

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
LOK SABHA

**UNSTARRED QUESTION No. 2053**

To be answered on Friday, December 21, 2018/Agrahayana 30, 1940 (Saka)

**Non-Maintenance of Minimum Balance**

**2053. S.P.MUDDAHANUME GOWDA:**

**SHRI VIJAY KUMAR HANSDAK:**

**SHRIMATI RAMA DEVI:**

**SHRI B.V. NAIK:**

Will the Minister of FINANCE be pleased to state:

(a) whether the State Bank of India (SBI) and various other Banks have closed lakhs of savings accounts for non-maintenance of minimum balance and if so, the details thereof along with the reaction of the Government thereon;

(b) whether the Government has taken a decision to frame any rule regarding minimum balance amount and if so, the details thereof;

(c) whether the Government proposes to take any action against the officials who have taken the abovesaid decision and if so, the details thereof and if not, the reasons therefor;

(d) the amount recovered by various banks from bank account holders for not maintaining the minimum balance of Rupees five thousand in their accounts;

(e) whether a large number of bank account holders have resorted to close their accounts in view of such charges being recovered from them and if so, the details thereof along with the number of accounts closed; and

(f) whether the amount recovered by banks under the said heads is being used for social schemes, if so, the details thereof and if not, the reasons therefor?

**Answer**

**The Minister of State in the Ministry of Finance  
(SHRI SHIV PRATAP SHUKLA)**

(a) As apprised by Public Sector Banks (PSBs), no savings account has been closed by banks for non-maintenance of minimum balance

(b) & (c) Reserve Bank of India (RBI)'s Master Circular on "Customer Service in Banks" dated July 1, 2015 provides that banks are permitted to fix penal charges regarding non-maintenance of minimum balance in savings account, as per their Board approved policy, while ensuring that all such penal charges are reasonable and not out of line with the average cost of providing the services.

(d) As per their board approved policy, different banks have different norms regarding minimum balance requirement for savings account. As informed by PSBs, the details related to charges collected for non-maintenance of minimum balance is Annexed.

(e) Public Sector Banks (PSBs) have apprised that no accounts have been closed in view of non-maintenance of minimum balance charges being recovered from them. Further, in the normal course of business closing of accounts by banks are customer initiated.

(f) As informed by RBI, as on 31.3.2017, there are 150.21 crore savings account opened in schedule commercial banks out of which 53.30 crore are BSBD accounts including accounts opened under PMJDY, for which banking services is provided without any charges.

As apprised by PSBs, charges recovered by banks for non-maintenance of minimum balance are part of banks income as a whole.

## Annexure

Annexure as referred to in reply to the Lok Sabha question no. 2053 part (d) for 21.12.2018 regarding Non-Maintenance of Minimum Balance

BANK	The amount of charges collected by Public Sector Banks for non-maintenance of minimum balance in Saving Bank accounts (Amount in Rs.Crore)				
	2015-16	2016-17	2017-18	2018-19 (Upto September 2018)	
Allahabad Bank	26.75	24.34	16.16	7.31	
Andhra Bank	47.16	56.85	56.80	28.32	
Bank of Baroda	67.51	104.94	88.85	66.59	
Bank of India	25.06	16.44	17.35	9.41	
Bank of Maharashtra	93.18	50.54	19.17	18.34	
Canara Bank	117.16	106.58	91.33	36.42	
Central Bank of India	55.54	56.58	180.93	55.02	
Corporation Bank	37.91	38.91	25.28	11.91	
Dena Bank	11.84	14.15	18.25	4.53	
IDBI Bank Ltd.	85.27	106.65	80.95	24.59	
Indian Overseas Bank	54.25	77.57	41.95	7.19	
Indian Bank	27.48	41.01	88.38	74.55	
Oriental Bank of Commerce	21.37	33.02	97.55	37.99	
Punjab & Sind Bank	BANK HAS NO CHARGE				
Punjab National Bank	98.10		130.64	151.67	112.36
State Bank of India ##	NIL		NIL	2433.87	459.88
Syndicate Bank	39.79		47.50	57.54	21.86
UCO Bank	14.55		3.65	2.79	0.58
Union Bank of India.	11.48		12.88	17.17	9.17
United Bank of India	6.41		3.56	2.46	1.01
Vijaya Bank	0.60		0.55	1.07	2.12

Source: Banks

## Note: The monthly average balance requirement was charged by SBI till 2012. Subsequently, SBI stopped charging for the same till 31.3.2016 while other banks, including Private Banks were charging as per their Board-approved policy. It was reintroduced by SBI with effect from 1.4.2017. The minimum balance requirements were subsequently reduced with effect from 1.10.2017. It is also clarified that there is no minimum balance requirement for Basic Savings Bank Deposit Accounts and Jan-Dhan accounts.