

(a) the total amount written off as NPA/draught debt by the State Bank of India (SBI) in the first quarter of this financial year;

(b) whether it was in line with the policy that was being followed in the past by the SBI;

(c) whether the new Chairman has changed the norm that was being followed earlier;

(d) if so, the reasons therefor; and

(e) whether permission was sought from the RBI to change the policy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):  
(a) and (b) State Bank of India (SBI) has informed that the total amount written off in Non-performing assets is Rs 662 crore in the first quarter of the financial year 2011-12. These write-offs were in line with the policy that was being followed in the past by the Bank.

(c) SBI has informed that the write-off norms have not been changed.

(d) and (e) Do not arise.

#### **Financial inclusion of rural India**

2228. SHRI BIRENDER SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether financial inclusion is necessary for growth process and the plan is to take banking to habitations of over 2000 people by 2012;

(b) whether the cooperative banks/cooperative credit institutions are better placed to achieve this in terms of their network and outreach;

(c) whether they are better placed than commercial banks in respect of KYC programme;

(d) whether 45 per cent of the villagers save but their savings are swallowed by commercial banks at mofussil levels; and

(e) whether despite being equipped with adequate infrastructure the village banks in cooperative structures are merely lending agencies whereas these should act as destinations for parking of funds?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):  
(a) Financial inclusion is necessary for inclusive growth. To extend the reach of banking to those outside the formal banking system, the Finance Minister 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 Correspondent and other models, with appropriate technology back up by March, 2012.

(b) to (e) 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 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.

#### **Impact of terror activities on economic growth**

2229. SHRI. M.P. ACHUTHAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government had conducted any study regarding the overall impact of Maoist and other organizations' terrorist activities on the growth of the economy;

(b) if so, the details thereof;

(c) whether these activities have any definite impact on sectoral growths of the economy;

(d) if so, the details thereof, State-wise; and

(e) the details of Government measures to assure the unhindered growth of those sectors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):  
(a) No specific study on the overall impact of Maoist and other organisations' terrorist activities on the growth of the economy has been carried out.

(b) Does not arise.

(c) Law and order is an essential component of the economic environment of the country.