

NON-MAINTENANCE PENALTY CHARGES

Penalty charges. Non-maintenance charges (NMC) is not applicable once the savings account becomes inoperative / dormant

With effect from April 1, 2019: In the event of a default in maintenance of Average Monthly Balance as agreed to between the Bank and customer for the month (referred as “Default Month”), the Bank will notify the customer clearly of the default and that the Average Monthly Balance for the account has to be met in the subsequent month (referred to as “Notice Month”). If the AMB is still not maintained in the “Notice Month”, the NMC (Non Maintenance Charges) for both the “Default Month” and “Notice Month” will be recovered at the end of subsequent month. The Bank may choose to notify by SMS or email or letter. It will be the responsibility of the customer to have a valid email id, mobile number and address updated with the Bank at all times, failing which, customer may not receive the notification/s. The NMC charges will be based on the shortfall observed in the AMB and as specified in the slabs in Schedule of Charges. In case of accounts sourced under promotional offering and enjoying conditional NMC waiver, the terms and conditions of such promotional offering shall prevail." **The option of FD in lieu of AMB/Debit Card Spends in lieu of AMB(as per the schedule of charges) or downgrade/upgrade will not be considered as for waiver of non-maintenance charges during the Notice Month and the average balance needs to be maintained.**

In case customer fails to restore the minimum balance required, after the first default of non-maintenance, no subsequent intimation will be provided until such time the balance is restored and maintained for three consecutive months.

Customers who restore and maintain the balance for three consecutive months, will be treated as normal customers and in case of any further default in balance maintenance intimation for balance restoration will be sent as per the process defined above.

No intimation will be sent for current accounts.

How is the Average Monthly Balance (AMB) requirement calculated for savings account?

Average Monthly Balance is calculated by dividing the sum of all ‘End of Day’ balances in a month by the number of days in that month. AMB charges are not levied for the first month of account opening. E.g. if the account is opened in April 2019 then no AMB charges will be levied for April 2019 for the account.

Please refer the following illustration for the calculation of AMB.

Sample Bank Statement:

| Sr. no. | Date | Narration | Withdrawal | Deposit | Closing balance |
|---------|------------|-----------------------------------|--------------|--------------|-----------------|
| 1 | 01-01-2019 | Opening Balance | | | Rs. 10,000/- |
| 2 | 05-01-2019 | Cash Deposit | | Rs. 10,000/- | Rs. 20,000/- |
| 3 | 10-01-2019 | Cash Withdrawal | Rs. 5,000/- | | Rs. 15,000/- |
| 4 | 19-01-2019 | NEFT Inwards funds received | | Rs. 20,000/- | Rs. 35,000/- |
| 5 | 24-01-2019 | POS usage Big Bazaar 4444XXXXXX12 | Rs. 10,000/- | | Rs. 25,000/- |
| 6 | 28-01-2019 | Cash Deposit at ATM | | Rs. 9,000/- | Rs. 34,000/- |
| 7 | 31-01-2019 | Funds Transfer to Jigar | Rs. 25,000/- | | Rs. 9,000/- |

AMB Calculation:

| Sr. | Time Period | Calculation | Amount (Rs.) |
|-----|---|------------------|--------------|
| 1 | EOD Balance from January 1 st , 2019 to January 4 th , 2019 | Rs. 10,000/- x 4 | Rs. 40,000/- |

| | | | |
|---|---|------------------|-----------------------|
| 2 | EOD Balance from January 5 th , 2019 to January 9 th , 2019 | Rs. 20,000/- x 5 | Rs. 1,00,000/- |
| 3 | EOD Balance from January 10 th , 2019 to January 18 th , 2019 | Rs. 15,000/- x 9 | Rs. 1,35,000/- |
| 4 | EOD Balance from January 19 th , 2019 to January 23 rd , 2019 | Rs. 35,000/- x 5 | Rs. 1,75,000/- |
| 5 | EOD Balance from January 24 th , 2019 to January 27 th , 2019 | Rs. 25,000/- x 4 | Rs. 1,00,000/- |
| 5 | EOD Balance from January 28 th , 2019 to January 30 th , 2019 | Rs. 34,000/- x 3 | Rs. 1,02,000/- |
| 7 | EOD Balance for January 31 st , 2019 | Rs. 9,000/- x 1 | Rs. 9,000/- |
| | Total EOD balances for the month January 2019 | | Rs. 6,61,000/- |
| | Divide by the no. of days in the month | | 31 |
| | Average Monthly Balance (AMB) | | Rs. 21,322.58 |

Group Average Monthly Balance calculation:

Group average monthly balance is calculated by adding up the average monthly balance maintained by all the accounts in the group.

Example of group Average Monthly Balance:

| Sr.no | Account Number | Name of account | Average Monthly Balance Maintained |
|-------|----------------------------|-----------------|------------------------------------|
| 1 | 10000XXXXX12 | Axay | Rs. 11,218/- |
| 2 | 10000XXXXX13 | Devi | Rs. 56,789/- |
| 3 | 10000XXXXX14 | Raksha | Rs. 33,568/- |
| 4 | 10000XXXXX15 | Sunny | Rs. 10,000/- |
| | Total Group Balance | | Rs. 1,11,575/- |

In the above example, the average monthly balance maintained by each account has been calculated at account level and has been added up to arrive at a group level average monthly balance.

What is the group balance required to be maintained with effect from 1st April 2019?

The group balance now to be maintained with effect from 1st April 2019 is the total of the average monthly balance required at account level, added up to group level.

Example 1 of group Average Monthly Balance (AMB):

| Sr.no | Account Number | Name of account | Product Variant | AMB Required | AMB Maintained | Account level Balance status | Non-maintenance charge status |
|-------|----------------|-----------------|-----------------|--------------|----------------|------------------------------|-------------------------------|
| 1 | 10000XXXXX12 | Axay | Regular Savings | Rs. 10,000/- | Rs. 11,218/- | Maintained | No Charges |
| 2 | 10000XXXXX13 | Devi | WINGS Savings | Rs. 50,000/- | Rs. 56,789/- | Maintained | No Charges |

| | | | | | | | |
|---|----------------------------|--------|--------------------|---------------------|-----------------------|----------------|------------|
| 3 | 10000XXXXX14 | Raksha | Regular Savings | Rs. 10,000/- | Rs. 33,568/- | Maintained | No Charges |
| 4 | 10000XXXXX15 | Sunny | Value Plus Savings | Rs. 25,000/- | Rs. 10,000/- | Not Maintained | No Charges |
| | Total Group Balance | | | Rs. 95,000/- | Rs. 1,11,575/- | | |

In the above example there are four accounts grouped, which are opened in different account variants and each account individually has an average monthly balance requirement. However since they are grouped, the average balance required will be a total of all the average balance requirement at account level and hence the total group balance required will be Rs. 95,000/-.

In the above scenario, even though sunny has not maintained the required balance, he will not be charged for non-maintenance since the group level balance is maintained.

Example 2 of group Average Monthly Balance (AMB):

| Sr.no | Account Number | Name of account | Product Variant | AMB Required | AMB Maintained | Account level Balance status | Non-maintenance charge status |
|-------|----------------------------|-----------------|--------------------|---------------------|-----------------------|------------------------------|-------------------------------|
| 1 | 10000XXXXX12 | Axay | WINGS Savings | Rs. 50,000/- | Rs. 11,218/- | Not Maintained | Charges Applicable |
| 2 | 10000XXXXX13 | Devi | WINGS Savings | Rs. 50,000/- | Rs. 56,789/- | Maintained | No Charges |
| 3 | 10000XXXXX14 | Raksha | Regular Savings | Rs. 10,000/- | Rs. 33,568/- | Maintained | No Charges |
| 4 | 10000XXXXX15 | Sunny | Value Plus Savings | Rs. 25,000/- | Rs. 10,000/- | Not Maintained | Charges Applicable |
| | Total Group Balance | | | Rs. 1,35,000 | Rs. 1,11,575/- | Not Maintained | |

In the above example there are four accounts grouped, which are opened in different account variants and each account individually has an average monthly balance requirement. However since they are grouped, the average balance required will be a total of all the average balance requirement at account level and hence the total group balance required will be Rs. 1,35,000/-.

In the above scenario, the group level balance is not maintained and hence the group is liable to pay for the non-maintenance charges. However only account of Axay and Sunny have failed to maintaining the balance within the group and hence the account of Axay and Sunny will be charged for balance non-maintenance as mentioned in the schedule of charges.

Please note: while charging at account level for grouped accounts the following will not be applicable/considered:

1. FD in lieu of AMB
2. Debit Card Spends in lieu of AMB

What are the charges that will be deducted for savings account?

In the above example “Sunny” has missed maintaining the AMB by Rs. 15000/- in a Value Plus Savings account. Hence the balance maintained is 40% of the specified balance (10000/25000=40%). In case we have to charge then the below will be the calculation.



The non-maintenance charges for Value Plus Account is as below:

“ If AMB maintained is >75% but <100%, 5% of the shortfall in AMB, Min of Rs. 100/- Max of Rs. 400/-, if AMB maintained is >50% but <=75% , 5% of the shortfall in AMB, Max of Rs. 500/-, if AMB maintained is >25% but <=50%, 6% of the shortfall in AMB, Max of Rs. 700/-, if AMB maintained is <=25%, 6% of the shortfall in AMB, Max of Rs. 800/-“

The non-maintenance charges falls in the range of >25% but <=50% and hence the customer is liable to pay 5% of the shortfall in AMB, maximum of Rs. 500/-.

Hence the charges applicable will be (15000*5%)=750/-. However the maximum charges applicable is Rs. 500/- and hence the charges applicable to the account of Sunny will be Rs. 500/-.

Similarly, account of “Axay” also will be charged as per the non-maintenance charges specified for WINGS savings account.

Please note: the calculation of charges for non-maintenance of savings account remains the same irrespective of a standalone account or a grouped account.

Example 3 of group Average Monthly Balance (AMB):

| Sr.no | Account Number | Name of account | Product Variant | AMB Required | AMB Maintained | Account level Balance status | Non-maintenance charge status |
|-------|----------------------------|-----------------|--------------------|----------------------|--------------------|------------------------------|-------------------------------|
| 1 | 10000XXXXX12 | Axay | WINGS Savings | Rs. 50,000/- | Rs. 11,218/- | Not Maintained | Charges Applicable |
| 2 | 10000XXXXX13 | Devi | WINGS Savings | Rs. 50,000/- | Rs. 6,789/- | Not Maintained | Charges Applicable |
| 3 | 10000XXXXX14 | Raksha | Regular Savings | Rs. 10,000/- | Rs. 3,568/- | Not Maintained | Charges Applicable |
| 4 | 10000XXXXX15 | Sunny | Value Plus Savings | Rs. 25,000/- | Rs. 10,000/- | Not Maintained | Charges Applicable |
| | Total Group Balance | | | Rs. 1, 35,000 | Rs. 31575/- | Not Maintained | |

In the above example there are four accounts grouped, which are opened in different account variants and each account individually has an average monthly balance requirement. However since they are grouped, the average balance required will be a total of all the average balance requirement at account level and hence the total group balance required will be Rs. 1,35,000/-.

In the above scenario, the group level balance is not maintained and hence the group is liable to pay for the non-maintenance charges. None of the accounts in the group has maintained the balance at account level as well and hence all the accounts will be charged for non-maintenance of balance as mentioned in the schedule of charges.

Please note: while charging at account level for grouped accounts the following will not be applicable/considered:

1. FD in lieu of AMB
2. Debit Card Spends in lieu of AMB
