

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:494
ANSWERED ON:25.11.2005
BANKING POTENTIAL IN RURAL AREAS
Reddy Shri Magunta Sreenivasulu

Will the Minister of FINANCE be pleased to state:

- (a) whether there is immense potential for the banking in rural areas ;
- (b) if so, the details thereof; and :
- (c) the steps taken by the Government for tapping this immense banking potential in the rural areas ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a)to(c) : With a view to provide banking services to all segments of the people, particularly, poor, the Reserve Bank of India has issued circular to the banks on 11.11.2005 on the need to make available a basic banking `no frills` account either with `nil` or very low minimum balances as well as charges that would make such accounts accessible to vast sections of population. The nature and number of transaction in such accounts could be restricted, but made known to the customer in advance in a transparent manner.