

Banking business by Department of Posts

1603. DR. PRADEEP KUMAR BALMUCHU: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that Department of Posts is entering into banking business with a view to make available banking services to the rural masses;

(b) if so, the details thereof;

(c) while banking is already spread into the rural areas how far the Postal Department will compete with banks and sustain in the present scenario; and

(d) instead of encouraging Postal Banking, whether it is not worth to strengthen the existing banks?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHRIMATI KRUPARANI KILLI):

(a) and (b) Sir, the Department of Posts has applied for a banking license to Reserve Bank of India (RBI) for setting up a Post Bank as a separate entity. The Department of Posts has unmatched presence in rural areas of the country and it is proposed to utilize this reach for making banking services available to the rural areas by the proposed Post Bank.

(c) and (d) Before applying for the banking license, Department had engaged the services of a Banking Professional Consultant to assess the viability of the proposed Bank taking into consideration the competitive scenario of other banks and its sustainability in the long run. The Detailed Project Report (DPR) has established the viability and sustainability of the proposed Post Bank.

Preferential market access policy

1604. DR. PRABHAKAR KORE: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether Government had cleared a Preferential Market Access (PMA) Policy in 2012 as part of a strategy to develop indigenous capability in electronics;