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Flow Chart _ Opening of Current Accounts What is the Does the Any bank can open Borrower approaches aggregate exposure borrower have a CC/OD Less than current account, subject a bank for opening current of the banking system facility from the banking to undertaking from the Rs. 5 crore accounts to the borrower? system? borrower 1. Any one of the banks with which the customer has Rs. 5 crore Νo Any bank can open CC/OD facility can open current accounts provided or more that the bank has at least 10 per cent of the exposure current account, subject of the banking system to that borrower to undertaking from the 2. Other lending banks can open collection accounts borrower 3. Non-lending banks cannot open current/ collection What is the accounts Less than aggregate exposure Rs. 50 crore of the banking system Rs. 5 crore or more to the borrower? Rs. 5 crore or more but 1. A mandatory escrow mechanism will be required less than Rs. 50 crore 2. Only the lending bank acting as the escrow managing bank/agent can open current accounts 3. Other lending banks can open collection accounts 1. Any lending bank can open current account 4. Non-lending banks shall not open any current/ 2. Non-lending banks can open only collection accounts collection accounts

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