

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION NO. 475
ANSWERED ON MONDAY, FEBRUARY 6, 2023/MAGHA 17,1944 (SAKA)

Setting up of Digital Banking Units

475. SHRIMATI MANJULATA MANDAL: SHRI RAVI KISHAN:
SHRI RAVINDRA KUSHWAHA: SHRI BHOLANATH (B.P. SAROJ):
DR. SUBHASH RAMRAO BHAMRE: SHRI DHANUSH M. KUMAR:
DR. DNV SENTHILKUMAR S.: SHRI SUNIL DATTATRAY TATKARE:
DR. AMOL RAMSING KOLHE: SHRI SELVAM G.:
SHRIMATI SUPRIYA SULE: SHRI KULDEEP RAI SHARMA:
SHRI C.N. ANNADURAI:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has set up digital banking units (DBUs) and if so, the details thereof along with the aims and objective of starting DBUs, State/UT-wise;
- (b) the manner in which DBUs will be different from traditional bank branch;
- (c) the factors taken into consideration while finalizing the list of districts for setting up of DBUs;
- (d) the present status of digitalisation in the Banking Sector;
- (e) whether the Government has taken steps to ensure cent percent digital transactions in Banking Sector and if so, the details thereof alongwith the challenges faced by the Government in this regard;
- (f) whether the Government is aware that most of the rural customers are not well versed with digital banking and if so, whether the Government is taking any steps to guide the rural population in availing digital banking services;
- (g) if so, the details thereof and if not, the reasons therefor; and
- (h) the steps taken/proposed to be taken by the Government to expand the DBUs across the country?

Answer

The Minister of State in the Ministry of Finance
(DR. BHAGWAT KARAD)

- (a) 75 Digital Banking Units (DBUs) have been dedicated to the service of the nation on October 16, 2022. As on date, 84 DBUs are operational across the country. DBUs have been introduced to further the objective of improving the availability of digital infrastructure while accelerating and widening the reach of digital banking services. State /UT-wise details of DBUs is Annexed.
- (b) DBUs are specialised fixed-point business units / hubs set up by commercial banks providing certain digital infrastructure for delivering digital banking products & services. DBUs provide digital services in both self-service and assisted mode. This enables customers to have 24*7 convenient access and enhanced digital experience in an efficient, paperless, secured and connected environment.
- (c) As informed by RBI and IBA, the broad parameters for selection of first 75 DBUs included:
 - i) Tier-2 to Tier 6 centres (depending on the infrastructure availability);
 - ii) Districts identified by RBI under the pilot programme “Expanding and Deepening of Digital Payments Ecosystem”; and
 - iii) Districts with high percentage of women population, youth, Ministry of Micro, Small & Medium Enterprises (MSMEs), geographically and strategically important locations, North-East area, SHG penetration and moderate level of digital adoption etc.

(d & e) Banks are adopting latest digital technologies to provide their customers with the enhanced and hassle-free banking services in a digital mode. Further, promotion of digital payment is one of the priorities of the Government to facilitate hassle free and seamless banking transactions for the people of the country. Several initiatives have been taken by Government of India, RBI, NPCI and banks, to promote digital transactions and to create awareness about digital payments in the country. Some of the initiatives are BHIM-UPI, UPI-123, Aadhar Payment Bridge, AePS etc. As a result of the initiative taken, there has been a paradigm shift in digital transactions in India which is reflected in terms of the increase in the volume of digital transactions over the last four financial years as illustrated below:

Financial Year	Volume (in lakhs)
2018-19	2,32,602
2019-20	3,40,025
2020-21	4,37,445
2021-22	7,197,68

Source: RBI

As observed from the above table, there has been a growth of more than 200% in digital payment volume during the last four years since 2018-19. Further, as per the data sourced from National Payments Corporation of India (NPCI), UPI transactions registered in FY 21-22 were 45 billion, showing 8 times growth in last 3 years and 50 times growth in last 4 years. Also, the AePS transactions during FY 21-22 have grown 4 times in last 3 years and 10 times since last 4 years.

(f & g) A pan-India Financial Literacy and Inclusion survey has been conducted by Reserve Bank of India (RBI), based on 3 parameters namely, financial knowledge, attitude and behaviour. As per the survey done by RBI on a total score of 21, the average urban & rural score for different zones is provided below:

Zone	Urban	Rural
North	11.5	11.5
East	12.1	12.1
Central	12.5	12.1
West	12.6	12.5
South	11.2	10.3

Further, Government, RBI and Banks have taken various measures to promote and create awareness about digital banking services such as:

- i) The Digital Finance for Rural India – Creating Awareness and Access (DFIAA) Scheme for conducting awareness sessions on digital finance options available for rural citizens;
- ii) Pradhan Mantri Gramin Digital Saksharta Abhiyaan Scheme is implemented as a Central Sector Scheme by Ministry of Electronics & Information Technology through Common Service Centres (CSC) e – governance services India Ltd with active collaboration of all the State governments and Union Territories (UTs);
- iii) RBI conducts Electronic Banking Awareness and Training Programmes through its regional offices to create awareness about digital payments;
- iv) RBI has been carrying out multi-channel public awareness media campaigns to sensitise public about how to be vigilant while using digital banking. RBI has also carried out multi lingual media campaigns on themes like Convenience of Digital Banking, Safety of Digital Banking etc.;
- v) RBI conducts Financial Literacy week every year since 2016 to propagate financial education;
- vi) Banks conduct special camps through their Financial Literacy Centres (FLCs) on “Going Digital” through Unified Payments Interface (UPI) and *99# (USSD);
- vii) Rural Branches of Banks conduct camps covering all the messages of Financial Awareness Messages Booklet and two digital platforms i.e. UPI and *99# USSD; and

viii) Banking Correspondents also create awareness while facilitating transactions in the rural areas because of their familiarity with local population.

- (h) In terms of the instructions issued by Reserve Bank of India on 'Establishment of Digital Banking Units' vide circular dated April 7, 2022, Scheduled Commercial Banks (other than Regional Rural Banks (RRBs), Payment Banks (PBs) and Local Area Banks (LABs) are permitted to open DBUs in Tier 1 to Tier 6 centres, unless otherwise specifically restricted, without having the need to take permission from RBI in each case.

Part (a) of the Lok Sabha Unstarred Question No.475 for answer on 06.02.2023 regarding “Setting up of Digital Banking Units”

List of Digital Banking Units (DBUs)			
S. No	STATE/ UT	Name of District/DBU	Bank allocated DBU
1	Andaman & Nicobar (UT)	Port Blair	State Bank of India
2	Andhra Pradesh	East Godavari	Union Bank of India
3	Andhra Pradesh	Machilipatam	Union Bank of India
4	Arunachal Pradesh	Papum Pare	Yes Bank
5	Assam	Bongaigaon	Punjab National Bank
6	Assam	Baksa	State Bank of India
7	Bihar	Patna (Danapur)	Jana Small Finance Bank
8	Bihar	Muzaffarpur	Jana Small Finance Bank
9	Chandigarh (UT)	Chandigarh (Rural)	HDFC Bank
10	Chattisgarh	Balod	State Bank of India
11	Chattisgarh	Mahasammand	State Bank of India
12	Dadra Nagar Haveli Daman and Diu (UT)	Silvasa	Bank of Baroda
13	Goa	North Goa	Punjab National Bank
14	Goa	South Goa	State Bank of India
15	Gujarat	Vadodara	Bank of Baroda
16	Gujarat	Surat	Bank of Baroda
17	Gujarat	Mehsana	Kotak Mahindra Bank
18	Gujarat	Surat	Kotak Mahindra Bank
19	Haryana	Faridabad	HDFC Bank
20	Himachal Pradesh	Solan	Indian Overseas Bank
21	Jammu & Kashmir (UT)	Jammu	Jammu & Kashmir Bank
22	Jammu & Kashmir (UT)	Srinagar	Jammu & Kashmir Bank
23	Jharkhand	East Singhbhum	Bank of India
24	Jharkhand	Jamshedpur	DBS Bank
25	Jharkhand	Ranchi	Jana Small Finance Bank
26	Karnataka	Bangaluru Rural	Canara Bank
27	Karnataka	Raichur	Canara Bank
28	Karnataka	Mangaluru	Karnataka Bank
29	Karnataka	Mysuru	Karnataka Bank
30	Kerala	Ernakulam	Canara Bank
31	Kerala	Thrissur	South Indian Bank
32	Kerala	Palakkad	Union Bank of India
33	Ladakh (UT)	Leh	Bank of Baroda
34	Lakshadweep (UT)	Kawarati	Canara Bank
35	Madhya Pradesh	Itarsi (Hoshangabad)	Axis Bank
36	Madhya Pradesh	Indore	Bank of Baroda
37	Madhya Pradesh	Sagar	Union Bank of India
38	Maharashtra	Aurangabad	Bank of Maharashtra
39	Maharashtra	Satara	Bank of Maharashtra
40	Maharashtra	Nagpur	Union Bank of India

41	Manipur	Kakching	State Bank of India
42	Meghalaya	Ri Bhoi (Aspirational)	State Bank of India
43	Mizoram	Aizawl	Punjab National Bank
44	Nagaland	Kohima	ICICI Bank
45	Nagaland	Dimapur	IDFC FIRST Bank
46	NCT of Delhi (UT)	South Delhi	Indian Bank
47	NCT of Delhi (UT)	West Delhi	Punjab National Bank
48	Odisha	Khurda	Bank of India
49	Odisha	Keonjhar	IDFC FIRST Bank
50	Odisha	Puri	UCO Bank
51	Odisha	Cuttack	UCO Bank
52	Puducherry (UT)	Puducherry	ICICI Bank
53	Puducherry (UT)	KARAIKAL	Indian Bank
54	Punjab	Janlandhar	IndusInd Bank
55	Punjab	Faridkot	Punjab & Sind Bank
56	Punjab	Ludhiana	Punjab & Sind Bank
57	Punjab	Patiala	Union Bank of India
58	Rajasthan	Bundi	Axis Bank
59	Rajasthan	Vijaynagar, Bhilwara	Axis Bank
60	Rajasthan	Kota	Bank of Baroda
61	Rajasthan	Karauli	Bank of Baroda
62	Sikkim	East Sikkim	State Bank of India
63	Sikkim	North Sikkim	State Bank of India
64	Sikkim	West Sikkim	State Bank of India
65	Tamilnadu	Virudhnagar	Canara Bank
66	Tamilnadu	Coimbatore	Canara Bank
67	Tamilnadu	Karur	ICICI Bank
68	Tamilnadu	Thanjavur	Indian Overseas Bank
69	Tamilnadu	Chengalpattu	IndusInd Bank
70	Telangana	Khammam	City Union Bank
71	Telangana	Jangaon	State Bank of India
72	Telangana	Rajanna	State Bank of India
73	Tripura	Gomati	Punjab National Bank
74	Tripura	West Tripura	Union Bank of India
75	Uttar Pradesh	Varanasi	Bank of Baroda
76	Uttar Pradesh	Kanpur Dehat Rural	Bank of Baroda
77	Uttar Pradesh	Lucknow	Indian Bank
78	Uttar Pradesh	Jhansi	Punjab National Bank
79	Uttarakhand	Haridwar	HDFC Bank
80	Uttarakhand	Dehradun	ICICI Bank
81	Uttarakhand	Nainital	Punjab National Bank
82	West Bengal	North 24 Paraganas	Federal Bank
83	West Bengal	South 24 Paraganas	HDFC Bank
84	West Bengal	Nadia	Punjab National Bank
