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Title: Need to stop the Closure of Regional Rural Banks in the Country to save the interest of the farmers and also increase the branches of nationalised banks in rural areas to serve the farmers.

SHRI A.V. BELLARMIN (NAGERCOIL): Mr. Deputy-Speaker, Sir, I would like to bring to the notice of the Government that the country is witnessing the closure on an average of one rural branch of a scheduled commercial bank every day for the last 15 years. In the same period, bank branches in the urban metros have doubled, opening at a rate of more than one every day. This fact is substantiated by the statistics furnished by the Reserve Bank of India on the Indian Economy (2006-07). As many as 4,750 branches were closed during 1993-2007 in rural areas whereas branches in metros shot up from 5,753 to 11,826 in the same period.

The closure spree of rural banks will never subscribe to the Government's claims of massive increase in rural credit and plans to boost it. Such a rapid decline has pushed more farmers towards money lenders. It may be meaningless to argue that these are not closed but consolidation or mergers or the creation of satellite offices. It is also unwise to say that more ATMs have been opened to fill the need of the rural farmers. ATMs are located in cities and loans are not given at ATMs. If the Government's intention is to help the farmers in availing of institutional credit, more branches should be opened in rural areas where 72 per cent of the total population lives. It is pertinent to recall that almost all the nationalised commercial banks had Agriculture Department Branches in rural areas during 1970s, advancing credit to farmers for farming purposes as well as livestock rearing and land development at differential rate of interest of 4 per cent. The nationalised banks should also come forward to help the farmers as before.

So, I urge upon the Government to increase the branches of nationalised banks in rural areas to serve the farmers.

MR. DEPUTY-SPEAKER: Dr. Shafiqur Rahman Barq, even though it is a State matter I am allowing you to raise it for one minute. But this should not be treated as a precedent. [\[R79\]](#)