

implementation of the guidelines.

Statement

Levy of charges for non-maintenance of minimum balance in savings bank account shall be subject to the following additional guidelines:

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- I. In the event of a default in maintenance of minimum balance/average minimum balance as agreed to between the bank and customer, the bank should notify 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.
 - II. In case the minimum balance is not restored within a reasonable period, which shall not be less than one month from the date of notice of shortfall, penal charges may be recovered under intimation to the account holder.
 - III. The policy on penal charges to be so levied may be decided with the approval of Board of the Bank.
 - IV. The penal charges should be directly proportionate to the extent of shortfall observed. In other words, the charges should be a fixed percentage levied on the amount of difference between the actual balance maintained and the minimum balance as agreed upon at the time of opening of account. A suitable slab structure for recovery of charges may be finalized.
 - V. It should be ensured that such charges are reasonable and not out of line with the average cost of providing the services.
 - VI. 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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Amount of loan written off by PSBs

3396. SHRI M.P. ACHUTHAN: Will the Minister of FINANCE be pleased to state:

(a) total corpus written off by Public Sector Banks (PSBs) during the last three years as unrecoverable loan; and

(b) the number of account holders having debt of more than rupees one crore, whose loan was written off?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) and (b) The total amount written off by Public Sector Banks (PSBs) during the last five years stands at ₹ 1,06,170 crore. The RBI data reporting system does not collate data on the number of account holder having more than rupees one crore, whose loan were written off.

Reduction in allocation for social development sector

3397. SHRI C.P. NARAYANAN: Will the Minister of FINANCE be pleased to state:

(a) the reasons for tax mobilisation by Government going well below target in spite of its claim that economy is looking up;

(b) the reasons for increase in total amount of bad debts of banks in spite of GDP increasing continuously; and

(c) whether Government considers cutting down allocations for social development sector as a solution for this malaise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) Cumulative collections upto the end of November, 2014 in the current financial year is ₹329413 crore in respect of direct taxes and ₹328662 crore in the indirect taxes representing a growth of 5.67% and 7.1%, respectively compared to same period of last financial year. At this stage, it may not be feasible to estimate the actual revenue for the current financial year. The actual tax mobilization through direct and indirect taxes in current financial year would depend on factors such as growth in Gross Domestic Product (GDP) and performance of the economy in the remaining part of the current fiscal.

(b) Main reasons for increase in NPAs of banks, *inter-alia*, are sluggishness in the domestic growth during the recent past, slowdown in recovery in the global economy and continuing uncertainty in the global markets. There are five sub-sectors: infrastructure (which includes power generation, telecommunications, roads, ports, airports, railways [other than Indian Railways] and other infrastructure), iron and steel, textiles, mining (including coal) and aviation services which contribute significantly to the level of stressed advances.