



## Financial Basics

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[Loans](#)

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- *Eligibility:* Individuals of 18 years and above earning a gross income of Rs 5000/- p.m or less.
- *Mode of operation:* Single/ joint
- *Initial deposit amount:* Rs 50/- to open the account
- *Minimum balance:* NIL
- *Maximum balance/ amount:* Rs 10,000/-, being the total value of business connection of the account holder, including other deposit accounts.
- *Rate of interest:* As applicable to Savings Bank account, i.e. 3.5% p.a.
- *Cheque facility:* Available.
- *ATM-cum-debit card:* Will be issued free of charge.
- *Internet Banking facility:* Not available
- *Number of accounts:* Ordinarily, a customer will not be allowed to open more than one basic banking 'no-frills' account.
- *Passbook:* Will be issued, updation will be permitted between the 11th and 20th of each month.
- *Charges for availing services other than those covered here:* The schedule of charges for availing services other than those covered in this product are being displayed in the branch premises/ notice board.
- *Nomination facility:* Available
- *Product available at:* All branches, except specialised branches.

- Simple interest is calculated only on the principal amount, or on that portion of the principal amount which remains unpaid.
- Compound interest is very similar to simple interest; however, with time, the difference becomes considerably larger. This difference is because unpaid interest is added to the balance due. In other words, the borrower is charged interest on previous interest. Assuming that no part of the principal or subsequent interest has been paid, the debt is calculated by the following formulas:

- Loans with Fixed Rate of Interest - Once agreed upon, the interest rate remains same throughout the period of the loan.
- Loans with Floating/Variable rate of interest - Some loans are based on floating interest rates. In such cases, the interest rate payable is linked to the market rate of interest like the bank's prime lending rate. Any change in the official interest rate by

the RBI may affect the rate applicable on your loan.

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