

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3549

ANSWERED ON:15.12.2006

BANKING FACILITIES

Lagadapati Shri Rajagopal;Yerrannaidu Shri Kinjarapu

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has decided to provide banking facilities,including A.T.M. facility at the post offices; and

(b) if so, the details thereof?

Answer

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

(a) & (b): With the objective of ensuring greater financial inclusion and increasing the outreach of the banking sector, guidelines have been issued by RBI to enable banks to use the services of Post Offices as 'Business Facilitators and Correspondents' for providing facilitation services. Such services may include

- (i) identification of borrowers and fitment of activities,
- (ii) collection and preliminary processing of loan applications including verification of primary information/data,
- (iii) creating awareness about savings and other products and education/advice on managing money and debt counseling,
- (iv) processing and submission of applications to banks,
- (v) promotion and nurturing Self Help Groups / Joint Liability Groups,
- (vi) post sanction monitoring,
- (vii) monitoring and handholding of Self Help Groups/Joint Liability Groups/Credit Groups/others, and
- (viii) follow-up for recovery.