



# INDIAN OVERSEAS BANK , CENTRAL OFFICE, CHENNAI.

## TERM DEPOSIT RULES (2007)

### 1. PREAMBLE

Moneys deposited for **specific periods** come under the category of Term Deposits. The Depositor invests the money with the bank for a specific period to mature on a specific future date as required by the depositor.

Term deposits can be made for periods ranging from 7 days to one hundred and twenty months. In case of deposits in the name of **minors** the deposits can be more than 120 months provided the bank is convinced that it is necessary to do so for the protection of minor's interest.

### 2. ELIGIBILITY

Term deposit accounts can be opened by,

- a. a person in his/her own name
- b. two or more persons in their joint names payable to:
  - i. both or all of them or to the survivor(S)
  - ii. either or any one or more of them or to the survivor(s)
- c. a natural guardian on behalf of a minor
- d. a natural guardian in the joint names of himself/herself and the minor, payable to either or survivor
- e. a person in name of any minor of whom he/she is the guardian appointed by a competent court
- f. a minor aged ten years or above in his/her single name to be operated upon by himself/herself
- g. a club, association, society, educational institution and other such bodies
- h. Trustees/Executors/Administrators/Courts
- i. Proprietary concerns, Partnership firms and Limited Companies
- j. Central/State Government Departments/ Corporations/ Organisations, Local Bodies and statutory authorities, Quasi Government Bodies etc.,
- k. Members of Staff /Ex-staff of Indian Overseas Bank

### 3. SIGNIFICANCE OF VARIOUS MANDATES IN INDIVIDUAL ACCOUNTS ( CLAUSE B OF PARA:2 ABOVE))

The Either or Survivor, Any one or Survivor mandate will take effect **only on the due date** when the deposit becomes payable. When the following declaration as appearing in the application form is signed only it would be feasible to allow premature closure or to grant an advance to the survivor(s).

“ The bank may on receipt of a written application form All the depositors jointly (in the case of instructions to pay the balance “jointly”).

The “former” only during his life time and after him, survivor(s) (in the case of “former or survivor” instructions)

**or**

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Either any one of us or survivor(s) of us (in the case of E or S or Survivor instructions)

**or**

All deposits jointly when they are alive or survivor(s) (in the case of instructions to pay the balance to “both or survivor (S)/all or survivor) in its sole discretion and subject to such terms and conditions as it may stipulate grant loan/advance/credit facility against the security of the deposit or make premature payment of the proceeds to the applicant “

Any variation or revocation of the mandate must be made only under the joint signatures of all the depositors

#### **4. ACCOUNTS OF ILLITERATES OR BLIND PERSONS**

Accounts may be opened for blind persons or for illiterate persons using thumb impression. Such persons should call on the bank to know more details and for the precautions to be taken by them for operations.

#### **5. ACCOUNTS OF MINORS**

Kindly ascertain from the bank as to who can be a guardian and to open the account accordingly and to know further details for premature closure, taking a loan against such deposit and repayment of such deposits.

When accounts are opened in the **sole name** of the minors aged 10 years and above, no advance will be allowed against the security the deposit, no premature payment of the deposit will be allowed.

Where the account is opened by the guardian on behalf of the minor the deposit is payable to the natural guardian on the due date. However, if the minor attains majority on or before the due date of the deposit, the amount will be payable only to the erstwhile minor and not to the guardian, irrespective of whether guardianship certificate is obtained or not.

In the case of accounts opened by a natural guardian in the joint names of himself and the minor with “E or S” mandate the amount will be payable to the erstwhile minor or the natural guardian on the due date.

#### **6. INTRODUCTION**

In case of an existing account holder of a Savings/Current/Term deposit account of the bank, when a **reference to the existing account is given** in the account opening form, bank may not insist on introduction.

New accounts not having an account already with the bank should be properly introduced to the satisfaction of the bank. Introduction to open an account may be typically from any one of the following

- ☞ An existing account holder who has been maintaining a satisfactorily conducted account for a period of at least six months
- ☞ A respectable member of the public with acceptable bonafides and well known to the bank.

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☞ Any permanent member of our bank's staff.

☞ Another bank

Bank will open the account after verifying with the introducer.

## 7. TO OPEN AN ACCOUNT

Persons desiring to open a Term deposit Account must attend the Bank, they will be furnished with a copy of these rules and a form of an application to open an account. The application form should be duly filled in and signed as per the requirements mentioned therein.

Accounts opened by Individuals and Proprietary firms with the Bank would carry a **nomination** and the depositor(s) shall at the time of opening the account nominate an individual (not being a minor) of his/her/their choice and submit the application along with the nomination form annexed to the account opening form) duly filled in and signed. Nomination in two or more names/proportionate nomination is not allowed. The nomination can be changed any time by submitting the prescribed form to the bank.

For customers **who do not have already a relationship** with our bank, every party to the account is required to give two copies of **latest passport size photographs** and the specimen signature clearly mentioning the authority, for record. The requirement of photographs is waived in case of Banks, Local Bodies and Government Departments and Term Deposits for an amount up to and inclusive of **Rs. Ten Thousand only**. All the Partners / Directors/ Trustees must sign the application form and the specimen signature sheet. The signature(s) must be legible and well formed. All letters to the bank must be signed strictly in accordance with such specimen and as per authority furnished to the bank.

Along with the applications, **only in case of new customers to the bank** every party to the account is required to furnish a CROP(**Customer's Record of Profile**) form duly filled in and signed to comply with Know Your Customers' norms as prescribed by RBI. This form would be updated every year by the customer. Bank will normally accept the following documents for identification and

Address proof:

- present gas connection papers
- Telephone bill
- Electricity bill
- Voters' ID card
- Driving license
- Passport
- Any other document approved by the bank

(originals should be submitted with a photocopy. After perusal the bank will return the original).

Every party to the account should furnish the **PAN** in the account opening form. If no PAN number is allotted to him / her, a declaration in **Form 60** (non-Agriculture) or in **Form 61** (Agriculture) should be furnished. The relative forms would be available with the Bank.

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**7.1.** In addition to the above, following categories of Depositors who **do not have an existing relationship with the bank** will furnish additional documents to the bank.

**7.1.1. PARTNERSHIP ACCOUNT**

A copy of the partnership deed attested by all the partners. If partners have not written down a partnership deed they can open an account with the bank furnishing a declaration to that effect to the bank.

**7.1.2. HINDU UNDIVIDED FAMILIES (HUF)**

A letter in bank's standard format signed by the Karta and all the major Coparceners of the HUF.

**7.1.3. LIMITED COMPANIES**

- a.** A true copy of the certificate of incorporation
- b.** A true copy of the Certificate of commencement of business
- c.** A copy of the Memorandum and Articles of Association made up to date.
- d.** A copy of the Board Resolution passed at a meeting of the Board of Directors (not by circulation)duly certified by the Secretary of the Company for opening the account and conduct of operations thereon. The resolution should clearly state the name of the bank, persons authorized to open and operate the account and carry on such other transactions as dealing with securities, powers to draw, accept, endorse etc., a specimen copy of the resolution is available in the bank's account opening form.

(a, b & c should be attested by a Director or Secretary of the company, Original should also be submitted for perusal and return)

**7.1.4. LIQUIDATORS**

A Liquidator should produce documents to evidence his appointment as Liquidator so as to ensure that he has the powers to carry on the business in the course of Liquidation. In the case of voluntary winding up, certified copy of the resolution and in the compulsory winding up the Court Order should be produced.

**7.1.5. TRUST**

- Certified copy of the trust deed
- Where a trust is a charitable trust, a certified copy of the certificate from the charity commissioner
- Where there is no trust deed, a certified copy of the order from a competent court
- Certified copy of the resolution regarding opening and conduct of the account.
- List of present trustees with bio data of each trustee

### 7.1.6. EXECUTORS AND ADMINISTRATORS

Probate or letter of administration

### 7.1.7. CLUBS, SOCIETIES(INCLUDING CO-OPERATIVES), ASSOCIATIONS, EDUCATIONAL INSTITUTIONS

- i. Certified true copy of the Rules, Regulations, Bye-laws (as the case may be)
- ii. Certified true copy of Certificate of Registration or incorporation in the case of registered bodies (originals will be verified and returned)
- iii. A certified true copy of the Resolution (certified by the Chairman of the meeting of the Governing Board or Managing committee or like body, at which it was passed) authorising opening of an account with the Bank and giving the list of office bearers authorised to operate the account in accordance with the rules and bye-laws of the body.
- iv. A copy of the balance sheet in the case of a co-operative society, if available.
- v. In some states, the Co-operatives to open account with a bank other than a co-operative bank need permission from the Registrar of Co-operative societies. In such cases a copy of such permission is to be furnished.

### 7.1.8. GOVERNMENT/SEMI- GOVERNMENT DEPARTMENTS

- ❖ A copy of the letter of authority by the Head of the Department permitting the Executive/official of the institution/department to open an account
- ❖ A copy of the Govt. notification/order authorising the concerned official to open and operate bank account.
- ❖ A certified copy of the rules and regulations, if any, framed by the Department/Local body regarding the powers of such executive officers in the matter of opening and operating such accounts.

## 8. TYPES OF TERM DEPOSITS

Presently following types of deposits are available with the bank

- 🚩 Where a fixed sum of money is deposited in one **lumpsum** for **an agreed period** to mature on a fixed future date.(Short Deposit, Fixed Deposit, Special Fixed Deposit(quarterly), Special Fixed deposit (monthly),Reinvestment Deposit Plan, Cash certificates. Varshik Aai Yojana).
- 🚩 Where a certain agreed sum of money is deposited **every Month** for an agreed number of months and the entire money so deposited matures on an agreed future date (Recurring Deposits, Wedding Deposits, Education Deposit, Permanent Income Plan/ Cumulative Benefit Deposit Scheme, Earn and Save for You (EASY) Deposit scheme)

Where any convenient sum is deposited **at any time** Convenient to the depositor **for a fixed period** or so as to mature on a fixed future date (Multiple Deposit account, Multiple Investment scheme)

## 9. ISSUE OF DEPOSIT RECEIPTS / PASSBOOKS

Deposit receipts will be issued only on the Bank's specially engraved forms under the signatures of two authorized officials of the bank. Where only one officer is available in a branch, he/she will affix two signatures in the deposit receipt. The deposit receipt will show Depositor(s)name(s) and address, the amount deposited, the period of deposit, due date , amount payable on maturity, deposit account number and the interest rate. Terms of payment such as "E or S", "A or S" will be marked in the deposit receipt. The fact of having registered a nomination will also be entered in the deposit receipt.

In the case of Recurring deposits/Wedding Deposits/Education deposits/Permanent income Plan/Cumulative Benefit Deposit scheme/Multiple Deposit account/Multiple Investment scheme, the bank will issue passbooks which should be got updated with the bank after every remittance/withdrawal.

The deposit receipt/the passbook is not transferable. A plain discharge must therefore be given by the depositor(s) at the time of renewal/closure/borrowing against the same. An endorsement transferring the amount to another party is not admissible. Instructions to pay the amount of the deposit to a third party or another bank must be conveyed by a separate letter by the depositor(s) along with the discharged deposit receipt/passbook.

On a deposit receipt being received by the depositor, the entries should be carefully examined and any error or omission should be immediately brought to the notice of the Bank. Depositor/s shall keep their deposit receipts in place of safety, as the Bank will not be held responsible for any loss for incorrect payment attributable to the neglect of this rule. The depositor shall immediately inform the branch in case of loss of deposit receipt. Any change in the constitution, address etc., of the depositor shall be immediately intimated to the Bank along with relevant documents and the deposit receipt may be submitted for noting the change/s.

No entries shall be made in the deposit receipt by the Depositor or any third person. The Bank reserves at all times its right to rectify or correct the entries wrongly made or found to be fictitious without being supported by tangible evidence.

Depositors can apply for a **duplicate deposit receipt** in writing in case the original is lost or stolen and when the deposit account is not under lien to the bank and the receipt is not held with the bank as security for any purpose or held in safe custody.

An indemnity should be signed with appropriate stamp duty in the format available with the bank. Service charge as decided by the bank from time to time will be levied for issuing a duplicate deposit receipt

## **10. ADDITION/DELETION OF NAMES IN TERM DEPOSITS**

Addition/Deletion in the deposit accounts of individuals is permitted as follows:

- a. If in the name of a single depositor , addition is permitted at the written request of the sole depositor
- b. If the deposit is already in the joint names of two or more persons (including E or S , Any one or Survivor), addition/deletion in the deposit account would be permitted at the written request of all the depositors.
- c. If the request for addition/deletion of a name is received from the survivor(s),after the demise of one or more of the joint depositors, the legal heirs of the deceased depositor(s) and the survivor(s) should give the consent letter.  
(In b & c noted above, atleast one of the original depositors should continue in the account)
- d. In the case of a “Former or Survivor” account no deletion of the “Former” is permitted
- e. No addition or deletion of name(s)is permitted in the case of accounts in the names of **minors**.
- f. the duration of the deposit or amount of deposit should not undergo any change.

## **11. SPLITTING OF DEPOSITS**

Splitting of deposit in the name(s) of each of the joint Depositors in the proportion desired by the depositors is permitted on written request from all the joint depositors.

Such splitting will not be treated as premature withdrawal and no penalty will be levied. Total amount of the deposit split should not exceed the amount of original deposit, also such splitting should not extend the duration of the deposit and will be carried out at the original interest rates.

## **12. TRANSFER OF TERM DEPOSITS FROM ONE BRANCH TO ANOTHER BRANCH**

Term deposits are freely transferable from one branch to another under written instructions of the depositor(s)provided the reasons adduced by the depositor(s)are satisfactory. Where the deposit is in joint names, all the depositors should sign the application for transfer irrespective the mandate (E or S,A or S) given for operation of the account. Where all the depositors authorize one depositor to request transfer of the account, bank will act on written request from such authorized depositor.

## **13. INTEREST RATES AND PAYMENT OF INTEREST ON DEPOSITS**

The rate of interest applicable to deposits for various periods is prescribed by the bank from time to time. The information is available with the branches and in bank’s website [www.iob.in](http://www.iob.in)

**Senior Citizens are given additional interest** over and above the card rates. Depositors may ascertain details on **Vardhan Scheme and for the additional interest rates.**

On deposits payable in less than three months or where the terminal **quarter is incomplete**, interest shall be paid the actual number of days on the basis of 365 days in a year.

At the option of the depositor, interest on monthly basis shall be effected and the monthly interest payable shall be less than calculated at simple rates which is so on account of directive from RBI that interest shall be paid only on a quarterly basis and any monthly payment would be only on a discounted value.

Interest can be credited to accounts maintained with the bank or any other bank through Electronic Clearing or otherwise as per depositor's instructions with applicable service charges.

During the pendency of an advance against the deposit, the periodic interest would be credited to the loan / cash credit account only and not to the accounts of depositors.

#### **14. DEPOSITS MATURING ON A HOLIDAY**

If the date of maturity falls on a holiday or non-business working day, interest at the originally contracted rate shall be paid only for the intervening holiday/non-business working day irrespective of whether the depositor seeks repayment on the succeeding working day or later on.

The interest so payable would be on the maturity value in the case of Reinvestment Deposit Plan and Recurring Deposit accounts and on the original principal amount in the case of other term deposits. This rule applies to domestic as well as Non-Resident deposits.

#### **15. TAX DEDUCTION AT SOURCE (TDS) ON THE INTEREST**

As per section 194- A of the Income tax act 1961, income tax would be deducted at source from the interest on time deposits (deposits excluding Recurring deposits) with banks at prescribed rates if the amount of interest credited or paid during a Financial year exceed Rupees Ten thousand only branch wise. For calculating the cut-off point of Rupees Ten thousand, bank would also take into account the interest accrued during the accounting year in respect of the particular depositor. **Depositors may be guided by Income tax announcements /information furnished in the notice board of the bank on the rates and the ceiling and a separate notice would not be sent to individual depositors.**

In the case of **Joint account deposits** the limit of Rupees Ten thousand only would be considered in the hands of first holder only and deducted accordingly.

In the case of **Minor accounts** the interest would be clubbed with interest on deposits of Parents/Guardian.

In respect of Reinvestment of Deposits (RDP, Cash Certificates, Multiple Deposit account, Multiple investment scheme) tax shall be deducted at source on the interest at the end of the accounting year or at the time of credit to the account of the payee or



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at the time of payment whichever is earlier. As per this provision **the maturity value in respect of Reinvestment deposit will undergo modification.** Following two options are available to the depositors, which can be exercised by giving suitable letter to the bank. However delay in exercising the option or submitting a letter will not bar the bank from Tax deduction, which is a statutory requirement.

**Option I :** The amount of tax to be deducted can be debited to the running(savings bank/current) account of the depositor, if the option is of getting maturity value already quoted in the deposit receipt.

**Option II:** If the depositor is not selecting Option I bank has to effect tax deduction from the accrued interest credit to Reinvestment deposit account for the financial year **which will alter the maturity value already shown in the deposit receipt.**

Bank will issue a certificate for tax deducted in Form 16 A to the depositors.

**No deduction of TDS** will be made in case of declaration under section 197 A of the Income tax act.

- ❖ Whenever the depositor produces a valid certificate issued by the income tax officer authorising the bank not to deduct tax
- ❖ If a person not being a company or firm furnishes a declaration in duplicate in Form 15G/15 H to the effect that tax on his estimated total income of the (previous) year is NIL.

## **EXEMPTIONS**

Interest paid or credited to the following is not subject to tax deduction:

- a.** any banking company to which banking regulation act 1949 applies or a cooperative society engaged in carrying on the business of banking ( including cooperative land mortgage bank)
- b.** any financial corporation established by or under a central/state provincial act
- c.** Life insurance Corporation of India
- d.** Unit Trust of India
- e.** Any company or a Co-operative society carrying on the business of insurance
- f.** Any other institution or Association or body of class of institutions, or associations or bodies, which the Central Government may for reasons to be recorded in writing, notify in this behalf in official Gazette.

## **16. PAYMENT OF MONTHLY INSTALMENTS**

In the case of Recurring deposits, Wedding deposits, Education deposit, Permanent income plan, Cumulative Benefit Deposit Scheme the instalment for any calendar month must be paid by the depositor on or before the last working day of that month, failing which, penalty would be levied on the instalments in arrears. Details to be ascertained from the bank.

## 17. PREMATURE CLOSURE OF DEPOSITS

Payment of the deposits before due date is permitted entirely at the discretion of the bank at the written request of the depositors, **in case of joint accounts (including “E or S “ , “ A or S” ) by all depositors.**

If any monthly/quarterly/half-yearly/yearly interest on such deposit has been paid, the excess interest paid, if any, will be recovered from the depositor from the amount payable to him at the time of closure before maturity.

Premature closure	Interest payable
<p><b>Domestic &amp; NRO term deposits</b></p> <p><b>A.</b> Deposits of Less than Rs.15 lakhs If Deposit has not completed 15 days from the date on which the deposit was opened or renewed and closed prematurely</p> <p><b>B.</b> Deposit of Rs.15 lakhs and above If deposit has not completed 7 days from the date on which the deposit was opened or renewed and closed prematurely</p> <p><b>C</b> If the deposit has completed 15 days in the case of deposits less than Rs.15 lakh and 7 days in the case of Rs.15 lakh and above</p> <p>i. If the deposit is upto Rs.5 lakh</p> <p>ii. If the deposit is above Rs. 5 lakh</p> <p><b>D</b> If an overdue deposit, renewed after paying interest for the overdue period is closed prematurely before completing 15 days in the case of deposits less than Rs.15 lakh and 7 days in the case of deposits of Rs.15 lakh and above, from the date of renewal</p>	<p><b>A</b> No interest is payable.</p> <p><b>B</b> No interest is payable</p> <p><b>C.i.</b> No foreclosure charges. Applicable interest for the period run prevailing on the date of deposit is payable.</p> <p>Additional interest for the Senior Citizen’s deposit is not payable.</p> <p><b>C.ii.</b> 1% less than the rate applicable for the period the deposit has run prevailing on the date of deposit.(additional interest payable to deposits of Senior Citizen and for bulk deposits of Rs.15 lakh and above, if any is not payable if the deposit is closed before the maturity date.)</p> <p><b>D.</b> While no interest is payable on the renewed deposit, the interest already paid for the overdue period will also be recovered.</p>

<p><b>NRE Term Deposits</b></p> <p>A. If the deposit has not completed one year from the date of opening or renewal and closed prematurely.</p> <p>B. If the deposit has completed one year from the date of opening or renewal and closed prematurely</p> <p>C. If an overdue deposit, after paying the interest for the overdue period, is closed prematurely before completing one year from the date of renewal.</p>	<p>A. No interest is payable on the deposit.</p> <p>B. 1% less than the applicable rate of interest for the period the deposit remained with the bank prevailing on the date of deposit. (additional interest, if any, payable on bulk deposit of Rs.15 lakh and above is not payable)</p> <p>C. While no interest is payable on the deposit, the interest already paid for the overdue period should also be recovered.</p>
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### **18. PREMATURE WITHDRAWAL OF MINORS' DEPOSIT**

In the case of Minor's deposit, premature withdrawal may be permitted provided the natural guardian gives a written declaration to the effect that the funds are urgently required to be utilised for the benefit of minor. However applications for premature withdrawals by the natural guardian, in case where **the minor would be attaining majority before the due date of the deposit**, will be referred by branches to Regional office for approval.

### **19. PREMATURE WITHDRAWAL OF DECEASED DEPOSITOR'S DEPOSIT**

If the legal heir(s)/representative(s) or nominees of the deceased depositor so desire(s) they may be permitted to withdraw the deposit before maturity, after fulfilling all the legal formalities connected with the settlement of claim. In such cases, interest shall be payable at the rate applicable to the period for which the deposit actually remained with the Bank as prevailing on the date of opening of the account minus 1% penalty.

### **20. RENEWAL OF TERM DEPOSITS**

Due dates of the deposit is given in deposit receipt/passbook for the guidance of the depositor. Depositor cannot claim any other communication in respect of due date as a matter of right. However the bank will endeavor to send a maturity notice shortly before the maturity date of the deposit, seeking instructions for renewal/payment of the deposit.

When requested in writing by the depositor(s) as per the mandate given to the bank the renewals will be carried out. The renewal requests can be made at any Core Banking branches, if the deposit had been issued by a Core Banking branch. Subject to certain terms they will carry out the renewals. Otherwise the renewals can be made only at the deposit-issuing branch.

Depositor(s) can also advise the branch at the time of opening the deposit itself for automatic renewal of the deposits on maturity for identical period with interest rates prevailing on the date of maturity. In such a case, depositor(s) can present the deposit receipts to the bank on maturity date or later to get the renewals noted in the deposit receipt.

**21. RENEWAL BEFORE MATURITY**

Whenever there is an upward revision of interest rates on deposits, the depositors in writing may apply to close the existing deposit before maturity and open fresh deposits so as to avail of the benefit of higher rate of interest. The renewal of a deposit before the date of its maturity shall not be regarded as involving premature payment of the deposit, provided the deposit is renewed for a period longer than the remaining period of the original contract. Interest for the period from the date of deposit till the date of such renewal shall be payable at the rate applicable to that period as prevailing on the date of deposit without deduction of 1% penalty

**22. OVERDUE DEPOSITS**

If a deposit is not paid or renewed on the due date, then it is called as overdue deposit. If a deposit is not claimed within five years from the due date, the account will be treated as inoperative and subsequently will be transferred to unclaimed balances account.

No interest is usually allowed on deposit after due date, except in case of renewal.

When the depositor requests for renewing only a portion of an overdue deposit, the bank shall allow interest for the overdue period only on the portion of the overdue deposit, which is proposed to be renewed.

Payment of interest on renewal of overdue deposit is listed below:

<b>Period of overdue</b>	<b>Interest payable</b>
Domestic, NRO and NRE deposits	
A. Upto and inclusive of 14 days from the date of maturity ( both the date of presentation and date of maturity inclusive) for deposits from the Public, staff and senior Citizens	A. Deposit can be renewed from the date of maturity and interest will be appropriate rate prevailing on the date of maturity. The deposit shall be renewed for a further minimum period of 15 days (7 days in the case of deposits of Rs.15 lakh and above)
B. Overdue period is more than 14 days from the date of maturity for deposits from the Public, staff and senior Citizens	B. Interest for the overdue period shall be paid separately at simple rate prevailing on the maturity date or date of renewal whichever is lower applicable for the period of overdue. In the case of NRE deposits, if the overdue period is less than one year, the interest rate for one year prevailing on date of maturity or renewal whichever lower is to be applied. The deposit amount (either with or without the overdue interest amount) shall be placed for a further period of minimum 15 days ( 7 days in the case of deposits of Rs.15 lakh and above , one year in the case of NRE deposits) as a fresh deposit from the date of renewal. The interest applicable on such deposit will be the rate prevailing on the date of renewal (presentation).

<p>C. If an overdue deposit, renewed and closed prematurely before completing 15 days (seven days for deposits of Rs.15 lakh and above) one year for NRE Term deposits from the date of renewal</p>	<p>C. While no interest is payable on the renewed deposit, the interest already paid for the overdue period shall be recovered.</p>
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### 23. ADVANCES AGAINST DEPOSITS

Depositors may avail loans/cash credit accounts/ advances **against deposits** from the branch where the deposit account has been opened. For the margin requirements, interest rates and formalities to be complied with, depositors may ascertain with the bank. Deposit accounts may also be extended **as collateral** to advances availed by the depositors or any other third party with the bank.

The maturity proceeds after adjustment of the loan account on the due date will be credited to depositor's account only. If they so desire depositors may also request for rollover of the loan account as well as the deposit account.

### 24. NOTICE OF LIEN AND ASSIGNMENT

When a notice of lien is received from bank's branches, State/Central Government Departments, Income-tax department, Enforcement Directorate, Government investigating agencies, Competent Court and any other competent the same shall be registered by the deposit maintaining branch and depositor will be informed of the lien. Payment of the deposit to the depositors will be made only after lifting of such lien.

Depositors can make a valid assignment of debt to a third person and sufficient proof is afforded to the bank, the assignment will be noted by the Bank. The Notice of assignment should be clear as to the intention of the depositor to assign "debt due by the bank" to a specified third party. Before effecting such payment bank will deduct any debt due to it by the depositor and/or any overdue amount in an account, which has been guaranteed by the depositor at the time of receipt of notice of assignment.

### 25. PAYMENT OF DEPOSITS

As per section 269-T of Income tax act, whenever payment of term deposits is made to the term depositors, branches of the bank would effect payment of proceeds **only by Drafts or Bankers cheques or by credit to the depositor's account** if the proceeds of the deposit payable is **Rupees Twenty thousand or more or when the aggregate amount of deposits held by the depositor in the branch is Rupees Twenty thousand or more**. Depositor may seek payment of the proceeds of a deposit **in cash** if the aggregate amount of the deposit together with interest is **less than Rupees Twenty thousand only** subject to submission of a declaration format of, which is available with the bank.

In case depositors approach any bank other than the deposit issuing branch for encashment of the deposit the same would be done by collection process only with applicable service charges.

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When the deposit proceeds are paid on maturity date or prematurely to another collecting bank, it would be treated as a collection item and service charges as applicable would be charged.

### **26. DECEASED DEPOSITORS' ACCOUNTS**

Where the deposit carries a nomination, the claim shall be settled in favour of the nominee as per Nomination Rules in force.

When there is no nomination, the claim on the deposit shall be admitted in favour of legal heirs in accordance with statutory provisions.

Interest on deceased depositors' term deposits shall be paid at the contracted rate on maturity of the deposit if paid on the date of maturity.

In the event of payment of deposit being claimed before maturity date, interest shall be paid at the appropriate rate for the period for which the deposit has remained with the bank, without charging the penalty for premature closure.

In the event of death of depositor before the date of maturity of the deposit and the amount of deposit is claimed after the date of maturity, the interest shall be paid at the contracted rate till the date of maturity. From the date of maturity to date of payment, simple interest shall be paid at the applicable rate operative on the date of maturity, for the period for which the deposit remained with the bank beyond the date of maturity. However in the case of death of depositor after the date of maturity of deposit, interest shall be paid at savings deposit rate (operative on the date of maturity) from the date of maturity till date of payment

### **27. ISSUE OF DUPLICATE DEPOSIT RECEIPTS**

Depositors can apply for a duplicate deposit receipt in writing in case the original is lost or stolen and when the deposit account is not under lien to the bank and the receipt is not held with the bank as security for any purpose or held in safe custody. An indemnity should be signed with appropriate stamp duty in the format available with the bank.

### **28. DEPOSITS OF MEMBERS OF STAFF**

Deposits of members of staff will be opened and operated upon subject to guidelines and circulars issued from time to time.

#### **General**

- Lien : The bank has a paramount lien/right of set-off on the deposit amount and reserves the right to appropriate towards any financial obligations of the depositor to the bank in any capacity
- Change of resident status : The depositor(s) shall inform the bank in writing in the event of change in resident status under Foreign Exchange Management act
- Maintenance of records: The computer printouts/ledgers/ records pertaining to the accounts will be destroyed periodically in accordance with law.

## 29. SECRECY OF THE CUSTOMER ACCOUNTS

The bank keeps details of the customers' accounts and transactions confidential. Bank shall not divulge any information relating to the affairs of its constituents except in circumstances in which it is in accordance with the Law or Practice and Usage customary among banks.

## 30. CHANGE OF RULES

The bank reserves to itself the right to alter or add to these rules at any time.

Customers are requested to enquire with the bank for the latest schedule of charges and changes in these rules. They may also be guided by information on the notice boards provided in the branches.



### Salient features of our Deposit Schemes

Scheme	Amount to be deposited	Period	Payment of interest
<b>SHORT DEPOSIT</b>	In one lumpsum minimum Rs.1000/- higher deposits in multiples of Rs.100/-	Less than 6 months Minimum 15 days. In case the amount is more than Rs.1 lakh the minimum period is 7 days.	On the maturity date
<b>FIXED DEPOSIT</b>	In one lumpsum Minimum Rs.1000/- higher deposits in multiples of Rs.100/-	6 months to 120 months	On the first working day in Oct & April. Interest at simple rates.
<b>SPECIAL FIXED DEPOSIT (QUARTERLY)</b>	In one lumpsum Minimum Rs.1000/- higher deposits in multiples of Rs.100/-	6 months to 120 months	On the first working day of Jan, April, July & Oct
<b>SPECIAL FIXED DEPOSIT (MONTHLY)</b>	In one lumpsum Minimum Rs.1000/- higher deposits in multiples of Rs.100/-	6 months to 120 months	On the first working day of every month following the month in which the deposit is made at a discounted value( will be lower than the simple interest rate)
<b>VARSHIK AAI YOJNA</b>	In one lumpsum minimum Rs.1000/- and	Minimum of 24 months and maximum of 84	Interest is compounded quarterly and paid annually, (suitable to

	based on the annual payment to be made	months	meet annual payments like Insurance premium, fees etc.,
<b>REINVESTMENT DEPOSIT PLAN</b>	In one lumpsum Minimum Rs.1000/- higher deposits in multiples of Rs.100/-	6 months to 120 months	Interest earned is reinvested at quarterly rests to yield compound interest and paid on maturity
<b>CASH CERTIFICATES</b>	In odd amounts so as to get a round sum( e.g Rs.500/-, 1000/-, 5000 or 10000/- on maturity date	6 months to 120 months	Interest earned is reinvested at quarterly rests to yield compound interest and paid on maturity
<b>EARN AND SAVE FOR YOU (EASY)DEPOSIT</b>	A minimum of Rs.100/- permonth with a maximum of Rs.10000/- per month is the core amount. On fixing the core amount up to 10 times of the same can be deposited in a month	6 months to 120 months	Interest at Term rates are payable and calculated as in the case of savings bank on the minimum balance between the 10 <sup>th</sup> and last day of the month. Deposit amount and accrued interest is repayable after a specified period, which ranges from 6 months to 120 months
<b>MULTIPLE DEPOSIT ACCOUNT PLAN I</b>	Minimum of Rs.100/- and in multiples of Rs.5/- thereafter	Period of deposit(6 months to 120 months )to be fixed at the time of opening the account and each individual remittance will be held for the identical agreed period	Each remittance in the account will be treated as individual Reinvestment deposits and therefore interest earned is reinvested in quarterly rests to yield compound interest and paid on maturity
<b>MULTIPLE DEPOSIT ACCOUNT PLAN II</b>	Minimum of Rs.10000/- and in multiples of Rs.1000/- thereafter	Same as Multiple deposit Plan I . The deposits are made in convenient units and in case of premature closure the units encashed alone will suffer premature penalty	Same as Multiple deposit account Plan I
<b>MULTIPLE INVESTMENT SCHEME DEPOSIT</b>	Minimum deposit Rs.100/- and in multiples of Rs.10/- thereafter	6 months to 120 months Various remittances made into the account at	Each remittance under the Multiple investment scheme is treated as separate Reinvestment



		irregular intervals to mature on a specified maturity date agreed upon at the time of opening the account.	deposit plan and the interest earned is reinvested quarterly to yield compounded rate and paid on maturity. For broken periods of less than a quarter, if any, simple interest is paid on the accumulated amount
<b>RECURRING DEPOSITS/</b>	A fixed sum every month Minimum Rs.50/- and in multiples of Rs.5/- thereafter.	For a specific period ranging from 6 months to 120 months in multiples of three monthly intervals viz. Six,nine, twelve, fifteen and so on .	The interest earned is reinvested quarterly to yield compounded rate and paid on maturity  <b>Repayment</b> 30 days after the last instalment becomes payable and is paid by the depositor or on the date of maturity whichever is later.
<b>WEDDING DEPOSITS</b>	The initial monthly instalment fixed will run for the first 12 months. Every subsequent year, the monthly instalment will increase by the amount of monthly instalment in the initial year. Minimum Rs.50/- and in multiples of Rs.5/- thereafter.	Accounts are opened for 63 months, 84 months and 120 months.	The interest earned is reinvested quarterly to yield compounded rate and paid on maturity <b>Repayment</b> 30 days after the last instalment becomes payable and is paid by the depositor or on the date of maturity whichever is later
<b>EDUCATION DEPOSIT</b>	Monthly instalment in multiples of minimum amount fixed. Rs.250/- for a 63 months deposit Rs.350/- for a 84 months deposit Every subsequent year the instalment decreases by one fifth of the monthly instalment in case of 63 months deposit and one	63 months or 84 months	Interest is reinvested every quarter to yield compound rate And paid on maturity. Repayment: <b>Depositor has two options which can be fixed any time before the remittance of last instalment</b> Option I <b>To withdraw the entire principal amount plus Interest on the</b>

	seventh in case of 84 months deposit		<p><b>date of maturity or 30 days after payment of the last instalment which ever is later.</b></p> <p>Option II.  <b>To withdraw the principal amount plus the interest in annual instalments i.e</b>  <b>In three annual instalments in the case of deposits of sixty three months and</b>  In four annual instalments in the case of deposits of 84 months</p>	
<b>PERMANENT INCOME PLAN( A COMBINATION OF RECURRING DEPOSIT AND SPECIAL FIXED DEPOSIT SCHEMES)</b>	<p>The scheme operates in two stages</p> <p>Stage I  The depositor remits to the bank monthly instalments for a period e.g 60,84,96 months</p> <p>Stage II  Bank pays a fixed sum monthly/quarterly to the depositor along with an annual bonus for above example 60,36,24 months</p> <p>Monthly contribution of Rs.10/- or its multiples</p>	The total period of the deposit in stage I and II should not exceed 120 months.	<p>Stage I Interest is reinvested every quarter to yield compound rate as in the case of Recurring deposits and in Stage II Simple rate for quarterly /discounted rates for monthly</p>	
<b>CUMULATIVE BENEFIT DEPOSIT SCHEME ( A COMBINATION OF RD &amp; RDP SCHEMES)</b>	Minimum of Rs.100/- and multiples of Rs.5/- thereafter	<b>Plan I</b>		Interest every quarter is reinvested to yield compound rate and paid on maturity.
		RD 1 Yr	RDP 4 Yrs	
		<b>Plan II</b>		
		RD 2 Yrs	RDP 3 Yrs	
		<b>Plan III</b>		
		RD 3 Yrs	RDP 2 Yrs	
<b>Plan IV</b>				
RD 4 Yrs	RDP 1 Yr			

**TERM DEPOSITS UNDER CAPITAL GAINS ACCOUNT SCHEME, 1988**

Accounts can be opened in Authorised branches as Savings bank accounts Designated as “Deposit account –A” under the scheme and/or Term deposits designated as “ Deposit Account – B “under the scheme.

Depositors may ascertain from the bank details of the above scheme, Operations in the account, rate of interest etc.,

**FLOATING INTEREST RATE DEPOSIT**

The deposit is accepted for a minimum amount of Rs.1 lakh and thereafter in multiples of Rs.10000/- for a minimum period of three years and a maximum of ten years.

The deposit will be in the nature of special fixed deposit(quarterly interest payment). The interest is linked to an anchor rate which is the G Sec rate. For deposits for a maturity period of 3 years to 5 years, the interest rate will be 5 year G sec rate, and for deposits for maturity period of above 5 years to 10 years, the interest rate will be 10 year G Sec rate. The rate will be fixed based on the daily average of G sec rate for the last 6 months. The rates will be reset in the accounts on 1<sup>st</sup> March and 1<sup>st</sup> September every year. Premature closure is permitted if the deposit has completed three years and with a notice of ten days from the depositor. On premature closure the applicable interest minus 1% is payable. Conversion from fixed to floating rate deposit is possible by closing the fixed rate deposit and paying applicable interest without penalty. Conversion from floating to fixed not permitted.

**VARDHAN SCHEME**

Deposit scheme for Senior Citizens. Deposits accepted for a maximum period of five years. Minimum deposit amount is Rupees Five thousand . Depositor is eligible for additional interest of 0.75 % pa for deposits up to Rupees fifteen lacs in the same branch or at different branches. Additional interest is protected in the case of premature closure only if the deposit is not more than Rupees Five lakhs.

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