

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4419
ANSWERED ON:12.08.2016
Brick and Mortar Bank Branches
Swain Shri Ladu Kishore

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to open brick and mortar bank branches in the country within the target period;
- (b) if so, the details thereof, State-wise including Odisha;
- (c) whether the Government has issued guidelines/directions to the Scheduled Commercial Banks in this regard, if so, the details thereof and if not, the reasons therefor; and
- (d) the corrective measures taken by the Government to achieve the target within the stipulated time?

Answer

The Minister of State in the Ministry of Finance

(a) to (d) To promote financial inclusion and to extend the banking network in unbanked areas, general permission has been granted by Reserve Bank of India (RBI) to domestic Scheduled Commercial Banks (SCBs) including Public Sector Banks (excluding Regional Rural Banks) to open branches at any place in the country, without seeking prior approval of RBI in each case, subject to at least 25 percent of the total number of branches opened during a financial year being opened in unbanked rural (Tier 5 and Tier 6) centres (population upto 9999). RBI has also specified that the total number of branches opened in Tier 1 centres (population 100000 and above) during the financial year cannot exceed the total number of branches opened in Tier 2 to Tier 6 centres (population upto 99999) and all centres in the North Eastern States and Sikkim.

For increasing banking penetration and financial inclusion, RBI has advised all State Level Banker's Committee (SLBC) Convenor banks vide circular No FIDD.CO.LBS.BC. 82/02.01.001/2015-16 dated December 31, 2015 to identify villages with population above 5000 without a bank branch of a scheduled commercial bank in their state. As reported by SLBCs, a total of 6593 villages have been identified and allotted among scheduled commercial banks (including Regional Rural Banks) for opening of branches. State/UT-wise details are given in Annexure. The progress is monitored by RBI. Opening of bank branches is a commercial decision of the banks taken in accordance with the branch opening policy of RBI.
