

1. Object

The object of the Scheme is to enable the depositor to make a financial provision for his future needs, by paying deposits in monthly instalments for an agreed period. It will be known as Recurring Deposit Account. At the end of the period, the customer can get the lumpsum representing the instalment amounts paid together with interest thereon.

2. Who Can open?

Recurring Deposit accounts may be opened for persons, after they are properly introduced to the bank.

The accounts may be opened by (a) a person in his/her own name or (b) two or more persons, in their joint names, who will be the beneficiaries either jointly or anyone or more among them or the survivors or the survivor of them or (c) Clubs, Societies, Associations, Educational Institutions, Trusts, Firms, Partnerships etc., after observing the usual procedure that is followed for the opening of current account for such clients, like obtaining of partnership letter in the case of partnership firms, taking a certified true copy of resolutions, bye-laws etc., of the clubs. At the time of opening joint accounts, instructions will be sought from depositors regarding the continuity or otherwise of the account on the demise of one or more of the joint account holders and also the person, to whom the payment should be made after maturity.

3. Monthly Instalments

Recurring Deposit accounts may be opened with a minimum monthly instalment of Rs.5 or, in multiples thereof. The monthly instalments may be made on or before the last working day of the month. The number of monthly instalments may be between 6 and 120, in multiples of three.

4. Mode of Remittance of Instalments

The remittance made across the counter for credit of a Recurring Deposit account should be accompanied by the prescribed pay-in-slip supplied by the bank. Remittances may also be made by Money Order, Postal Order, Cheque etc., if the depositor or his representative could not make the remittances across the counter. The names of depositors and the distinctive numbers of the accounts to which the instalments relate, should be mentioned in the pay-in-slips or in the covering letters to the remittances, by way of cheque, postal order or in money order coupons. If any instalment is remitted by cheque on an outstation bank, the cheque amount should include the charges for collection, except when the cheque is drawn on our branch.

The depositor may remit the instalments at any other office of the bank in India, free of charge, by Mail Transfer, quoting the number of the account, the depositor's name, his address and the branch, where the deposit account is maintained.

The depositor may remit the instalments in advance for any number of months, but the bank will appropriate the instalments only in the order in which they are due. For instalments paid in advance (with a minimum of 3 months), a rebate will be allowed at 2 paise per 5 rupees per month. The amount of rebate will be paid in cash.

5. Standing Instructions

Standing instructions from the depositor for transfer of monthly instalments from his savings bank account or current account may be accepted, and such transfers may be effected free of charge. If, however, there is no sufficient balance in such account to effect the transfer, the standing instructions will be treated as no longer valid and the instalments due will be deemed to have fallen in arrears.

6. Defaulted Instalments

If the monthly instalments are not paid on or before the last working day of the calendar month, as per rule 3, the instalments should be deemed to have fallen in arrears. Penal interest will be charged at Rs.1.50 for every Rs.100 per month for deposits of five years and less and at Rs.2 for every Rs.100 per month for deposits of over 5 years. Penal interest for defaulted instalments may be setoff against payment of equal number of advance instalments.

If frequent defaults are observed in the monthly deposit agreed upon, and six instalments consecutively fall in arrears, the bank may treat the account as discontinued and the amount for which, the depositor is eligible, will be paid to him, along with interest applicable as per rule No.10.

7. Transfer of Account

At the request of the account holder, Recurring Deposit account may be transferred from one branch to another, free of charge. The account holder will hand over the passbook (vide paragraph 8) with his letter of request for

transfer and he may take back the passbook from the branch, to which the account has been transferred, on receipt of the advice of transfer from the latter branch.

8. Pass-Book

A passbook would be supplied by the bank, free of charge, when a Recurring Deposit account is opened, but entries therein should be made only by the branch and duly authenticated by the officer-in-charge. The passbook should be presented to the bank, whenever the deposits are made and at the time of closure or foreclosure. The entries should be examined by the depositor, and the attention of the branch Manager should be drawn then and there, for any error/omission and/or discrepancy.

9. Duplicate Pass-Book

If a passbook is lost or misplaced a duplicate passbook may be issued on payment of prescribed service charges. For issue of a duplicate passbook with only the opening balance entry, a sum of Rs.10 should be collected and for recording additional entries for every ledger folio Rs.10 should be collected. This would be done after receiving a written requisition from the depositor along with an undertaking that the original passbook, if traced at a later date would be returned to the branch for cancellation.

10. Foreclosure

If a depositor desires to close the account prematurely, or the account is discontinued and the instalments cease to be remitted, for any reason, for six months continuously, the amount of instalments already paid, may be repaid in one lumpsum with compound interest on monthly products, at the rate as prescribed for foreclosure of term deposit accounts. In case of premature closure of RD account within 3 months of its opening, an additional service charge of Rs.5 will be collected.

11. Power to Close

The bank reserves the right to terminate the account and repay the balance at credit, with appropriate interest in terms of rule No.10, after giving one month's notice.

12. Repayment and Maturity

Notwithstanding such advance remittances, vide rule No.4, and subject to rules Nos.10 & 11, the Recurring Deposit account will mature and become due one month after the last instalment is remitted or on the expiry of the agreed period, whichever is later.

13. Loans

Loans may, at the discretion of the bank, be granted subject to a maximum of 90% of the deposit amount, at the rate(s) prescribed by the Bank from time to time.

The minimum amount of loan, which may be granted against a Recurring Deposit account, shall not be less than Rs.100 and atleast 6 monthly instalments should have been paid.

In the event of preclosure of Recurring Deposit account rate of interest on the relative loan account if any, will be at 2% over the rate of interest actually allowed on the preclosed deposit, subject however to the condition that if no interest is payable on deposits than the rate of interest for loan will be at normal rates.

14. Nomination

The facility of nomination is available for Recurring Deposit Accounts.

15. Payment of Deposits

Payment of deposit amount including interest if exceeds Rs.20000/ or the aggregate of deposits held by a customer in his sole name or jointly with others on the date of payment of any one deposit exceeds Rs.20000, shall be made by way of Account Payee crossed cheque/draft or by way credit to SB/CA of the depositor(s).

16. Power to Amend Rules

The bank reserves the right to alter the rules from time to time, as circumstances demand.

