

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 1495

Answered on Monday, February 9, 2026/Magha 20, 1947 (Saka)

Penalty for not maintaining Minimum Balance

1495. SMT. MALA ROY:

DR. M K VISHNU PRASAD:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware that some Public Sector Banks/ Private Sector Banks are imposing excessive charges on minimum balance shortfall, ATM usage and SMS alerts;
- (b) if so, the details thereof;
- (c) the details of revenue earned by Public and Private Sector Banks through penalties and service charges during the last five years;
- (d) whether the Government proposes to regulate or cap unreasonable banking charges to protect common customers; and
- (e) if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) and (b): The levy of service charges by banks, including charges relating to non-maintenance of minimum balance in savings bank accounts, ATM transactions beyond the prescribed free limits and for SMS alerts is governed by banks' Board-approved policies and the extant instructions of the Reserve Bank of India (RBI), which require that such charges have to be reasonable, transparent, and aligned with the cost of providing the services.

Further, banks offer zero-balance savings accounts, including Basic Savings Bank Deposit Accounts (BSBDAs) and accounts opened under the Pradhan Mantri Jan Dhan Yojana (PMJDY), which 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.

Public Sector Banks (PSBs) have waived or rationalised minimum balance charges in regular savings bank accounts in accordance with their Board-approved policies and commercial considerations to enhance customer centricity.

(c): RBI has informed that it does not maintain data relating to revenue earned by public and private sector banks from penalties and service charges. However, based on inputs received from PSBs, the revenue earned through penalties and service charges during the last five years is as below: —

(Amount in Rs. Crore)			
FY	Minimum Balance Short fall	ATM Usage*	SMS alerts
2020-21	1,637.41	-416.68	1,044.32
2021-22	1,805.75	-507.49	1,282.03
2022-23	2,294.68	-451.46	1,193.19
2023-24	2,909.10	-594.12	977.28
2024-25	2,889.05	-647.32	1,218.60

**income earned by bank on account of ATM cash withdrawal charges collected from customers/ interchange fee earned from other banks net-off expenses in the form of interchange fees paid to other banks*

(d) and (e): To protect the common customers from unreasonable banking charges and addressing their interests, zero-balance accounts have been made available and free limits for basic banking services have been prescribed. RBI exercises supervisory oversight over banks' practices, and the Government, in consultation with RBI, continues to engage with banks through expansion of digital banking infrastructure and financial literacy / financial inclusion initiatives to promote affordable and inclusive access to banking services to all.
