

Financial Inclusion → Financial Inclusion is the effort to make financial products and services available and affordable to all individuals and businesses.

Unserved**Served**

- | | |
|---|---|
| <ul style="list-style-type: none"> • Have no basic bank account • Have no (or restricted) access to financial services. | <ul style="list-style-type: none"> • Have a transaction account • Use a broad range of financial services |
|---|---|

⇒ **Business Correspondents** → Business Correspondents are retail agents engaged by banks for providing banking services at locations other than a bank branch / ATM.

- Basically, BCs enable a bank to expand its outreach and offer limited range of banking services at lower cost, as setting up a brick and mortar "branch" may not be viable in all cases.

What is "Asset" →

- Assets are things you own that you can sell for money.
- In accounting, an asset is any substance that a business owns or controls.
- It's anything that could be sold for money.

- ⇒ **What is Liability?**
- A liability is an obligation to pay money to other people or business in the future.
 - Liability usually means that you are responsible for something, and it can also mean that you owe someone money or services.

No Frill Account →

- A no-frills account in India is a basic savings account designed for financial inclusion.
- It is a account with zero or very low minimum balance.
- It is introduced by the Reserve Bank of India (RBI) in 2005.
- It targets low income and underserved groups.

Note: In 2012, the Reserve Bank of India (RBI) renamed "no-frills accounts" to "Basic Savings Bank deposit Accounts" (BSBDA) to improve financial inclusion.

⇒ **RBI Kehata Hai!**

A Public Awareness Initiative of RBI.

Don't Want to Keep Minimum Balance in your Accounts?

Open BSRP Account

⇒ Banking becomes Easy

Open a Basic Savings Bank Deposit (BSBD) Account.
No minimum balance required. Easy to open with
Just Aadhar Card and PAN Card or Form No. 60.

- The holder of a Basic Savings Bank Deposit Account is not eligible to open any other Savings bank Account in the same bank.
- If a Customer has any other existing Savings bank Account in the same bank, he/she will be required to close it within 30 days from the date of opening a Basic Savings Bank Deposit Account.

- Total Credits in such accounts should not exceed Rs 1 Lakh in a Year.

The maximum balance in the account should not exceed Rs, 50,000 at any time.

- The total of debits by way of Cash Withdrawals and transfers will not exceed Rs, 1,00,000 in a month.

#. The Basic Savings Bank Deposit (BSBD) Account can be opened by any individual irrespective of his/her age or income.

• The BSBD Account can be opened without any initial deposit. No need to maintain minimum balance in this Account.

• A regular Savings bank Account can be converted into BSBD Account at the request of the customer.

• Basic banking facilities like ATM - cum - Debit Card is offered free of charge to the BSBD Account holders.

• There is no limit on the number of deposits made in a BSBD Account.

• BSBD Account holders are allowed a maximum of four withdrawals free of charge in a month including ATM withdrawals, transfers through RTGS/NEFT/clearing, internet debits, standing instructions, E.M.I.s, etc.

• BSBD Account holders cannot have a regular Savings bank Account in the same bank.

Banking in India

- Bank is a financial institution which accepts Deposit and provides Loans & Advances and other Financial Services.
- A bank is a licensed financial institution that accepts money from people and businesses (as deposits) and then uses that money to give loans and other credit facilities.
- Bank offers various types of accounts where people can park their money safely, such as savings accounts, current (business) accounts, and fixed term deposits.
- In return, the bank may pay interest on these deposits and issue a passbook, cheque book, or ATM Card.

Deposits

Types of Deposit

(i) Demand Deposit		(ii) Term Deposit	
↓	↓	↓	↓
Saving Account	Current Account	Recurring Account	Fixed Deposit Account

⇒ Demand Deposits → These offer high liquidity for everyday use, with no fixed maturity - ideal for transactions but lower interest.

⇒ Term Deposits → Term deposits are interest-bearing bank accounts where you deposit a lump sum or installments for a fixed period (term) until maturity, earning higher interest than demand deposits.

<u>Demand Deposits</u>	<u>Term Deposits</u>
Deposits that can be withdrawn at any time without prior notice.	Deposits held at a financial institution that have a fixed term and typically offer higher interest rates than demand deposits.
High Accessibility with no restrictions on withdrawal timing.	Accessibility is restricted by the term of the deposit. Early withdrawal may result in penalties.
Generally offer lower interest rates compared to term deposits.	Offer higher interest rates compared to demand deposits to compensate for the lack of accessibility.
Day-to-day transaction and immediate access to funds.	Saving money over a longer period for higher interest earnings.

Types	Examples	Accessibility	Interest Rate
Demand Deposit	Savings, Current	Anytime Withdrawal	Lower
Term Deposit	Fixed, Recurring	Locked till maturity	Higher