

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

UNSTARRED QUESTION NO. 1215

ANSWERED ON MONDAY, 08 DECEMBER 2025/ AGRAHAYANA 17, 1947 (SAKA)

Banks in Muzaffarnagar

†1215. SHRI HARENDRA SINGH MALIK:

Will the Minister of FINANCE be pleased to state:

- (a) the procedures and necessary criteria for opening a new branch of a Government Bank in the rural areas of the country;
- (b) whether there is any proposal under consideration for opening of new branches of Government banks in the rural areas of western Uttar Pradesh including Muzaffarnagar district, if so, the details thereof and if not, the reasons therefor; and
- (c) whether the norms for setting up new bank branches in cash crop producing areas like sugarcane rich areas are different from the general standard and if so, the details thereof?

ANSWER

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

(a) to (c) The endeavour of the Government is to ensure availability of banking outlet (Bank branch / BC / 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, as on 31.10.2025, 99.91% villages in the country are covered with banking outlets (Bank Branch / BC / IPPB) within a radius of 5 Km.

Reserve Bank of India (RBI) has also 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, 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).

Moreover, as per the 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 survey as required. The data for such proposals is not maintained centrally.

As per JDD app, all the inhabited villages of Muzaffarnagar District of Uttar Pradesh (UP) are covered by a Banking Outlet within 5km radius. Further, the position of Banking infrastructure in Muzaffarnagar District of UP, as on 31.10.2025, is as under:

Banking Infrastructure in Muzaffarnagar District				
District	Branch	BC	ATM	IPPB
Muzaffarnagar	343	3103	214	227

Source: JDD App
