

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3601

ANSWERED ON:25.08.2006

OPENING OF NEW BANK BRANCHES

Athawale Shri Ramdas;Khan Shri Sunil;Mishra Dr. Rajesh Kumar;Murmu Shri Hemlal;Pathak Shri Brajesh;Sajjan Kumar Shri ;Singh Shri Sitaram

Will the Minister of FINANCE be pleased to state:

- (a) the criteria adopted for opening of new bank branches in the country :
- (b) the number of proposals received by the Government / RBI from various Public Sector Banks / Private Banks for opening / expansion of their branches in urban / rural areas in the country during the last three years, State-wise and bank-wise :
- (c) the approval accorded by the Government/RBI for opening/ expansion of bank branches during the said period :
- (d) the number of bank branches likely to be opened during 2006-07 and
- (e) the steps taken by the Government/RBI for speedy clearance of the pending proposals?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a)&(e): As per the extant Branch Authorisation Policy of the Reserve Bank of India (RBI), banks are required to submit an Annual Branch Expansion Plan to the RBI for their approval. Banks are free to open branches at the location of their choice, keeping in view the: viability, availability of infrastructure, law and order situation and potential for business of the center. However, banks are encouraged to open branches in under banked districts and rural centers.

Once the RBI receives the Annual Branch Expansion Plan of the bank, it is discussed with the Management of the respective bank in a meeting, which is normally held within a month of the receipt of the Plan. Authorisations are issued thereafter keeping in view the criteria laid down in the Branch Authorisation Policy.

(b),(c) & (d): Information is being collected. and will be laid on the Table of the House.