

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA

UNSTARRED QUESTION NO. 3603

ANSWERED ON TUESDAY, FEBRUARY 24, 2026/ 3 CHAITRA, 1948 (SAKA)

RATIONALE BEHIND MINIMUM BALANCE RULES IN BANK ACCOUNTS

3603 SHRI SANT BALBIR SINGH:

Will the Minister of FINANCE be pleased to state:

- (a) the reasons for banks imposing minimum balance requirements in savings and current accounts under the new rules;
- (b) the objectives and justification provided by banks and the regulatory authorities for introducing such conditions;
- (c) whether Government has reviewed the impact of these rules on small depositors and low-income customers; and
- (d) whether Government or the Reserve Bank of India has considered relaxing or exempting minimum balance requirements for poor and rural account holders, those who are being exploited excessively under this rule?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (d): Banks offer zero-balance savings accounts, including Basic Saving Bank Deposit Accounts (BSBDAs) and accounts opened under the Pradhan Mantri Jan Dhan Yojana (PMJDY), to ensure universal access to banking facilities, particularly for unbanked, vulnerable and small depositors, and to promote financial inclusion through affordable and accessible banking services. These accounts do not require maintenance of any minimum balance and provide basic banking services such as deposits, withdrawals and ATM access free of charge, without levy of penal charges for non-maintenance of minimum balance. Accordingly, out of around 232 crore savings bank accounts in the country, approximately 68 crore are BSBDAs, including, PMJDY accounts, and are not subject to penal charges for non-maintenance of minimum balance.

However, for accounts other than BSBDA and PMJDY accounts, banks may levy charges for non-maintenance of Minimum Monthly Average Balance (MAB) in accordance with their Board-approved policies and the extant instructions of the Reserve Bank of India (RBI), which require that such charges be reasonable, transparent and broadly aligned with the cost of providing the services (such as the cost of maintaining accounts, provision of banking and digital services, infrastructure expenses, and operational sustainability). Customers who wish to avoid minimum balance-related charges have the option to open or convert their existing savings accounts into BSBDAs.

To enhance customer centricity and promote inclusive banking, Public Sector Banks (PSBs) have reviewed their service charge structures. Of the 12 PSBs, 10 have discontinued penal charges for non-maintenance of MAB in savings accounts, while 2 have rationalised such charges, in accordance with their Board-approved policies and commercial considerations.

In cases of non-maintenance of the agreed minimum balance in bank accounts, banks have been advised by RBI to notify customers through SMS, email, letter or other appropriate means. Customers are generally provided time to restore the required minimum balance before penal charges are applied.
