



केन्द्रीय कार्यालय, चन्दरमुखी
नरीमन पॉइंट, मुंबई - 400 021.

CENTRAL OFFICE, CHANDER MUKHI,
NARIMAN POINT, MUMBAI - 400 021.

**PRIORITY SECTOR
FINANCIAL INCLUSION**

INSTRUCTION CIRCULAR NO. : 684 **DATE : 11.10.2010**
File No. : 30 **Dept. Running No. : 40**

All Branch Offices

REG: Revised Limited Overdraft facility on all No-Frill Accounts (CENT VIKAS KHATA)

Vide our instruction circular no. 608 dated 03.03.2010, Cent Vikas Khata i.e Limited Overdraft facility on No-Frill Accounts of only NREGA wage earners was introduced. However, considering the demand from the field functionaries, launching of similar products /facilities by peer banks and RBI guidelines, the facility has now been revised to include all No-Frill account holders. The complete circular is furnished incorporating all revisions/modifications in the earlier facility is as under:

Bank is re-introducing an exclusive product known as “CENT VIKAS KHATA”, a Limited OD Facility provided on all No Frill accounts served through branches or BCs. The details of the revised facility are as under:

PRODUCT	Cent Vikas Khata OD Limit will be provided on all No-Frill A/cs	
TARGET GROUP	All No-Frill Accounts	
PURPOSE	To inculcate banking habits among the No Frill Account holder to assist them in establishing and developing their micro-enterprises and for personal consumption which would in turn help them increase their income and assets.	
FEATURES	Eligibility	<ul style="list-style-type: none"> No-Frill Account holder of our Bank No-Frill Account holder should be of 18 years and above. An illiterate or a visually impaired person is also eligible to avail the facility under the scheme.
	Interest Rate	<ul style="list-style-type: none"> 3.5% on credit balances BPLR-2% (presently BR+2.5%) on debit

		balances
	Nature	Clean OD facility
	Limit	<ul style="list-style-type: none"> It shall be Rs. 500/- and mandatory to all the No-Frill Accounts.
	Limit Enhancement	<ul style="list-style-type: none"> It shall be need based. It shall be one-third of the credit summation of the last six months with a minimum and maximum limits of Rs. 500/- and Rs. 2500/- respectively after the completion of minimum six months period from the date of sanction of the limit.
	Renewal	<ul style="list-style-type: none"> The renewal shall be automatic i.e annually, if the account is running regular. In other cases, the incumbent/authorised official of the base branch may review the OD facility, keeping in view of the conduct of the account.
	Margin	Nil
	Security	Nil
	Repayment	<ul style="list-style-type: none"> Outstanding will be automatically adjusted on the credit of the A/c. In case the outstanding is beyond the limit sanctioned, then the A/c should be regularised within maximum 3 months by personal follow up through BCs/Branches.
	Documentation	<ul style="list-style-type: none"> <u>For Old No-Frill Account Holders</u> Since these customers have filled in Cent Bachat Khata application forms, a separate Demand Promissory (D.P) note and Letter of Continuity (L.O.C) is to be attached to it requesting overdraft facility. Also the new account number is to be noted on Cent Bachat Khata application form. <u>For New No-Frill Account Holders</u> The Cent Vikas Khata application form is to be filled at the time of opening a No-Frill Account, which contains a D.P note and L.O.C to be signed by the customer.
	Classification	<ul style="list-style-type: none"> Indirect Agriculture – Weaker Section, in Rural and Semi-urban areas.

		<ul style="list-style-type: none"> • Microcredit – Weaker Section, in Urban and Metropolitan areas.
	Asset Classification	The guidelines for Asset Classification, Income Recognition, Provisioning & related aspects will be applicable for OD facility as per the RBI guidelines.

All branches are advised to extend the facility mandatorily to all the existing No-Frill account holders as well as to the prospective No-Frill account customer.

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