



Annex

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

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 the 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 penal 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.