

Unity Small Finance Bank Limited- Term Deposits – Rules & Regulations

1. **Minimum period:** 7 days. Maximum period: 10 years.
2. **Types of Term Deposits:**
 - (a) **Short Term Deposit (STD):** Period from 7 days to less than 2 quarters. Simple interest paid.
 - (b) **Monthly Interest Certificate (MIC):** Interest calculated with monthly pay-out at discounted value for general customers and simple interest for senior citizens.
 - (c) **Quarterly Interest Certificate (QIC):** Simple Interest paid on quarterly basis. Interest is calculated on the principal amount for completed quarters and then for the balance period, interest is calculated for completed months and further for incomplete month on actual number of days reckoning the year at 365 days.
 - (d) **Re-investment Certificate (RIC):** Applicable only for tenor more than 6 months. Interest reinvested on quarterly basis with pay-out on maturity. Interest is compounded quarterly on completion of exact quarters and then for the balance period, interest is calculated for completed months and further for incomplete month on actual number of days reckoning the year at 365 days.
 - (e) **Bulk Term Deposit:** Single rupee term deposits of Rs. 2 crore and above. Bank may offer differential rates of interest.
 - (f) **Recurring Deposit:** Customer deposits fixed amount on monthly basis. Tenure may range from 6 months to 10 years. Repayment with interest on maturity.
3. **Interest on Term Deposits:** Interest applicable as per schedule of interest rates applicable for different periods as displayed on Bank's website and branches and not subject to negotiation. However, Bank at its discretion may offer differential rates of interest only on bulk deposits i.e. single deposit of Rs. 2 crore and above. Interest is calculated and applied at quarterly intervals. Where term deposit is repayable in less than 3 months or where the terminal quarter is incomplete, interest shall be paid proportionately for the actual number of days reckoning the year at 365 days irrespective of a leap year. All transactions, involving payment of interest on deposits shall be rounded off to the nearest rupee for rupee deposits. Interest for a month/ quarter shall be credited at the end of month/quarter and shall be calculated till previous date of such credit. For the last day of the month/quarter, interest shall be credited in the next month/quarter.
4. **Deposits maturing on holidays and non-business working days:**
Where a term deposit matures for payment on a holiday/ non-business working day, depositor is entitled to interest at originally contracted rate on the original principal deposit amount for the holiday / non-business working day intervening between the date of the maturity and the date of payment of deposit proceeds on the succeeding working day. In reinvestment deposits and recurring deposits, customer is entitled to interest as above, but calculated on the maturity value.
5. **Interest Payable on Term Deposit of Deceased Holder/s**
In case of death of the depositor/s before date of maturity of the deposit and the proceeds thereof is claimed after the date of maturity, customer is entitled to interest at the contracted rate till the date of maturity. Thereafter, the bank at its discretion shall pay simple interest at the applicable TD rate operating on the date of maturity, for the period the deposit remained with the bank beyond the date of maturity. If the amount of deposit is claimed before the date of maturity, interest at the rate applicable to the period for which the deposit has actually remained with the bank shall be paid, without any penal charge. However, in case of death of the depositor after the date of maturity of the deposit, interest shall be paid at the contracted rate till the date of maturity and for the period thereafter, customer will be entitled to interest at savings account rate or the contracted rate of interest on the matured term deposit, whichever is lower, from the

date of maturity till the date of payment. In case of splitting of the amount of term deposit at the request from the claimant/s of deceased depositors or Joint account holders, no penalty for premature withdrawal of the term deposit shall be levied if the period and aggregate amount of the deposit do not undergo any change.

6. **Premature withdrawal of Term Deposit**
Premature withdrawal is permitted for term deposits below ₹ 2 crores, on request of the depositor. For Term Deposits of amount ₹ 2 crores and above, the Bank offers both deposits with/without premature withdrawal facility; customer shall be given the option to choose between the two facilities. For term deposits without premature withdrawal facility, the Bank may offer differential rate of interest. The Bank, at its discretion, may also levy penalty for premature / partial withdrawal of term deposit as per internal policy displayed on the website of the Bank and branches. For term deposits withdrawn before maturity date (i) the deposit should have remained with the bank at least for the minimum period which presently is 7 days; (ii) interest shall be paid at the rate applicable to the amount and period for which the deposit remained with the Bank. Interest is calculated on the principal amount for completed quarters and then for the balance period, interest is calculated for completed months and further for incomplete month on actual number of days reckoning the year at 365 days.
Premature termination of term deposit on demise of account holder/s shall be permitted as per the terms of contract subject to necessary verifications and submission of proof of death of the depositor/s. In the case of Term Deposit of deceased depositor/s with nomination, premature termination shall be permitted as per terms of contract at the request of the nominee on verification of his/her OVD (such as Election ID Card, PAN Card, Passport etc.) and proof of death of depositor. In the case of Term Deposit of deceased depositor/s without nomination, premature termination will be permitted on joint request by all legal heirs (or any of them as mandated by all the legal heirs) as per the terms of the contract on verification of the authority of the legal heirs and proof of death of depositor.
7. **Repayment of Term Deposits:**
 - a) The depositor/s may provide advance instructions for disposal of deposits on maturity on the Term Deposit application form itself.
 - b) The following are enabling clauses to facilitate easy and hassle-free closure of term deposits held in joint names with survivorship clause / nomination:
 - (i) In the event of disposal instructions being 'Either or Survivor' or 'Anyone or Survivor', and a premature withdrawal is required by either / any one of the joint holders, even when both are alive: In case either one / any one of us requests the Bank to allow either / any of us to prematurely withdraw the said deposit, in part or in full, the Bank is entitled to honour the same. We, further, affirm that such payment of proceeds of the deposit to either one / any one of us shall represent a valid discharge from all of us to the Bank with respect to its liability, provided there is no order from a competent court restraining the Bank from making the payment from the said account to either one / any one of us.
 - (ii) Where the mode of operation of the term deposit is 'Either or Survivor' / 'Anyone or Survivor' / 'Former or Survivor' / 'Latter or Survivor', in the event of the death of any of us, the deposit holders, premature withdrawal shall be permitted by the Bank to the survivor/s on request, without seeking the concurrence of the legal heirs of the deceased joint deposit holder/s. We further affirm that such payment of the proceeds of the deposit to the survivor/s shall represent a valid discharge of the bank's liability provided: (i) There is no order from a competent court restraining the bank from making the payment from the said account; (ii) That the survivor/s would be receiving the payment from the bank as trustee/s of the legal heirs of the deceased depositor/s and that such payment to the survivor/s shall not affect the right or claim that any person/s may have against the survivor/s to whom the payment is made. Such premature withdrawal shall not attract any penal charge. However, the interest rate shall

be the rate applicable for the period the deposit has remained with the bank or the contracted rate, whichever is lower.

- (iii) Where the deposit is held singly or jointly and premature withdrawal is required by the nominee in the event of death of the deposit holder/s / all the joint holders: (i) In the event of my/our death, the nominee named for the deposit is entitled to prematurely withdraw the said deposit, if he/she so requests the bank, without seeking the concurrence of my/our legal heirs. I/We further affirm that payment of the proceeds of such deposit to the nominee shall represent a valid discharge of the bank's liability (ii) That the nominee would be receiving the payment from the bank as a trustee of the legal heirs of the deceased depositor/s and that such payment to the nominee shall not affect the right or claim that my legal heirs may have against the nominee to whom the payment is made.

8. Premature Renewal of Term Deposit: The depositor can renew the deposit by seeking premature closure of an existing term deposit account in order to avail of the benefit of interest rates. The bank will permit such renewal at the rate of interest applicable on the date of renewal, provided that the deposit remains with the bank after reinvestment for a period longer than the remaining period of the original contract, or as may be decided by Bank from time to time. While prematurely closing a deposit for the purpose of renewal, interest on the deposit for the period it has remained with the bank will be paid at the rate applicable on the date of deposit for the period for which the deposit remained with the bank and not at the contracted rate. Further, the bank may, at its discretion, levy penalty for premature closure of an existing deposit at such rates as may be decided by the bank from time to time.

9. Renewal of Overdue Term Deposit

- An overdue term deposit or its portion may be renewed by the depositor from the date of maturity, provided the overdue period from the date of maturity till the date of renewal does not exceed 14 days.
- The rate of interest payable on the amount of the deposit so renewed shall be the appropriate rate of interest for the period of renewal as prevailing on the date of maturity.
- If request for renewal is received after the date of maturity, such overdue deposits will be renewed with effect from the date of maturity at interest rate applicable as on the due date, provided such request is received within 14 days from the date of maturity.
- In respect of overdue deposits renewed after 14 days from the date of maturity, interest for the overdue period will be paid at the savings account rate or the contracted rate of interest on the matured term deposit, whichever is lower. Such term deposit must have run for a minimum tenor of 7 days from the date of request for renewal by the depositor, in order to earn any interest. Premature withdrawals before this minimum tenor will result in zero interest payment to the depositor.
- For all new reinvestment term deposits, interest reinvested would be net of TDS and hence the maturity value would vary to that extent.

10. Interest on Overdue Domestic Term Deposits

If the Term Deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower.

11. Tax Deducted at Source (TDS)

- If the total interest paid / payable on all term deposits held by a person exceeds the threshold amount specified under the Income Tax Act, 1961 and Income Tax Rules, during a financial year, TDS shall accordingly be deducted at applicable rates.

- TDS in respect of interest earned on fixed deposits, is deducted on the basis of the total interest projected on the aggregate of fixed deposits of the customer, for the financial year. Thus, if the total projected interest in a financial year crosses the threshold limit as applicable from time to time, TDS is deducted proportionately from the existing fixed deposits at the time of interest application. The bank will issue a tax deduction certificate (TDS certificate) for the amount of tax deducted.
- The depositor, if entitled to exemption from TDS can submit applicable declaration in the prescribed format (Form 15G/ Form 15H / Tax Exemption Certificate) at the beginning of every financial year for existing term deposits and later on for term deposits created subsequently, failing which bank shall proceed to deduct tax as applicable.

12. Advances against Term Deposits: The Bank may consider request of the depositor(s) for availing loan / overdraft facility against term deposits maintained with the Bank and duly discharged by the depositor(s) on execution of necessary security documents, subject to RBI directives in force from time to time. The Bank may also consider loan against deposit in the name of minor, however, a suitable declaration stating that loan is for the benefit of the minor, is to be furnished by the depositor-applicant. The Bank will offer such advances at a margin as decided from time to time and ensuring the necessary margins are maintained so as to ensure that the due amount outstanding is never over the principle maintained in the bank. The rate of interest applicable to such advances shall be as determined by the Bank as per internal policy and disclosed upfront to the customer.

13. General

- Direct Credit facility: The repayments of Term Deposit having instructions for direct credit to the linked account can be executed at any branch of Unity Small Finance Bank Ltd.
- Personal Information: Any updation of depositor details including personal information, change of address etc. shall be provided by the depositor to the bank, along with documents of proof within 2 weeks of such change.
- Deposit Insurance: The deposits in the Bank are insured with DICGC for a total amount of Rs. 5 lakh (principal + interest) per depositor.

The Bank may disclose information about the depositor if required or permitted by any law, rule or regulations or at the request of any public or regulatory authority or if such disclosure is required for the purposes of preventing fraud, without any specific consent of the depositor.