

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4823
ANSWERED ON:18.12.2009
BANK ACCOUNT WITH ZERO BALANCE
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Will the Minister of FINANCE be pleased to state:

(a) whether Reserve Bank of India(RBI) has issued directions to scheduled commercial banks to allow any citizen to open bank account with zero balance; and

(b) if so, the details thereto and response thereon, bank-wise?

Answer

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

(a) & (b): With a view to achieving the objective of greater financial inclusion, Reserve Bank of India (RBI) through its circular dated November 11, 2005, advised all banks to make available a basic banking `no-frills` account with either `nil` or very low minimum balances as well as charges that would make such accounts accessible to vast sections of population. RBI monitors and receives regular reports/updates on a quarterly basis from all Scheduled Commercial Banks in relation to the opening of `no-frills` accounts.

The number of `no-frills` accounts opened by Scheduled Commercial Banks (cumulative) is as under:

Bank Group	End-March, 2007	End-March, 2008	End-March, 2009
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Public Sector Banks	58,65,419	1,39,09,935	2,98,59,178
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Private Sector Banks	8,60,997	18,45,869	31,24,101
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Foreign Banks	5,919	33,115	41,482
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Total	67,32,335	1,57,88,919	3,30,24,761
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