

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:890

ANSWERED ON:12.11.2010

REVIEW OF FINANCIAL INCLUSION

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**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government has reviewed the progress on financial inclusion;
- (b) if so, the details thereof alongwith the financial inclusion targets and their achievements as on date;
- (c) whether the mobile banking technology has been implemented by the banks for financial inclusion;
- (d) if so, the details thereof and if not, the reasons therefor alongwith the steps taken/ being taken by the banks to address the issues related to the security system involved in the business correspondent model;
- (e) whether the Government has appointed any high level industry committee for promoting financial inclusion; and
- (f) if so, the details thereof alongwith the other steps taken/being taken by the Government in this regard?

**Answer**

To be answered by the Minister of State in the Ministry of Finance (Shri Namu Narain Meena)

(a) and (b) To extend the reach of banking to those outside the formal banking system, the Government, in consultation with the Reserve Bank of India (RBI), has decided to provide appropriate banking facilities to habitations having population in excess of 2000 (as per 2001 census) by March, 2012. These services will be provided using the Business Correspondent and other models, with appropriate technology back up. Accordingly, the State Level Bankers Committees (SLBCs) have drawn up plans for Financial Inclusion for each State and have identified approx. 73,000 habitations with a population of 2000 and over for providing banking services.

To review the progress made by the banks in the implementation of Financial Inclusion Plans, the Government of India has conducted a number of review meetings with the Chief Executive Officers of Public Sector Banks and officers from State Governments at periodic intervals. These meetings have been convened at Central level and also at the Zonal level. In these meetings, the Chief Executives Officers of PSBs have been directed to implement the Financial Inclusion Plans in right earnest in order to achieve the target in time.

(c) and (d) :- The Reserve Bank of India (RBI) has issued operating guidelines to banks for mobile banking transactions in October , 2008, which were reviewed and further relaxed in December. 2009. Banks can extend mobile banking services any where in India subject to a one-time approval of the RBI. This service can be offered to customers subject to a daily cap of Rs. 50,000 per customer for both funds transfer and transactions involving purchase of goods/services. Transactions up to Rs 1000 can be facilitated by banks without end-to-end encryption. RBI has authorized 40 banks till date to offer mobile banking services to their customers.

Further, the Reserve Bank of India has also set up different Working Groups which are looking at connectivity, interoperability issues, standards for micro ATMs and aspects of cash management, under the Business Correspondents (BCs) model.

(e) and (f):- A Sub-Committee on Promoting Financial Inclusion has been constituted as part of the Prime Minister's Council on Trade and Industry. The Committee has submitted its report recently in October, 2010.