



# Coastal Local Area Bank Ltd.,

Corporate Office :: Vijayawada  
Planning & Development Department

Circular No: 05/02/04/2012-13

Date : 16-04-2012

Circular on Revised Service Charges Applicable wef 23.04.2012

## Commission on Collection on Instruments

### Collection of Outstation Cheques / Drafts (OBC)

Particulars	Service charges to be Collected (Rs.)
a) Upto and inclusive of Rs.500/-	23
b) Above Rs.500/- and up to Rs.1000/-	28
c) Above Rs.1000/- and up to Rs.5000/-	35
d) Above Rs.5000/- and up to Rs.10000/-	45
e) Above Rs.10000/- and up to Rs.1.00 lakh	Rs.6.00 per thousand or part thereof with a maximum of Rs.102/-
f) Above Rs.1.00 lakh up to Rs.10.00 lakhs	Rs.4.00 per thousand or part thereof with a maximum of Rs.160/-
g) Above Rs.10.00 lakhs	do

Note: Postal charges to be collected @ Rs.30/- per bill or actuals which ever is higher. **However the service tax @ 12.36 % is included**

### Inward Bills for Collection (IBC)

Particulars	Service charges to be Collected (Rs.)
a) Upto and inclusive of Rs.1000/-	29
b) Above Rs.1000/- and up to Rs.5000/-	51
c) Above Rs.5000/- and up to Rs.10000/-	80
d) Above Rs.10000/- and up to Rs.1.00 lakh	Rs.8.00 per Rs.1000/- or part thereof
e) Above Rs.1.00 lakh up to Rs.10.00 lakhs	Rs.8.00 per thousand or part thereof

Collection charges as per the schedule are to be collected in respect of all local / outstation bills. In addition to service charges, postal charges to be collected @ Rs.30/- per bill or actuals whichever is higher. **However the service tax @ 12.36 % is included**



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## Charges for returned unpaid bills / cheques (including local / clearing cheques)

- (a) Local Cheques, from the lodger - Rs.170/- per instrument  
(b) Outstation cheques / bills - Rs.50% of the prescribed collection charges + actual postal charges subject to minimum of Rs.25/- + other bank charges if any.  
(c) From the drawer of cheques : Rs.225/- per cheque +50/- (our customer) per each lac or part thereof

## Exchange on Remittances

### Issue of Demand Drafts/Mail/ Pay Orders / MT /Telegraphic Transfers

Particulars	Exchange to be collected for Demand Drafts Issued	
	Non Cash Rs.	Cash Rs.
a) Upto and inclusive of Rs.1000/-	13	17
b) Above Rs.1000/- and up to Rs.5000/-	25	35
c) Above Rs.5000/- and up to Rs.10000/-	30	45
d) Above Rs.10000/- and up to Rs.50000/-	Rs.2.50 per thousand with a minimum of Rs.35/-	Rs.3.00 per thousand with a minimum of Rs.50/-
e) Above Rs.50000/- and up to Rs.1.00 lakh (through account only)	Rs. 2.50 per thousand or part thereof	
f) Above Rs.1.00 lakh up to Rs.10.00 lakhs (through account only)	Rs. 2.50 per thousand or part thereof	

**\*\* The above charges are inclusive of service tax @ 12.36 %**

Branch may refer to CO for any concession / permission justifying the reasons along with statement of cost benefit analysis.

### Remittance to Prime Minister's / Chief Minister's relief funds:

DDs in favour of Prime Minister's / Chief Minister's relief fund shall be issued free of cost.



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## Matured deposits and periodical interest on deposits:

When term deposits mature, the amount may be remitted to depositor's account maintained in another branch of our bank, at par.

Periodical interest payable on term deposits with us may be remitted to the depositors account maintained in another branch of our bank, at par.

Transfer of proceeds of term deposits closed prematurely – remittance charges should not be collected, if the remittance is from one to another of our own branches.

Postage and other expenses if any are to be collected in all cases on actual basis.

## Payment of Loan Proceeds:

In all cases where the term loan proceeds of the advances are remitted to the supplier of goods, remittance charges would be at par. In other cases like Demand loan / WHR loans / OD etc remittance charges are to be collected as above.

## Ledger Folio Charges:

Particulars	Revised
Ledger folio used in Current /OD / CC / SOD accounts (applicable for OAD also)	Rs.60/- per ledger page per half year ( inclusive of S T @ 12.36 % )

## Exemptions:

Average monthly credit balance	Free ledger pages allowed per year
a) Upto Rs.25000/-	nil
b) Above Rs.25000/- up to Rs.50000/-	2
c) Above Rs.50000/- up to Rs.1.00 lakh	3
d) Above Rs.1.00 lakh up to rs.2.00 lakhs	5
e) Above Rs.2.00 lakh	No Charges

(for accounts maintained on computer, 40 entries or part there of be treated as one ledger page).

\* Branches may refer to CO for approval of waiver of ledger folio charges, justifying the reasons along with statement of average balances.



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- (i) Ledger folio charges shall be collected in respect of working capital facilities also.  
For SOD limits, ledger folio charges at Rs.60/- per annum shall be collected.
- (ii) Ledger folio charges are not applicable to SB/Loan accounts of staff.
- (iii) These charges should be collected half-yearly during September and March every year.

## Transmission Charges:

The transmission charges should be collected in all cases including at par facilities

Particulars	Amount to be collected
a) Ordinary post (for cheques/ drafts - Not exceeding Rs.5000/-	Rs.12/- or actual charges per one way transmission, which ever is higher
b) Regd. Post (for cheques/ Drafts - above Rs.5000/-	Actual charges or Min. Rs.30/-
c) Telegram / Telex	Actual charges or Min. Rs.40/-
d) Courier charges	Actual charges or Min. Rs.30/-

## Proceeds Invested in Fixed Deposit:

Collection charges on outstation instrument may be waived to the extent of amount of proceeds invested in term deposits, for a minimum period of 90 days.

Branches shall however collect paid out commission and out of pocket expenses like postage, telegram charges, courier charges etc. Our usual collection charges, postage, commission paid out etc., are to be collected on the portion of the amount not invested in term deposits (for 91 days and above). If the deposit invested is closed premature, the Bank shall levy and recover the charges earlier waived.



# Coastal Local Area Bank Ltd.,

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## Special facilities to savings bank clients who maintain sizable balances:

Category of Branch	Minimum balance in SB account	Facility to be extended (within our Bank branches)
i) Rural and Semi Urban	Rs.25000/- and above during the previous month	At par DD/MT/TT/Collection of cheques upto three times with an aggregate of Rs.50000/- for the current month, within our Bank branches.
ii) Urban	Rs.50000/- and above during the previous month	At par DD/MT/TT/Collection of cheques upto three times with aggregate of Rs.100000/- for the current month, within our Bank branches.
iii) Rural and Semi Urban	Rs.50000/- and above during the previous month	Preferential allotment of locker, subject to availability, in addition to (i) above
iv) Urban	Rs.1.00 lakh and above during the previous month	Preferential allotment of locker, subject to availability, in addition to (ii) above

### Note:

1. The above facility is to be extended to the eligible SB a/c holder's wef 01-04-2012.
2. In case minimum balance as above is not maintained in SB a/c as prescribed, the facility of at par collection/remittance should not be extended.
3. The branches should extend special personalized service to the SB a/c holders who maintain balances as stated above.



# Coastal Local Area Bank Ltd.,

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## Special facilities to current account holders who maintain sizable balances

Average daily balance in current a/c (Rs.)	Exemption in folio charges as shown under ledger folio charges per annum	Additional facilities granted (within our Bank Branches)
25000	80 (2 pages) entries	3 at par remittances per month with a cumulative limit of Rs.50000/- for the month, without carry over provision.
50000	160 (4 pages) entries	5 at par remittances per month with a cumulative limit of Rs.100000/- for the month, without carry over provision
100000	320 ( 8 pages) entries	10 at par remittances per month with a cumulative limit of Rs.200000/- for the month, without carry over provision
>100000	400 (10 pages) entries	Proportionate additional facilities can be extended @ 2.5 times

The free remittances as detailed above can be availed in a particular month, only if the daily average balance (calculated on daily balances) for the pervious month is as per limits given above.

All out of pocket expenses shall be collected from the parties

### Other Service Charges

(a)	Insurance charges	Actuals
(b)	Legal Charges	
	(i) Stamp duties	Actuals
	(ii) Fees paid for documentation	Actuals
	(iii) Solicitors / Lawyers fees	Actuals
(c)	Consultancy charges paid to consultants	Actuals
(d)	Travelling, conveyance expenses of bank officials/ Inspectors/Field officials	Actuals
(e)	Supervision charges	Actuals
(f)	Stock audit charges	Actuals
(g)	Valuation charges	Actuals
(h)	Expenses incurred for attending consortium meetings, visiting the units	Actuals
(i)	Jewel appraisal fees	50 paise per cent with a minimum of Rs.5/- <b>(S T on our portion of appraisal fee is to be collected @ 12.36 %)</b>
(j)	For issue of no due certificate to non customers of our Bank	Rs.35/-
(k)	For issue of statement of a/c (Govt. departments exempted)	Rs.15/- for each folio



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**Note:** Jewel appraisal charges to be paid @ 0.25 paise percent with a maximum of Rs.1000/- per day per customer

## Minimum Balance in Accounts

Particulars	URBAN/ SEMI URBAN (Rs.)	RURAL (Rs.)
<b>Savings Bank</b>		
With Cheque Book	1000	500
Without Cheque Book	500	250
<b>Current Account</b>		
Individuals	3000	2000
Others	3000	2000

Penalty for non maintenance of minimum balance:

SB (with or without cheque book)	Rs.30/- per transaction	inclusive of S T
CA	Rs.120/- per transaction	- do -

Branches are advised to adopt the following uniform procedure while debiting penalty for non maintenance of minimum balance in SB/Current Accounts.

1. Debit penalty for such accounts as and when due, only where balance is available
2. Branches shall maintain list of accounts for which penalty is due and yet to be collected.
3. The charges are to be recovered as and when the credits are available in the account.
4. Penalty to be collected for want of balance in the account shall not be treated as seepage of income.
5. Branches shall take appropriate action to get the account with NIL balances closed, without giving scope to allow debit balances on account of collection of penalty or folio charges.

Staffs and ex-staff are exempted from minimum balance requirement.



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## Other Charges:

a)	Issuance of duplicate draft / pay order	Rs.60/- per instrument
b)	Cancellation of Draft / Pay order	Rs.30/- per instrument
c)	Insurance of duplicate deposit receipt	Rs.30/- per instrument (Apart from indemnity bond charges)
d)	Revalidation of DDs / POs	Rs.60/- per instrument

The above are inclusive of S T @ 12.36 %

## Issuances of Duplicate Passbook:

- (a) With latest entry only - Rs.30/- for SB A/c  
Rs.30/- for Current A/c
- (b) With previous entries - Rs.25/- for SB A/c for each folio  
Rs.30/- for Current A/c for each folio

Exemption of above charges is permitted to regular staff. The above charges are inclusive of S T @ 12.36 %

If the transaction involved remittance to other branch/Bank, remittance charges at the prescribed rate and the actual postage / communication charges shall be recovered additionally. Charges to be levied to the account from which the amount is transferred.

## Charges in Operational Instructions:

Changes in operational instructions - Rs.15/- per occasion.

The charges may be levied whenever charges in operational instructions / joint account nominations is received and implemented.

**Stop Payment Instructions:** Rs.60/- per instrument.

**Cheque Book Charges:** First cheque book with 10 leaves for SB a/c and & 25 leaves for CA a/c is free  
Rs.3.00 per cheque for subsequent SB cheque books.  
Rs 4.00 per cheque for subsequent CA cheque books  
No charges for Staff.

## Confirmation of Specimen Signature:





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For obtaining loan from other financial institutions Rs.115/-

Obtaining / applying for passport, claim under UTI scheme, claim under LIC policy, furnishing Introduction etc., Rs.115/- per attestation.

**Closure of SB Account:** with or without cheques book

SB A/C (before one year) Rs.60/-

Current A/c (before one year) Rs.125/-

No charges should be collected if

- (a) The account is transferred to another branch of our bank
- (b) To open another account in the case of death of a customer
- (c) Account is aged more than one year



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## Solvency Certificate:

	Amount of commission
a) Upto Rs.1.00 lakh	Rs .500/-
b) Above Rs.1 lakhs upto Rs.25.00 lakhs	Rs. *2500/-
c) Above Rs.25.00 lakhs upto Rs.50.00 lakhs	Rs. *5000/-
e) Above Rs.50.00 lakhs	Rs.10000/-

\*subject to discretion of sanctioning authorities to reduce the charges for business reasons / advantages.

## Processing Charges:

Sl. No.	Particulars / Limit	Charges
1	Fund Based Limit upto 25000/-	NIL
2	All other Fund Based limits	limit sanctioned where repayable term is below or equal to 1 year :1% Above 1 year to 3 years :2% Above 3 years :2.5%

## Inspection Charges (except Gold Loans, Deposit Loans, loans against bonds / securities)

Sl. No.	Limit	Charges
1	Upto 5000/-	Rs.25/- half yearly (h.y)
2	Above 5000/- and up to 25000/-	Rs.35/- per inspection subject to maximum of Rs.115/- per h.y per borrower.
3	Above 25000/- and up to 100000/-	Rs.60/- per inspection subject to maximum of Rs.280/- per h.y per borrower.
4	Above 100000/- and up to 200000/-	Rs.85/- per inspection subject to maximum of Rs.560/- per h.y per borrower.
5	Above 200000/- and up to 1000000/-	Rs.115/- per inspection or actual expenses subject to maximum of Rs.560/- per h.y per borrower.
6	Above 1000000/-	Rs.225/- per inspection or actual expenses subject to maximum of Rs.560/- per h.y per borrower.

NOTE:- No Inspection charges shall be levied for priority sector advances upto Rs.25000/-.  
Inspection charges collected from parties to be credited to our P&L Account & actual expenditure incurred to be debited to P&L account. (P&L account – 4999/907)



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## Fore Closure charges:

- |                 |   |
|-----------------|---|
| 1) Below 1 Year | : 2% on the sanctioned amount                         |
| 2) Above 1 Year | : 2% on the Balance outstanding as on date of closure |

## Commitment Charges:

1% on unutilized / undrawn balance in respect of Demand / Term loan

## Interest on Purchase of Cheques / Drafts / Bill:

The following charges shall be levied at the time of purchasing / discounting cheques / drafts / bills:

1. Interest on Purchase /discount charges min for 7 days @17.75% i.e. PLR + 3%
2. Collection charges as mentioned in page No: 1
3. Transmission charges (Postage charges) as mentioned in page no: 4

**Clearing:** Minimum 3 days including holidays interest to be collected ie. PLR + 3%.

## Interest/Purchase charges:

If cheques / drafts / bills are not realized within 7 days overdue interest at rate applicable to non-priority advances are to be collected from 8<sup>th</sup> day onwards at 18.5% ie.PLR+6% p.a.

- a) Date of credit IBT should be treated as date of realization
- b) If cheques / drafts /bills are returned unpaid, overdue interest @ 2% p.a., over normal rate should be charged from the date of discount/purchase till realization.

## Collection Charges on Purchases:

In addition to the purchase charges as above, collection charges and transmission charges (postage charges) as applicable to OBCs shall be collected. The collection amount component and purchase amount component has to be computed and accounted separately under commission and purchase respectively.

## Margin in Case of Bills – Purchase Charges:

When the margins are stipulated, purchase charges should be collected on the amount actually released, but collection charges should be collected on the entire amount of the bill.

## Delay in Collection of Instruments:

Interest applicable for appropriate tenure of fixed deposit for the period of delay beyond 10/14 days in collection of outstation instruments has to be paid, provided, the interest so worked out would be Rs.5/- and more. The customer need not claim the same. The normal delay period is 10 days for instruments drawn on Sate capitals and 14 days for instruments drawn on North Eastern Region and Sikkim.



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Where the proceeds are to be credited to the cash credit / overdraft / loan accounts, interest at the minimum lending rate shall be paid. Bank shall pay penal interest at the rate of 2 % above applicable fixed deposit rate for abnormal delay caused in collection of outstation instruments. Abnormal delay means, the delay of more than 90 days beyond the normal collection period.

The delayed period should be reckoned after making allowance for the normal transfer period and the time frame of two days each for dispatch of bills, presentation of bills to drawers, remittance of proceeds to the Lodger's Bank and crediting the proceeds to drawer's account. (Such projections may also be made for outstation cheques.)

To the extent the delay is attributable to the drawer's bank; the Lodger's Bank may recover interest for such delay from that Bank.

## Commission on Bank Guarantees:

Type of Guarantee	Charges (Rs.)
1. Financial guarantee with 100% cash margin.	Rs.100 + 0.75% p.a.
2. Financial guarantee with less than 100% cash margin	Rs.100 + 2.00% p.a.

Guarantee commission should be collected in advance at the time of issuing guarantee for the full liability period and claim period, if any. However, where guarantees are given for a period of above one year, the branches may collect the guarantee commission once in a year in advance. In such cases, the party should give an undertaking letter agreeing to pay the guarantee commission when demanded by the bank. The bank may also be authorized to debit the guarantee commission to their account.

**Minimum Commission on Guarantee:** Guarantee commission has to be collected for a minimum period of six months and in steps of quarters for guarantees above six months. A part of the quarter should be treated as full quarter, for the purpose of collecting guarantee commission.

**Cancellation of Guarantee:** In case of guarantees tendered for cancellation before the date of expiry, only portion of the guarantee commission already recovered by refunded to the customer at half of the original rate for the unexpired period of guarantee (including claim period) in completed quarters.

When a guarantee is issued in lieu of earnest money deposit for submitting the tender

- Where the guarantee is submitted to the beneficiary and subsequently tendered for cancellation, guarantee commission should not be refunded.
- However the guarantee is not submitted to the beneficiary but returned to the bank, commission may be refunded by retaining Rs.50/-



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The guarantee commission should be collected for the extended period of validity of the guarantee, due to restraints imposed on Banks by court orders at the instance of the customers.

On renewal / extension of guarantee, the commission is to be collected for a minimum period of 3 months and thereafter, in steps of quarters (part of the quarter is to be taken as full quarter).

In respect of Bank Guarantee originally issued for a period of less than six months, where guarantee commission has been collected for a minimum period of six months and any subsequent renewal/extension which falls within six months, additional guarantee commission need not be collected.

## **Service Charges to Staff:**

### **Processing Charges:**

Processing charges on proposals of staff members are waived. However, processing charges of Rs.100/- shall be collected on New Demand Loan sanctioned to staff members before 24 months of earlier avilment of New Demand Loan.

### **Collection charges:**

Collection of cheques / drafts / dividend warrants drawn in favor of the employee may be permitted at par, up to one month's gross salary. It is not cumulative. Actual postage should be collected.

### **Issue of Demand Drafts / Mail Transfers:**

The Demand Drafts/MTs may be issued to our employees up to one month's gross salary per month (it is not cumulative) at par. But other Bank's share shall be collected, if the remittance is to outside our Bank.

### **Immediate Credit of Cheques:**

The staff members may be given the facility of immediate credit of cheques up to Rs.15000/- drawn in their favour. In such cases, collection charges may be waived but postal charges are to be collected.

### **Remittance of Loan Proceeds:**

The proceeds of loan obtained by a staff member may be remitted to his/her account in another branch or to the supplier of goods and services acquired through the Bank loan, at par. Repayment of loan installments in respect of loans availed by a staff member in another branch may be remitted at par.

**Charges for stop payment instruments exempted.**

**Ledger folio charges are waived for staff members.**

**No service charges for not maintaining minimum balances.**

**No service charges for cancellation of DDs where DD value is within one month's gross salary.**

**For services not given above, the service charges prescribed for public shall be collected.**

**General Manager.**