

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UN-STARRED QUESTION No. 4613

ANSWERED ON MONDAY, JULY 22, 2019/ASHADHA 31, 1941 (SAKA)
BANKING SERVICES

4613. SHRI JASWANT SINGH BHABHOR:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware that the farmers and villagers are facing inconvenience due to increased business of the Public Sector Banks (PSBs) situated in rural areas of Gujarat especially in Dahod district;
- (b) if so, the details thereof;
- (c) whether the number of consumers of the PSBs of the above mentioned Dahod district and the rural areas has increased as a result of implementation of the Pradhan Mantri Jan Dhan Yojana, direct benefit transfer of various Government welfare schemes, if so, the details thereof;
- (d) whether the Government proposes to increase the number of Government banks in the rural areas; and
- (e) if so, the details thereof and if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR)

(a) to (e) Reserve Bank of India (RBI) has rationalized its Branch Authorisation Policy and granted general permission to domestic Scheduled Commercial Banks (excluding Regional Rural Banks), including Public Sector Banks, to open banking outlets (a fixed point service delivery unit, manned by either bank's staff or its Business Correspondents) 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 centers (Tier 5 and Tier 6 centers i.e. having 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 centers.

As apprised by RBI, as on 31.03.2018 there are 2,488 rural branches of Scheduled Commercial Banks (SCBs) and 19,407 Business Correspondents (BCs) providing banking services in rural areas of Gujarat.

As per State Level Banker's Committee (SLBC) Gujarat, as on 31.03.2018, 111 bank branches and 225 BCs are providing banking services in Dahod district.

As informed by Banks, since launch of Pradhan Mantri Jan Dhan Yojna (PMJDY), the number of PMJDY account holders in the district of Dahod in Gujarat has increased from 1.66 lakhs in March 2015 to 8.20 lakhs in March 2019. Under PMJDY, initiatives have also been taken to augment the level of banking services provided by bank branches through deployment of interoperable BCs with micro-ATMs, especially in rural areas.

As per RBI's guidelines, dated July 3, 2017 and May 18, 2017 District Level Review Committee (DLRC) and District Consultative Committee (DCC), both under the Chairmanship of the concerned District Collector may provide feedback regarding requirement of additional banking outlets in their district to the respective SLBC. SLBCs play a constructive and proactive role to enable banks to have information for identifying unbanked rural centers and subsequently open banking outlets in such areas, as per the extant RBI guidelines.
