

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

UNSTARRED QUESTION NO. 1104

ANSWERED ON MONDAY, JULY 29, 2024/ 7 SHRAVAN, 1946 (SAKA)

Banking Facilities in Villages

1104. Shri Vishnu Dayal Ram:

Will the Minister of FINANCE be pleased to state:

- (a) the number of Gram Panchayats and villages in the country having banking facility;
- (b) whether any action plan has been prepared to provide banking facilities in the villages lacking the said facility; and
- (c) if so, the details thereof?

Answer

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

(a) to (c) In terms of revised guidelines issued by the Reserve Bank of India (RBI) on 18th May 2017 regarding 'Rationalization of Branch Authorization Policy', the term "Branch" has been substituted by "Banking Outlet (BO)". It includes both physical brick and mortar branch and Business Correspondent (BC) outlet to enable banks in expanding their network even in remote rural areas in a cost-effective manner for hassle free services to customers.

Further, 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 during a financial year being in unbanked rural centres i.e. centres having population less than 10,000 (Tier 5 and Tier 6 centres).

Currently, the endeavour 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 Jan Dhan Darshak (JDD) App, out of the 6,01,328 inhabited villages mapped on this App, 6,00,458 villages (99.85%) are covered with banking outlets within a radius of 5 kms.

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 and accordingly these uncovered habitations have been assigned to different banks for opening of banking outlets in these places and the progress is monitored regularly.