

RBI offices are at Mumbai, Delhi, Kolkata and Nagpur. A grace period has been provided during which the Specified Bank Notes can be deposited in accordance with this Ordinance/Act by Indian citizens who were outside India between November 9 and December 30, 2016, subject to conditions that may be specified. The Reserve Bank, if satisfied after making the necessary verifications, that the reasons for failure to deposit the notes till December 30, 2016 are genuine, will credit the value of notes in the KYC (Know Your Customer) compliant bank account of the tenderer. The grace period for Indian citizen residing in India is March 31, 2017 and for Indian citizen resident outside is June 30, 2017. While there is no monetary limit for exchange for the eligible Resident Indians, the limit for NRIs will be as per the relevant FEMA Regulations.

Penalty on non-maintenance of minimum balance in bank account

†2990. SHRI D. P. TRIPATHI:

CH. SUKHRAM SINGH YADAV:

DR. PRABHAKAR KORE:

SHRIMATI CHHAYA VERMA:

SHRI VISHAMBHAR PRASAD NISHAD:

Will the Minister of FINANCE be pleased to state:

(a) whether Government is now considering making it mandatory to have a minimum balance of at least ₹ 5000 in the bank account after demonetisation, the details thereof;

(b) whether Government is also considering imposition of service charges on the penalty of minimum balance separately;

(c) if so, who is going to be benefited thereby;

(d) the reasons for reintroducing maintenance of 'Minimum Average Balance' (MAB) and the steps taken by Government; and

(e) whether imposing charges on withdrawing cash from the ATM more than three or four times arbitrarily is not detrimental to the interest of account holders?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SANTOSH KUMAR GANGWAR): (a) to (e) Reserve Bank of India (RBI) has informed that as regards requirements of minimum balances in saving accounts, banks have been advised that at the time of opening the account, they should inform customers in a transparent manner regarding the requirement of minimum balance and levying of

† Original notice of the question was received in Hindi.

charges if such minimum balance is not maintained. The banks should also inform, at least one month in advance, the existing account holders any change in the prescribed minimum balance and the charges that may be levied if the prescribed minimum balance is not maintained. As regards levy of penal charges on non-maintenance of minimum balances in savings bank accounts, banks have been advised to formulate policy on penal charges with the approval of the Board of the bank by taking following into consideration:

- (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. If the customer replenishes the minimum balance within one month, no penal charges should be levied.
- (ii) In case customer fails to replenish minimum balance within one month, the banks can levy penal charges which 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. Banks may finalize a suitable slab structure for recovery of charges. Banks should also ensure that such penal charges are reasonable and not out of line with the average cost of providing the services.

Scheduled Commercial Banks (excluding Regional Rural Banks) have the freedom to fix service charges on various types of services rendered by them, as per their Board approved policy subject to general instructions on levy of service charges by banks contained in RBI Master Circular on 'Customer Service in Banks' issued *vide* dated July 1, 2015.

Problems faced by NRIs in exchanging old currency notes

†2991. SHRIMATI CHHAYA VERMA:

CH. SUKHRAM SINGH YADAV:

SHRI VISHAMBHAR PRASAD NISHAD:

Will the Minister of FINANCE be pleased to state:

(a) whether arrangement has been made by Reserve Bank of India to exchange old currency notes of ₹ 500/- and ₹ 1000/- of NRIs only in a few cities;

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