

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

UNSTARRED QUESTION NO. 1638

ANSWERED ON MONDAY, 10 MARCH 2025/ PHALGUNA 19, 1946 (SAKA)

Lack of Banking Facilities in Rural Areas

1638. Shri Rajesh Naranbhai Chudasama: Shri G Kumar Naik:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has assessed and taken note of the lack of banking facilities in rural / backward areas particularly at district and village level;
- (b) if so, the details thereof along with the norms/guidelines laid down by the Reserve Bank of India for opening of bank branches in rural/backward areas of the country;
- (c) whether the Government has received any proposal to increase the banking facilities in uncovered areas;
- (d) if so, the number of bank branches particularly Scheduled Commercial Banks (SCBs) proposed to be opened in unserved rural/backward areas along with the steps taken/being taken by the Government to open bank branches in unserved areas including the time-frame fixed thereof, State-wise including Karnataka;
- (e) the number of villages in the country which don't have any banking facility in the radius of Five kilometres, State-wise including Karnataka; and
- (f) the steps taken by the Government to ensure banking facility in each village of the country?

Answer

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

(a) to (f) Reserve Bank of India (RBI) has granted general permission to domestic Scheduled Commercial Banks (excluding Regional Rural Banks) to open banking outlets, including branches at any place in the country, without seeking prior approval of RBI in each case. This is subject to at least 25 percent of the total number of banking outlets to be 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.

Further, the endeavour of the Government is to ensure availability of banking outlet (Bank Branch / Business Correspondent / India Post Payments Bank) within 5 kms of all inhabited villages in the country. Availability of banking outlets is monitored by a Geographic Information System (GIS) based App., namely, the Jan Dhan Darshak (JDD) App.

As per the JDD App, out of total 6,01,328 inhabited villages in the country, 6,00,750 (99.90%) villages are covered with banking outlets (Bank Branch / BC / IPPB) within a radius of 5 kms. Moreover, as on 31.01.2025, out of the total 27,524 inhabited villages in the state of Karnataka, 27,514 (99.96%) villages are covered with banking outlets within a radius of 5kms. Efforts are being undertaken to cover these remaining villages also by suitable banking outlets, status of which is reviewed at a periodical level.

The statewise number of villages not covered by banking outlets (Bank Branch / BC / IPPB) within a radius of 5 Km including the state of Karnataka is at Annexure.

Annexure as referred in reply to Lok Sabha Unstarred Question No 1638 for reply on 10.03.2025

**State wise number of villages not covered by a Banking Outlet
(Bank Branch or a BC or an IPPB Centre) within a radius of 5 km**

S.No.	States / UTs	No. of Unbanked Villages
1	Andaman & Nicobar Islands	36
2	Andhra Pradesh	46
3	Arunachal Pradesh	123
4	Assam	23
5	Bihar	0
6	Chandigarh	0
7	Chhattisgarh	58
8	Dadra and Nagar Haveli & Daman and Diu	0
9	Delhi	0
10	Goa	0
11	Gujarat	21
12	Haryana	0
13	Himachal Pradesh	7
14	Jammu & Kashmir	4
15	Jharkhand	0
16	Karnataka	10
17	Kerala	0
18	Ladakh	22
19	Lakshadweep	0
20	Madhya Pradesh	1
21	Maharashtra	34
22	Manipur	108
23	Meghalaya	5
24	Mizoram	9
25	Nagaland	16
26	Odisha	14
27	Puducherry	0
28	Punjab	0
29	Rajasthan	21
30	Sikkim	1
31	Tamil Nadu	1
32	Telangana	8
33	Tripura	1
34	Uttar Pradesh	2
35	Uttarakhand	7
36	West Bengal	0
Country Total		578

Source: Jan Dhan Darshak App