

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

UNSTARRED QUESTION No. 65

Answered on Monday, February 3, 2020/Magha 14, 1941 (Saka)

Bank Operations

65. SHRIMATI POONAMBEN MAADAM:

Will the Minister of FINANCE be pleased to state:

- (a) whether there is unnecessary delay in disposing off work of account holders due to excessive crowds in rural bank branches in Gujarat and the customer service has become so poor in rural bank branches;
- (b) if so, the details thereof and the reaction of the Government in this regard;
- (c) whether the Government proposes to increase the number of banks in view of increasing accounts and crowds in rural banks; and
- (d) 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 (d) As per extant guidelines dated 18.5.2017 on rationalisation 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 i.e. centres having population less than 10,000 (Tier 5 and Tier 6 centres).

Further, ten Small Finance banks and seven Payments Banks have been licensed by RBI for providing banking services across the country including the rural centres.

Under Pradhan Mantri Jan-Dhan Yojana (PMJDY), all villages were mapped by banks into 1.59 lakh Sub-Service Areas (SSAs) with one SSA catering to 1,000 to 1,500 households. While 0.33 lakh SSAs have been covered with bank branches, 1.26 lakh SSAs, have been covered by deployment of interoperable Business Correspondents (BCs). Of these, 7723 SSAs are in the state of Gujarat out of which 1859 are covered through bank branches and 5864 are covered through BCs.

In pursuance of RBI guidelines, rolling out of banking outlets in uncovered areas is a continuous process and looked after by SLBC, in consultation with the concerned State Government, member banks and other stakeholders. Banks, inter-alia, consider proposals for opening banking outlets in the light of RBI's instructions, their business plans and their commercial viability. To further assess the viability for opening a banking outlet, banks carry out survey as required.

As apprised by RBI, the total number of functioning branches of Commercial Banks (SCBs) in Gujarat are as under:

Number of Functioning Branches of Commercial Banks in Gujarat		
	Total	Of which in Rural
March 31,2017	7489	2296
March 31,2018	7705	2346
March 31,2019	7918	2391
Sept. 30,2019	8300	2565

State Level Banker's Committee (SLBC) Gujarat has apprised that no such incidence of delay in disposing off work of account holders due to excessive crowds in rural bank branches in Gujarat and poor customer service has been reported with the SLBC so far.
