



## **1. Object**

Recurring Deposit scheme enables the depositor to make a financial provision for his future needs, by paying deposits in monthly installments for an agreed period. At the end of the fixed period, the customer can get the lumpsum amount together with interest thereon.

## **2. Who can open?**

Recurring Deposit accounts may be opened for persons after proper introduction and identification of prospective customers.

The accounts may be opened by

- i) An individual in his/her own name or
- ii) Two or more persons payable
  - a. To all of them jointly
  - b. Either or Survivor /s
  - c. Any one or Survivor/s
  - d. Former or Survivor/s

Recurring deposit account can also be opened for:

- a. A minor represented by the guardian
- b. A literate minor of 12 years of age in his own capacity.
- c. A Partnership Firm, Joint Stock Company, Club, Society, Trust, etc.

## **3. Instalments**

Minimum monthly instalment will be in accordance with the guidelines issued by the bank then and there. The minimum period of RD is for 12 months and maximum is 120 months. Monthly installments should be remitted before the last working day of every month.

## **4. Due Date for RD**

The due date for RD is only an ostensible due date i.e a date on which the RD account completes the contracted period of deposit (say completed 24/36/48 months as the case may be) from the date of opening of the account.

**OR**

30 days of last installment remitted which ever is later

## **5. Mode of Remittance of Instalments**

The remittance shall be made across the counter by cash. Remittances may also be made by Cheque & Internet Banking. The names of depositor and the distinctive number of the account to which the installments relate, should be mentioned in the pay-in-slips.

In case installment is remitted by cheque on an outstation other bank, the cheque amount should include the charges for collection. Proceeds of outstation/local cheque will be credited to the RD account only on receipt of such cheque proceeds.

RD installments may be remitted at any of our Bank branches in India, free of charge, quoting the number of the account, the depositor's name, his address and the branch, where the deposit account is maintained.

#### **6. Standing Instructions**

Standing instructions from the depositor for transfer amount of monthly installments from his savings bank account or current/CC-OD account may be accepted, and such transfers may be effected free of charge. However, if there is no sufficient balance in the account to effect for the transfer of amount on the specified date, such standing instructions will be treated as no longer valid and the installments due will be deemed to have fallen in arrears.

#### **7. Penal Charge for Defaulted Instalments**

If the monthly installments are not paid on or before the last working day of each 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. Penal interest for defaulted instalments may be setoff against remittance of equal number of advance installments. If frequent defaults are observed in the monthly deposit, and consecutive six instalments fall in arrears, the bank may treat the account as discontinued and the amount of deposit, will be paid, along with applicable interest as per rule No.10, after giving due notice to the account holder.

#### **8. Pass-Book**

A passbook would be supplied by the bank, free of charge. The passbook should be presented to the bank, whenever the deposits are made and at the time of closure or preclosure. The entries should be examined by the depositor, and any discrepancy should be brought to the notice of the Branch Manager.

#### **9. Preclosure**

If a depositor desires to close the account prematurely, or the account is discontinued without remittance of installments, for any reason, the amount of instalments already paid, may be repaid with compound interest on monthly products, for the completed quarter and at simple interest for the remaining period by charging penalty of 1% less from the applicable rate of interest on the period actually run.

#### **10. Advance Remittance - Repayment on Maturity**

Notwithstanding of any remittance of instalments in advance, the Recurring Deposit account will mature and become due on the ostensible due date i.e, 30 days after the last installment was remitted or on the expiry of the contracted period of deposit which ever is later.

#### **11. Loans**

Loans may, at the discretion of the bank, be granted subject to a maximum of 75% of the deposit amount, at the rate(s) prescribed by the Bank from time to time.

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.

#### **12. Nomination**

Nomination facility is available for Recurring Deposit Accounts. Nomination can be in favour of an individual only.

### **13. Payment of amount Rs.20000/- and above**

If the maturity amount of deposit (principle plus interest) is Rs.20,000/- and above, the payment will be made by Pay order / DD / or by way of credit to the respective SB / Current Account of the depositor.

### **14. Claims**

In case of death of depositor the amount shall be payable to the claimant on production of death certificate, Legal Heirship Certificate and any other document as may be required.

- a. In case of individual depositor – on his death where no nomination is appointed the amount is payable to the legal heirs.
- b. Where a nominee is appointed the amount is payable to the nominee, on production of requisite documents.

In case of deposit in the name of two or more person, on the death of any one or more of the depositor/s the amount is payable as per survivorship clause / nomination clause.

### **15. Power to Amend Rules**

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