

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2153
ANSWERED ON:05.12.2014
BANK BRANCHES IN RURAL AREAS
Adityanath Shri Yogi

Will the Minister of FINANCE be pleased to state:

- (a) the criteria fixed for opening of new bank branches in rural areas;
- (b) whether the Government has received proposals from public representatives to open branches of nationalized banks in rural areas;
- (c) if so, the details thereof; and
- (d) the action taken by the Government thereon?

Answer

THE FINANCE MINISTER (SHRI ARUN JAITLEY)

(a) 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.

(b) to (d) Requests for opening of branches of nationalized banks in rural areas are received from time to time and the same are forwarded to Banks or State Level Bankers' Committee (SLBC) for appropriate action keeping in view the feasibility of opening the branch in the stipulated area.