

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 2001**  
ANSWERED ON TUESDAY, 18 MARCH 2025/ 27 PHALGUNA, 1946 (SAKA)

**Penalty charges for minimum balance in banks**

2001. Shri Digvijaya Singh:

Will the Minister of FINANCE be pleased to state:

- (a) the rules regarding penalty charges for non-maintenance of minimum balance by Public Sector Banks (PSBs) and Private Sector Banks; and
- (b) the number of accounts charged a penalty over the last five years, bank wise and yearwise?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)

(a) & (b) Reserve Bank of India (RBI), vide its circulars dated 20.11.2014 and 01.07.2015, has laid down guidelines regarding levy of penal charges on non-maintenance of minimum balances in savings bank accounts. Banks are permitted to fix penal charges, as per their Board Approved Policy, while ensuring that penal 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 the account. Banks accordingly have formulated slab structures for recovery of charges considering different geographies and segments.

As per extant RBI guidelines banks are required:

- i. To inform the customers regarding the requirement of minimum balance at the time of opening the account. Any subsequent changes should also be intimated to the account holders.
- ii. In case of non-maintenance of minimum balance, the bank should notify the customer about the penal charges which will be applicable if the balance is not replenished within one month from the date of notice.
- iii. It should be ensured that savings account does not turn into negative balance solely on account of levy of charges for non-maintenance of minimum balance.

RBI has informed that it does not maintain data on the number of accounts on which penalty charged is collected by Public Sector Banks (PSBs) and Private Sector Banks (PVBs) for non-maintenance of minimum balance.

Further, no minimum balance is required in Pradhan Mantri Jan Dhan Yojana (PMJDY) accounts. Therefore, no such penalty is charged on PMJDY accounts for not keeping minimum balance.

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