

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:902  
ANSWERED ON:24.02.2006  
NO FRILL ACCOUNT  
Kharventhan Shri Salarapatty Kuppusamy

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

- (a) whether the Reserve Bank of India has issued any directions to the nationalised and commercial banks regarding no-frills account;
- (b) if so, the details thereof and the status of compliance of banks on the RBI directions; and
- (c) its impact on the account holders particularly the savings bank account holders?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR 3ANSAL)

(a) & (b) With a view to provide banking services to all segments of the people, particularly the poor, the Reserve Bank of India has advised 211 the scheduled commercial banks 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 the population. So far, 69 scheduled commercial basics have introduced `no-frills` account.

(c) The introduction of `no-frills` account is expected to benefit large sections of the population in opening a savings bank account with very low minimum balance and facilitate their inclusion into the banking system.