

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1687
ANSWERED ON:19.11.2010
NO FRILL ACCOUNTS
Shanavas Shri M. I.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government/Reserve Bank of India (RBI) has directed all banks including the Regional Rural Banks (RRBs) to open No Frill Accounts of the students belonging to the minority communities;
- (b) if so, the details thereof;
- (c) whether the RRBs are refusing to open no-frill accounts for such students;
- (d) if so, the details thereof and the reasons therefor along with the action taken against such banks; and
- (e) the corrective steps taken/being taken by the Government/RBI in this direction?

Answer

(MINISTER OF STATE IN THE MINISTRY OF FINANCE) (SHRI NAMO NARAYAN MEENA)

(a) and (b): Reserve Bank of India (RBI) has vide its Circular No. RPCD.CO.FID.BC.No. 2433/ 12.01.012/2010-11 dated August 26, 2010 and RPCD.CO.RRB.BC No. 23/ 03.05.33/2010-11 dated October 13, 2010 has advised all Scheduled Commercial Banks and Regional Rural Banks to ensure opening of no-frills accounts or other accounts for students from minority communities or other disadvantaged groups, when they approach banks, for availing various scholarships or other benefits offered by the Government. However, while opening such accounts, KYC norms as appropriate may be followed for the purpose.

(c), (d) and (e): National Bank for Agriculture and Rural Development (NABARD) has reported that no such instance has been brought to their notice. However, the Chief Executives of all Convenor banks of State Level Bankers' Committee (SLBC) have been advised by the Government in August, 2010 that the issue of opening of 'No Frills' accounts of the students from Minority Community should be reviewed in the SLBC meetings on regular basis.