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| 7.1 | **Payment of interest on recurring deposit** |
| 7.1.1 | I am aware that the interest on Recurring Deposits will be calculated by the bank in accordance with the directions advised by Indian Banks' Association. |
| 7.1.2 | I am aware that the interest rates for recurring deposits will be the corresponding rate as applicable for a Fixed Deposit. |
| 7.1.3 | I am aware that interest on the Deposits is compounded at quarterly intervals, at the applicable rates. |
| 7.1.4 | Interest on a Recurring Deposit will be calculated from the date the instalment is paid |
| 7.1.5 | The method of calculation of interest on RDs will be on Actual / Actual Quarterly Compounding. |
| 7.2 | **Payment of installment** |
| 7.2.1 | I agree that the installment amount once fixed will not be allowed to be altered at a later date. |
| 7.2.2 | I agree that in case of more than one installment being overdue at the time of payment , upto 6 installments can be recovered from the linked account if sufficient balance is available. |
| 7.2.3 | I agree that in case of more than one installment being overdue at the time of payment, the paid installment if sufficient to cover only one installment will be appropriated towards the first/ earliest installment overdue. |
| 7.2.4 | I agree that partial payment of installments will not be permitted. |
| 7.2.5 | I agree that the bank shall not be responsible for informing me to maintain adequate balance in my account to pay my installments. |
| 7.3 | **Lock in period** |
| 7.3.1 | I agree to the lock in period of one month on Recurring Deposits. |
| 7.3.2 | I agree that in case of premature closure within a month, no interest shall be paid out to me & only my principal amount shall be returned. |
| 7.4 | **Maturity** |
| 7.4.1 | I agree that the Deposit shall be due for repayment & shall mature on completion of the contracted tenure even if there are installments remaining to be paid. |
| 7.4.2 | I am aware that the maturity amount mentioned on the Recurring deposit confirmation advice is subject to payment of all installments on time |
| 7.5 | **Overdue installments** |
| 7.5.1 | I agree that if frequent defaults (non-payments) are observed in the monthly installments, and six installments fall in arrears, the Bank reserves the right to close the RD account. The interest rate applicable on such closed accounts will be as per the premature withdrawal policy of the Bank. |
| 7.6 | **Premature withdrawal** |
| 7.6.1 | I am aware that the interest rate applicable for premature closure of deposits (all amounts) will be lower of: the base rate for the original/contracted tenure for which the deposit has been booked OR the base rate applicable for the tenure for which the deposit has been in force with the Bank. For deposits booked on or after 7th march'19, the base rate is the rate applicable to deposits of less than Rs.2 Cr as on the date of booking the deposit. Prior to this the base rate is the rate applicable to deposits of less than Rs.1 Cr as on the date of booking the deposit. |
| 7.7 | **PAN** |
| 7.7.1 | PAN card is required for RD's greater than or equal to Rs. 50,000 |
| 7.7.2 | In the absence of PAN, only deposits <Rs 50,000 /- can be booked. For booking deposits >= Rs 50,000/- without PAN, Customer is requested to visit the nearest branch. RD will be booked if permissible under the Bank's current policy. |
| 7.7.3 | As per the section 114B (c) of the Income Tax Act, every person shall quote his permanent account number in all transactions pertaining to a time deposit, exceeding fifty thousand rupees, with a banking company to which the Banking Regulation Act, 1949 (10 of 1949), applies (including any bank or banking institution referred to in section 51 of the Act): - |
| 7.7.4 | As per Section 139A(5A) of the Income Tax Act every person receiving any sum of income or amount from which tax has been deducted under the provisions of the Income Tax Act shall provide his PAN number to the person responsible for deducting such tax. |
| 7.7.5 | In case the PAN number is not provided to the Bank as required the bank shall not be liable for the non availment of the credit of tax deducted at Source. |
| 7.8 | **Survivorship clause** |
| 7.8.1 | Customer agrees that in case of joint RD's with a survivorship clause, the Bank shall be discharged by paying the RD proceeds prematurely to survivor/s, on request, in the event of death of one or more joint depositor |
| 7.9 | **Insurance Cover for Deposits** |
| 7.9.1 | The deposits in the Bank are insured with DICGC for an amount of Rs 5 lakhs (principal + interest) per depositor |
| 7.10 | Tax Deduction at Source  As per section 206AA introduced by finance (No.2) Act, 2009 wef 01.4.2010, every person who receives income on which TDS is deductible shall furnish his pan, failing which TDS shall be deducted at the rate of 20% as against the existing TDS rate.  w.e.f 14th May 2020 till 31st March 2021, TDS rate is reduced from 10% to 7.5% on resident deposits.   * TDS rate is applicable from time to time as per the IT Act, 1961 and IT rules. Today, TDS is recovered when interest payable or reinvested on FD & RD per customer, across all Branch, exceeds Rs 40,000/- (Rs. 50,000/- for senior citizen) in a Financial Year.Further, TDS is recovered at the end of the financial year on Interest accruals if applicable. * If interest amount is insufficient to recover TDS, the same may get recovered from the principal amount of Fixed Deposit. If customer wishes to have TDS recovered from CASA, same can be availed by filling separate declaration at branch. * For renewed deposits, the new deposit amount consists of the original deposit amount plus Interest Less TDS, if any, less compounding effect on TDS. For reinvestment deposit, the interest reinvested is post TDS recovery and "hence the maturity amount for reinvestment deposits would vary to the extent of tax and compounding effect on tax for the period subsequent of deduction till maturity * As Per Section 139A(5A) of IT Act, every person receiving any sum of income or amount from which tax has been deducted under the provisions of IT Act shall provide his PAN to the person responsible for deducting such tax. In case PAN is not provided as required, the bank shall not be liable for the non availment of the credit of Tax deducted at Source and non-issuance of TDS certificate. * If your PAN is not updated with the Bank or is incorrect; please visit your nearest branch to submit your PAN details. * No deductions of Tax shall be made from the taxable interest in the case of an individual resident in India, if such individual furnishes to the Bank, a declaration in writing in the prescribed Format (Form 15G / Form 15H as applicable) to the effect that the tax on his estimated total income for the year in which such interest income is to be included in computing his total income will be Nil. This is subject to PAN availability on Bank records. * If aggregated value of all outstanding FDs/RDs booked in same customer id during the Financial Year exceeds INR 5 Lakhs limit (\*) then PAN/Form 60 is mandatory. * In absence of PAN/Form 60: (a) FD/RD will not be renewed on maturity and maturity proceeds will be credited to your linked account or a Demand Draft will be sent to your mailing address as updated in Bank's records.(b) Maturity instructions to convert RD proceeds to FD will not be acted upon and RD proceeds will be credited to your linked account on maturity. * The maximum interest not charged to tax during the financial year where form 15 G/H is submitted is as below: i) Upto 2, 50,000/- for residents of India below the age of 60 years or a person (not being a company or firm). ii) Upto 5,00,000/- for senior citizen residents of India between the age of 60-79 years at any time during the FY iii) Upto 5,00,000/- for senior citizen residents of India who are 80 years or more at any time during the FY. iv) Form 15G/ H to be submitted by customer in triplicate to the bank, for submitting one copy to IT Department, one copy for Bank record and third copy to be returned to customer with Branch seal as an acknowledgment. A fresh Form 15G /H needs to be submitted at the start of every new Financial Year. In case form 15G/H is submitted post interest payout/credit, waiver shall be effective from the day next to the interest payout /credit immediately preceding the date of submission of form 15G/H. v) Form 15G/H needs to be submitted for every fixed Deposits booked with bank for Tax exemption. vi) The bank shall not be liable for any consequences arising due to delay or non-submission of Form 15G/H vii) To enable us to serve you better kindly submit the Form 15G/H latest by April 1st of the new financial year.   Note: The above guidelines are subject to change as per Income Tax regulations /directives of Finance Ministry Govt of India prevalent from time to time. |