

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

UNSTARRED QUESTION NO. 886

ANSWERED ON TUESDAY, 11 FEBRUARY 2025/ 22 MAGHA, 1946 (SAKA)

Bank branches in the rural areas

886. Shri. R. Dharmar:

Will the Minister of FINANCE be pleased to state:

- (a) the details of the criteria fixed to set up bank branches in the rural areas of the country;
- (b) whether despite fulfilling the fixed criteria of Reserve Bank of India (RBI), bank branches have not yet been set up in many villages;
- (c) if so, the details of such villages in the country, State-wise including Tamil Nadu;
- (d) whether bank branch in each village of the country having population of 3000 or more is to be set up; and
- (e) if so, the details thereof and if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (e) RBI has granted general permission to domestic Scheduled Commercial Banks (excluding Regional Rural Banks) to open banking outlets, including branch 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 in unbanked rural centres i.e. centres having population less than 10,000 (Tier 5 and Tier 6 centres) during a financial year.

Also, in pursuance of extant RBI guidelines, rolling out of banking outlets in uncovered areas is a continuous process looked after by the State Level Bankers' Committee (SLBC) / Union Territory Level Bankers Committee (UTLBC), 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 surveys, as required. Accordingly, any request for opening of branch is taken up by concerned SLBCs / UTLBCs for appropriate action in consultation with the State Governments, Member Banks & other stakeholders.

Further, the endeavor of the Government is to ensure availability of banking outlet (Bank branch/Business Correspondent/ India Post Payments Bank) within 5 kilometres of all inhabited villages in the country. Availability of banking outlets is monitored by a Geographic Information System (GIS) based App., namely, Jan Dhan Darshak (JDD) App. Based on the data uploaded by Banks on the JDD App, out of total 6,01,328 inhabited villages in the country, 6,00,776 (99.91%) villages are covered with banking outlets (Bank branch / BC / IPPB) within a radius of 5 Km. Whereas out of total 15,425 inhabited villages in the state of Tamil Nadu, 15,424 (99.99%) villages are covered with banking outlets, as on 06.01.2025.
