

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**FINANCIAL INCLUSION NECESSARY FOR INCLUSIVE GROWTH;
GOVERNMENT TO PROVIDE APPROPRIATE BANKING FACILITIES TO
HABITATIONS HAVING POPULATION IN EXCESS OF 2000 BY MARCH, 2012****New Delhi, Bhadrapada 1, 1933
August 23, 2011**

Financial inclusion is necessary for inclusive growth. To extend the reach of banking to those outside the formal banking system, the Union Finance Minister Shri Pranab Mukherjee in his Budget Speech 2010-11 had stated that the Government has decided to provide appropriate banking facilities to habitations having population in excess of 2000 (as per 2001 census) by March, 2012. Accordingly, 73,000 such habitations across the country have been identified and allocated to Public Sector Banks, Regional Rural Banks, Private Sector Banks and Cooperative Banks for extending banking services by using the services of Business Correspondents and other models, with appropriate technology back up by March, 2012.

According to Dr. Rangarajan Committee Report on Financial Inclusion (2008), the reach of rural cooperatives in terms of number of clients and accessibility is better but the health of a very large population of rural credit cooperatives has deteriorated significantly. RBI guidelines on KYC (Know Your Customer) are similar to both Commercial Banks and Urban Cooperative Banks.

Primary Agriculture Cooperative Societies (PACS) affiliated to District Central Cooperative Banks and State Cooperative Banks were having a deposit base of Rs.26,245 crore as on 31.3.2009 that increased to Rs.35,286 crore as on 31.3.2010 registering an increase of 34.45%. The loans issued by such Primary Societies (PACS) were of the order of Rs.58,787 crore as on 31.3.2009 and Rs.74,938 crore as on 31.3.2010 registering an increase 27.47% over the previous year.

This information was given by the Minister of State for Finance Shri Namo Narain Meena in a written reply to a Question in Rajya Sabha today.

DSM/SS/PM