

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

UNSTARRED QUESTION NO. 550

ANSWERED ON TUESDAY, FEBRUARY 7, 2023/ 18 MAGHA, 1944 (SAKA)

Banking services in unbanked Gram Panchayats (GPs) of Odisha

550. Shri Sujeet Kumar:

Will the Minister of FINANCE be pleased to state:

- (a) the steps taken by Government to provide banking services in the unbanked Gram Panchayats (GPs) in the State of Odisha;
- (b) whether the Ministry will consider instructing the Scheduled Commercial Banks to open more Brick-and-Mortar Branches and ATMs in the unbanked GPs in the State of Odisha;
- (c) if so, the details thereof;
- (d) whether any plan has been mooted by the Ministry to extend the digital payment infrastructure in all 30 districts of Odisha for the promotion of financial inclusion; and
- (e) if so, the details thereof?

Answer

The Minister of State in the Ministry of Finance
(DR. BHAGWAT KARAD)

(a) to (c) In order to ensure availability of banking outlet (Bank branch/ Business Correspondent/ India Post Payments Bank) within 5 kilometres of all inhabited villages in country, the Government has launched a Geographic Information System (GIS) based App., namely, Jan Dhan Darshak (JDD) App. Based on the data uploaded by Banks on JDD App, there are, 5,860 branches, 7,228 ATMs, 17,848 Banking Correspondents (BCs) and 7,146 India Post Payment Bank (IPPB) working in the state of Odisha as on 31.01.2023. For the State of Odisha, out of 44,982 inhabited villages mapped on the App, 44,974 villages (99.98%) are covered with a banking outlet.

In terms of the revised guidelines issued by Reserve Bank of India (RBI) vide circular No DBR.BAPD.BC.69/22.01.001/2016-17 dated May 18, 2017 on 'Rationalization of Branch Authorization Policy' the term "Branch" has been substituted by "Banking Outlet (BO)" which includes both physical brick and mortar branches and Business Correspondent (BC) outlets, to enable banks in expanding their network even in remote rural areas in a cost-effective manner for hassle free services to customers.

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), 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.

(d) & (e) Banks are adopting latest digital technologies to provide their customers with the enhanced and hassle-free banking services in a digital mode. Further, promotion of digital payment is one of the priorities of the Government to facilitate hassle free and seamless banking transactions for the people of the country. Several initiatives have been taken by Government of India, RBI, NPCI and banks, to promote digital transactions and to create awareness about digital payments in the country. Some of the initiatives are BHIM-UPI, UPI-123, Aadhar Payment Bridge, AePS etc.

As a result of the initiative taken, there has been a paradigm shift in digital transactions in India which is reflected in terms of the increase in the volume of digital transactions over the last four financial years as illustrated below:

Financial Year	Volume (in lakhs)
2018-19	2,32,602
2019-20	3,40,025
2020-21	4,37,445
2021-22	7,197,68

Source: RBI

As observed from the above table, there has been a growth of more than 200% in digital payment volume during the last four years since 2018-19. Further, as per the data sourced from National Payments Corporation of India (NPCI), UPI transactions registered in FY 21-22 were 45 billion, showing 8 times growth in last 3 years and 50 times growth in last 4 years. Also, the AePS transactions during FY 21-22 have grown 4 times in last 3 years and 10 times since last 4 years.
