

6. Rural Sector Facilitation

Recognising the importance of ensuring that the benefits of improvements in payment and settlement systems should be fully available for the rural population of the country, initiatives are also planned for products and services for this vital segment of the economy. While the general thrust of all the action points would encompass the requirements of the rural populace, special focus would also be given in the form of specialised, tailor made offerings.

The efforts in this regard will take into account the characteristics of the rural sector of the Indian economy such as wide geographical coverage, infrastructural disparities and deficiencies. The differing expectations of the rural folk of the country will also form part of the foundation on which the initiatives would be built.

Keeping the above in view, it is proposed to initiate the following steps towards customer facilitation and protection during 2005-08:

Action Points:

1. Improve the availability and coverage of the new delivery channels. This will be in the form of extension of facilities such as the Automated Teller Machines for cash payments.
2. Facilitate large scale deployment and use of multi application smart cards which would also be used for storage and transfer of small value payments in electronic mode. This would be achieved by means of introduction of easy to use, small and cost effective hand held devices for transfer of value between cards in a secure manner.
3. Increase the reach of electronic modes of funds transfer at rural areas by providing variations of such modes, but with a rural bias. The proposed NEFT system would be modified such that the non-networked branches in rural areas can access the NEFT branches of banks for transfer of funds

4. Increasing the reach of payment services by means of tie up and collaboration with other large coverage entities such as the Post Offices.
5. Providing support for new modes of traditional facilities such as ATM-based Kisan cards.