

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:168
ANSWERED ON:18.07.2014
BANKING FACILITIES IN RURAL BACKWARD AREAS
Nayak Shri B.V.;Tadas Shri Ramdas Chandrabhanji

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has taken note of lack of banking facilities in rural/backward areas.
- (b) if so, the details thereof along with the norms/guidelines laid down by the Reserve Bank of India for opening of bank branches in rural/backward areas of the country;
- (c) the number of branches opened by public and private sector banks and the number out of which are in rural and backward areas during each of the last three years and the current year; and
- (d) the number of bank branches proposed to be opened in unserved rural/backward areas along with the steps taken/being taken by the Government to open bank branches in unserved areas including the time- framed fixed thereof?

Answer

The Finance Minister (Shri Arun Jaitley)

a) to d) A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (d) of Lok Sabha Starred Question No. 168 for 18th July 2014 by Shri B.V. Naik; Shri Ramdas C. Tadas regarding Banking Facilities in Rural /Backward Areas.

a) and b) As per Census 2011, 58.7 % household are availing banking services in the country. In order to extend the banking network in unbanked areas, general permission has been granted by Reserve Bank of India (RBI) to domestic Scheduled Commercial Banks (other than Regional Rural Banks) to open branches/ mobile branches/ Administrative Offices/CPCs {Service 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.

c) and d) The number of branches opened by public and private sector banks including those in rural areas for the last four years is given in Annex.

It has been announced in the Union Budget 2014-15 that a time bound programme would be launched as Financial Inclusion Mission on 15th August this year to provide all households in the country with banking services.