

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:289
ANSWERED ON:12.12.2014
ZERO BALANCE ACCOUNTS
Chauhan Shri Devusinh Jesingbhai

Will the Minister of FINANCE be pleased to state:

- (a) whether financial inclusion is one of the priority and commitment of the Government and if so, the details thereof;
- (b) whether the Government has introduced/proposes to introduce zero balance for all savings accounts in the Public Sector Banks (PSBs) and private banks on the lines of Pradhan Mantri Jan Dhan Yojana, if so, the details thereof and if not, the reasons therefor; and
- (c) whether the banks are charging any fees in case of not maintaining the minimum balance in the saving accounts, if so, the details thereof and the justification thereof?

Answer

THE FINANCE MINISTER (SHRI ARUN JAITLEY)

a)to c) A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (c) of Lok Sabha Starred Question No. 289 for 12th December, 2014 by Shri Devusinh Chauhan regarding Zero Balance Accounts.

a) Yes, Madam. Keeping in view "Financial Inclusion" as a priority of the Government, Prime Minister had launched Pradhan Mantri Jan-Dhan Yojana (PMJDY) as a National Mission on Financial Inclusion on 28th August, 2014. The Yojana envisages universal access to banking facilities with at least one basic banking account for every household, financial literacy, access to credit, insurance and pension facility. The beneficiaries would get a RuPay Debit Card having inbuilt accident insurance cover of Rs.1.00 lakh. In addition there is a life insurance cover of Rs.30000/- to those people who open their bank accounts for the first time between 15.08.2014 to 26.01.2015 and meet other eligibility conditions of the Yojana.

b) and (c) Reserve Bank of India (RBI) vide its circular dated 10.08.2012 advised all Scheduled commercial Banks to offer a 'Basic Savings Bank Deposit Account' (BSBDA) which shall not have the requirement of any minimum balance, however such accounts shall have a restriction of maximum of four withdrawals in a month.

RBI, after extensive consultation with banks has decided that while levying charges for non-maintenance of minimum balance in other savings bank accounts, banks shall adhere to the additional guidelines given in Annexure. The guidelines come into effect from April 1, 2015.