

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
**RAJYA SABHA**  
**UN-STARRED QUESTION No. 2150**  
TO BE ANSWERED ON 1 JANUARY 2019 (TUESDAY)/PAUSHA 11, 1940 (SAKA)

**Penalty for maintenance of minimum balance**

2150. SHRI ANIL DESAI:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that Government imposed penalty from account holders for not maintaining minimum balance;
- (b) if so, the rate of penalty by various banks;
- (c) the number of accounts holders and the amount of penalty recovered during the last three years by these banks;
- (d) whether Government would consider removal of penalty clause in view of fact that only poor people who have not sufficient money are subjected to such imposition of penalty; and
- (e) if so, by when and if not, the reasons therefor?

**Answer**

**The Minister of State in the Ministry of Finance**

**(SHRI SHIV PRATAP SHUKLA)**

(a) No Sir.

(b) to (e) Vide RBI's master circular dated 1.7.2015 on 'Customer Service in Banks', banks are allowed to decide the policy on levy of charges on non-maintenance of minimum balances with the approval of their Boards. However, they should notify their customers regarding the requirements of maintaining the minimum balance at the time of opening of savings bank account.

Further to the above, vide RBI's guidelines dated 10.08.2012, banks also do not have any requirement for maintaining minimum balance for Basic Savings Bank Deposit accounts (BSBD), including accounts opened under Pradhan Mantri Jan Dhan Yojana (PMJDY). In March 2018, there were 53.6 crore BSBD accounts including 31.44 crore Jan Dhan accounts. Hence, for these accounts there are no charges for not maintaining minimum balance.

The amount of levy of charges by Public Sector Banks for non maintenance of minimum balance during the last three financial years is provided at **Annexure-I**. The number of account holders on whom the charges are levied is not centrally monitored.

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## Annexure-I as referred to in reply to the Rajya Sabha question no. 2150 for 1.1.2019 regarding "Penalty for 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.