

Levy of Service Charges by Primary (Urban) Co-op. Banks

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November 20, 2002
Kartika 29 1923(s)

The Chief Executive Officers of
All Primary (Urban) Co-op. Banks

Dear Sir/Madam,

Levy of Service Charges by Primary (Urban) Co-op. Banks

As you are aware, commercial banks have been given the freedom to prescribe service charges, with the approval of their boards. We have reviewed the matter of fixing rates for various service charges by the primary (urban) co-operative banks.

2. In line with the practice followed by commercial banks, it has been decided that the freedom to prescribe service charges should be left to the individual banks. Banks are advised that while fixing service charges for various types of services like charges for cheque collection, etc., they should ensure that the charges are reasonable and are not out of line with the average cost of providing these services. Banks should also take care to ensure that customers with low volume of activities are not penalised.

3. Banks are advised to make arrangements for working out charges with prior approval of their Boards of Directors, as early as possible.

4. Please acknowledge receipt to our concerned Regional Office.

Yours faithfully,

(Sudarshan Sen)
General Manager