increase percentage of users in rural areas and if so, the details thereof; and
- (e) the steps taken by the Government to ensure/reach banking facilities in each household of the country including mobile/internet banking?

**Answer**

The Minister of State in the Ministry of Finance  
(SHRI JAYANT SINHA)

(a) to (d) To promote the objective of financial inclusion and to extend the banking network in unbanked areas, Reserve Bank of India (RBI) has granted general permission to domestic Scheduled Commercial Banks (other than Regional Rural Banks) to open branches (i) in Tier 2 to Tier 6 centres (with population upto 99,999) and (ii) in rural, semi-urban and urban centres of the North-Eastern States and Sikkim subject to reporting. RBI has advised banks that while preparing their Annual Branch Expansion Plan (ABEP), the banks should allocate at least 25 percent of the total number of branches proposed to be opened during a year in unbanked rural (Tier 5 and Tier 6) centres.

Number of functioning branches of Public Sector Banks for the last four years and number of branches opened by Public Sector Banks during the last four years are given in Annexure -1 and Annexure - 2 respectively.

(e) Financial Inclusion is an important priority of the Government. With the objective to extend financial services to the large hitherto unserved population of the country, Pradhan Mantri Jan-Dhan Yojana (PMJDY), a national mission on financial inclusion, was launched on 28.08.2014. Under the Yojana all the States/Union Territories in the country were mapped into 1,59,918 Sub-Service Areas (SSAs) (in rural areas) of which 32,929 SSAs were covered by bank branches and 1,25,989 by Business Correspondents. (1000 SSAs are yet to be covered primarily due to telecom connectivity issues). As on 22.07.2015, 17.07 crore accounts have been opened under the Yojana out of which 60 % are in rural areas.

RBI has informed that as on July 10, 2015, it has given approval to 119 banks for operationalizing mobile banking services.

Besides, a platform (Unstructured Supplementary Service Data (USSD) Based Mobile Banking) is available under PMJDY that connects all the banks and all the telephone network operators in the country. The platform helps a customer or any bank to access his/ her account with any type of mobile handset. Costly smart phone is not necessary. Even with an ordinary handset, services like balance enquiry and money transfer are possible. This service is currently being provided by 41 banks across the country.

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