

MONEY MULTIPLIER DEPOSITS RULES

1. Minimum Deposit

MMD accounts are received by the bank at its branches for sums of not less than Rs.1000 for such periods and at such as may be ascertained on application.

2. Who Can Open

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

- i. a person 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" "Former or Survivor" account.

3. Period of MMD Account

Deposits are accepted for a minimum period of 6 months and a maximum period of 120 months. Deposits 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.

Deposits are accepted only for periods which are in multiples of three months.

4. Interest

Interest at the rates and at intervals prescribed by RBI as applicable from time to time will be paid. The interest earned thereon is reinvested at quarterly rests to yield compound interest. The principal amount and interest earned is repaid at the time of maturity of the deposit.

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 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.

6.2 However, automatic renewal facility shall be applied to all MMD 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

7. Discharge of Deposit Receipts

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

8. Transferability

MMD Receipts are not transferable between persons by endorsement. But MMD accounts are transferable from one branch to another.

9. Loans

Loans may, at the discretion of the bank, be granted subject to a maximum of 90% of the balance outstanding in the account, 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 a loan is given is foreclosed, then the rate of interest charged on the loan will be 2% higher than the rate

paid on such foreclosed deposit subject however to the condition that if no interest is payable on the deposit then the rate of 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 the Deposit was opened.

11. General Lien

The bank has and 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 MMD accounts.

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/their death under the bank's Nomination rules then the bank is discharged on making payment to the nominee.

14. Deposit Insurance

The amount of deposit upto 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 deposit

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

16. TDS on interest

Interest on MMD Deposits attract TDS.

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