

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1678  
ANSWERED ON:25.11.2016  
Minimum Balance in Saving Accounts  
Arunmozhithevan Shri A.

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the RBI has asked banks to stop imposing charges for non-maintenance of minimum balance once the balance in a savings account touches zero;
- (b) if so, the details thereof;
- (c) whether the Government has taken cognizance that some banks continuing with the practice of creating negative balances in saving accounts after the said norms came into operation; and
- (d) if so, the details thereof and the action taken by the Government in this regard?

**Answer**

The Minister of State in the Ministry of Finance

(a) to (d): RBI vide its circular dated August 10, 2012 on Financial Inclusion – Access to Banking Services – Basic Saving Bank Deposit Account, advised all Scheduled Commercial Banks to offer a 'Basic Savings Bank Deposit Account' which shall not have the requirement of any minimum balance. In terms of aforesaid circular, banks have been advised to offer Facility of ATM card or ATM-cum-Debit Card to all BSBD account holders without any charges.

In other cases, as per extant instructions, with effect from April 1, 2015, banks have to follow additional guidelines on levy of penal charges for non-maintenance of minimum balance in savings bank account which include – notifying the customer clearly by SMS/email/letter etc. that in the event of the minimum balance not being restored in the account within a month from the date of notice, penal charges will be applicable; penal charges may be recovered under intimation to the account holder; the policy on penal charges to be so levied may be decided with the approval of Board of the Bank and the penal charges should be directly proportionate to the extent of shortfall observed. It should be ensured that such penal charges are reasonable and not out of line with the average cost of providing the services. It should be ensured that the balance in the savings account does not turn into negative balance solely on account of levy of charges for non-maintenance of minimum balance.

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