

RECURRING DEPOSIT SCHEME

Purpose: Recurring Deposit Scheme is most suitable for accumulating small regular savings into a handsome amount to provide for future expenditure requirements.

Eligibility: Any individual (singly or jointly) or a minor of 10 years and above in his own name otherwise under guardianship, HUF, a firm, a club, association, educational institution, municipality, panchayat, society, trust etc. can open the account.

Deposit: Monthly installment of Rs.100/- or more in multiples thereof.

Period of Deposit: 6 months to 120 months in multiples of 3 months.

Interest: As decided and published by bank to be applicable on domestic term deposits from time to time.

Deposit of instalments: Instalments shall be deposited on or before last working day of the month.

Penalty: Penalty for late payment of installments is Rs. 2.50 per Rs. 100/- per month, irrespective of the tenor of recurring Deposit.

Maturity

The deposit shall mature 30 days/one month after payment of last installment or on due date whichever is later.

Overdue Deposits: Overdue RD Accounts are transferred to current accounts. Interest at the appropriate rate operative on due date can be allowed if overdue deposit or part thereof is renewed in any of the Fixed Deposit Scheme from the due date of RD till some future date extending up to at least 15 days from the date of renewal.

Premature Payment: In case of payment before maturity, interest payable in respect of such deposit shall be at the rate applicable, on quarterly compounded basis, for which the deposit remained with the Bank or at contracted rate, whichever is lower, less penalty, if applicable, for the premature withdrawal. No penalty in case of death of depositor, and payment is made to heir/claimant survivors or if the amount is invested in another term deposit scheme for a period longer than the remaining period of original contract.

The penalty clause is also applicable in case of staff. However, in case of death of depositor, payments will be made to heir/claimant/survivor before maturity without penalty.

Payment of irregular/Discounted RD Account

Irregular/discontinued RD accounts (whether payable on or after due date at contracted rate or prematurely with relevant penalty on applicable rate) shall be treated at par with PNB Swechha Jama Yonja/Flexi RD Scheme for the purpose of calculation of interest on such accounts. Interest in such

accounts shall be calculated on the basis of monthly products (minimum balance between 10th and last day of the month) and credited/compounded half yearly. No penalty is charged, if the payment is made on or after due dates even in case of irregular/discontinued RD accounts.

Loan/Advances

The rate of interest to be charged and margin to be kept on the amount of overdraft allowed against the deposit is similar to Multi Benefit Deposit Scheme and shall be governed by L&A Circulars issued on the subject from time to time.

Interest Certificate: Interest certificates may be issued in the prescribed form to the depositors in respect of the amount credited in the depositor's account during the year. A noting may be made in the Ledger sheet for issuing the interest certificate with amount and period.