

FIXED DEPOSITS RULES

1. Minimum Deposit

Fixed Deposits are received by the Bank at its branches for sums of not less than Rs.1000 for such rates as may be ascertained on application.

2. Who Can Open

Fixed Deposit accounts may be opened by persons after they are properly identified to our Managers. The accounts may be opened by :

- i.. a person in his/her own name;
- ii. minor(s) represented by his/her/their guardian;
- iii. two persons with one of the following clauses:
 - a. Joint,
 - b. Either or Survivor,
 - c. Former or Survivor
- iv. more than two persons repayable either (a) jointly or (ii) to anyone or more among them or the survivor(s) of them:
- v. a firm, a company or association in its name.

The clause repayable to either or survivor / former or survivor / anyone or more or survivor(s) includes the right to the survivor (s) to apply before the date of maturity for repayment or for credit facilities against the security of the deposit.

The clause repayable to Former or Survivor includes the right to the Former to apply before the date of maturity for repayment or for credit facilities against the security of the deposit or change in the name of the survivor without the consent of the survivor(s).

In view of the survivorship clause facilitating the survivor to get payment of the balance on the due date, it is desirable for constituents to opt for "Either or Survivor" or "Former or Survivor" account.

3. Period of Fixed Deposit

Deposits are accepted for a minimum period of 7 days and a maximum period of 120 months. Deposit could however be accepted longer than 120 months in the following cases :-

- i. under the orders of a competent court.
- ii. where the interests of minors are involved.
- iii. For institutions Government undertakings, corporate bodies to meet their special needs like creation of sinking funds, amortization funds etc., or for individuals for any of their special needs.

4. Payment of Interest

Interest, at the rate and at intervals prescribed by Reserve Bank of India as applicable from time to time will be paid. At present interest is payable at quarterly intervals. In case the depositors desire to receive the interest at monthly intervals. Interest will be paid less discount. The discount is the equivalent of the proportionate monthly interest. (For example discount on Rs.75 at 9% is $75 \times \frac{1}{2} \times \frac{9}{10} = \text{Rs.}0.56$). Interest may also be credited to an account as per the depositor's discretion. As per the RBI directive all payments of interests and principal will be rounded off to the nearest rupee.

5. Due Date

Due date is recorded on the deposit receipt to enable the depositor either to renew the deposit or receive payment of the amount due. Every effort will be made to send due date advice to enable the depositor to give instructions to renew / demand payment on the due date. If a deposit matures on a holiday, it becomes payable only on the succeeding working day and interest at contracted rate is payable from the date of maturity till the date of succeeding working day.

6. Interest on Overdue Deposits

6.1 When deposits are not renewed or the payment has not been received on the due date; they are transferred to overdue deposit.

6.2 Interest ceases on the due dates of the deposits.

6.3 The guidelines for payment of interest on renewal of overdue term deposits are modified as under with effect from 01.10.2001

i. Where *the overdue period does not exceed 14 days*

- a. the deposit shall be renewed for a minimum period of 15 days from the date of presentation.
- b. the rate of interest to be applied will be the rate ruling on the date of maturity of deposit relevant to the period of renewal.

ii. Where *the overdue period exceeds 14 days*

- a. the deposit shall be renewed for a minimum period of 15 days from the date of presentation.
- b. the rate of interest to be applied shall be segregated into two parts as under:

Part A - Upto the date of presentation: (irrespective of the type of original deposit)

At simple interest only, at the rate whichever is lower of the following two.

- a. The rate prevailing at the time of maturity of the deposit for the over due period

Or

- b. The rate prevailing at the time of presentation for the overdue period

Part B - From the date of presentation to the future date of maturity

At the rate prevailing on the date of presentation for renewal at simple or compound at the option of the depositor for the remaining period.

6.4 However, automatic renewal facility shall be applied to all fixed/short term deposits w.e.f 1.11.2005, wherein deposits shall automatically be renewed on the date of maturity for an equal period unless any instruction to the contrary is received from the depositor within 14 days from the date of maturity.

The deposits will be rolled over upto a maximum of 10 years before which the deposit to be closed and opened afresh.

7. Discharge of Deposit Receipts

All deposits receipts should be surrendered duly discharged for repayment or seeking credit facilities against the deposit. For renewals the deposit receipt the deposit receipt (without discharge) should be tendered to enable the bank to enter details of renewal on the receipt.

8. Transferability

Fixed Deposit Receipts are not transferable between persons by endorsement. But fixed deposit accounts are transferable from one branch to another.

9. Loans

Loans may, at the discretion of the bank, be granted subject to maximum of 90% of the deposit amount, at a rate 2% higher than the rate applicable to the deposit plus interest tax as prescribed from time to time by the Government. If the deposit against which loan is given is foreclosed, then the rate of interest charged in the loan will be 2% higher than the rate paid on such foreclosed deposit subject however to the conditions that if no interest for the loan will be at normal rates.

10. Foreclosure

The bank may, at its discretion, consider payment of the deposit before the due date. In such cases, the bank will pay interest at a rate with penalty applicable to the period for which the deposit has run. The rate of penalty will be the rate prevailing on the date on which deposit is opened.

11. General Lien

The bank reserves to itself the right to appropriate the deposit towards depositor's obligation, either individually or jointly with any other person.

12. Nomination

The facility of nomination is available for fixed deposits.

13. Claims

On the death of a depositor who has been maintaining the account in his/her single name, the amount standing to his/her credit will be paid to such person or persons as are legally entitled thereto, on the production of satisfactory proof of his/her/their title to receive the balance at credit, such as succession certificate probate of will or letter of administration granted by a competent court or any other proof as the bank may consider sufficient in the circumstances of the case. However if the depositor(s) has/have nominated a person to receive the payment of the deposit amount after his/her death under the bank's Nomination Rules then the bank is discharged on making payment to the nominee.

14. Deposit Insurance

An amount of deposit up to Rs.500,000 is covered by the Deposit Insurance & Credit Guarantee Corporation for each account in the bank in an identical name.

15. Payment of Deposits

Payment of deposit amount including interest if exceeds Rs.20000/- or other 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) or NEFT/RTGS.

16. TDS on interest

Interest on Fixed Deposits attract TDS

The bank reserves the right to alter any of the rules at any time without notice
