

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
STARRED QUESTION No. *308
TO BE ANSWERED ON 16 MARCH 2018(FRIDAY)/ PHALGUNA 25, 1939 (SAKA)

Bank Branches in Rural and Backward Areas

***308. SHRI MANOHAR UTAWAL:**

Will the Minister of FINANCE be pleased to state:

- (a) the norms/guidelines prescribed by the Reserve Bank of India (RBI) for opening of bank branches in rural/backward areas of the country;
- (b) whether the Government has taken cognizance of deficit of banking facilities in such areas of the country during the last three years and the current year and if so, the details thereof;
- (c) the number of branches of public sector and private sector banks opened along with the number of branches out of these bank branches opened in rural and backward areas of the country during the said period; and
- (d) the number and the details of proposals received for opening branches of banks in deprived rural/backward areas of the country?

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.*308 (8th position) for 16 March 2018 by Shri Manohar Utawal, MP regarding "Bank Branches in Rural and Backward Areas"

- (a) As per extant guidelines dated 18.5.2017 on rationalizing of Branch Authorisation Policy, Reserve Bank of India (RBI) has granted general permission to domestic Scheduled Commercial Banks (excluding Regional Rural Banks), to open banking outlets 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 banking outlets opened during a financial year being in unbanked rural centres with population less than 10,000. For this purpose, banking outlets opened in any centre having population less than 50,000 in North Eastern states and Sikkim and also Left Wing Extremism (LWE) affected districts as notified by the Government of India are also considered as equivalent to opening of banking outlets in unbanked rural centres.
- (b) After launch of Pradhan Mantri Jan-Dhan Yojana (PMJDY), all rural and semi urban areas have been divided into 1.59 lakh Sub Service Areas (SSA), where each SSA covered 1,000 to 1,500 households. In 1.26 lakh SSAs, interoperable Bank Mitras have been deployed whereas 0.33 lakh SSAs have been covered with bank branches.
- (c) As per RBI data, the total number of branches of public sector and private sector banks opened all over the country and in rural areas in financial year 2014-15, 2015-16, 2016-17, 2017-18 (till 30.9.2017) is placed at Annexure. This shows that 71% of the new rural branches opened during 2014-15 to 2017-18 (till 30.9.2017) were opened by Public Sector Banks (PSBs).
- (d) RBI's instructions require State Level Bankers' Committees (SLBCs) to enable banks to identify the unbanked rural centres where they wish to open a banking outlet, and banks are required to coordinate with the SLBC Convener in this regard. Accordingly, representations received from public representatives regarding opening of new banking outlets in unbanked villages are communicated to SLBC Conveners.

Annexure to the Lok Sabha Starred Q.No. 308 for 8th position for 16.3.2018

Number of Branches Opened by Public and Private Sector Banks during Financial Years 2014-15 to 2017-18 (till September 2017)										
	2014-15		2015-16		2016-17		2017-18 (till 30.9.2017)		Total branches opened during 2014-15 to 2017-18 (till 30.9.2017)	
	RURAL	Total	RURAL	Total	RURAL	Total	RURAL	Total	RURAL	Total
PUBLIC SECTOR BANKS (PSBs)	2007	5714	1084	3336	663	2150	119	331	3873	11531
PRIVATE SECTOR BANKS	495	1941	618	2814	367	1861	84	511	1564	7127
Total	2502	7655	1702	6150	1030	4011	203	842	5437	18658
Percentage contribution of PSBs in opening branches	80.22	74.64	63.69	54.24	64.37	53.60	58.62	39.31	71.23	61.80

Source: Reserve Bank of India (RBI)