“Introduction of Uniform Deposit Products in Andhra Pragathi Grameena Bank with effect from 09.09.2006.”

Attention of all the Branches, ECs and Offices is invited to the captioned subject. Consequent to the formation of Andhra Pragathi Grameena Bank (APGB) w.e.f. 01.06.2006, after amalgamation of Rayalaseema Grameena Bank (RGB), Sree Anantha Grameena Bank(SAGB), Pinakini Grameena Bank(PGB), it has been advised by our Sponsor Bank to formulate uniform Deposit Products/Schemes for adoption by all the Branches and ECs in the 5 districts of Andhra Pragathi Grameena Bank. Accordingly, the following domestic Deposit products/schemes are finalised for adoption by all the Branches/ECs w.e.f. 09.09.2006. The corresponding names of the deposit schemes in the erstwhile RRBs are also furnished here below for reference.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>APGB</th>
<th>RGB</th>
<th>SAGB</th>
<th>PGB</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Savings Bank (SB)</td>
<td>Savings Bank</td>
<td>Savings Bank</td>
<td>Savings Bank</td>
<td>No change</td>
</tr>
<tr>
<td>2</td>
<td>Pragathi Janatha Saving Bank (PJSB)</td>
<td>Janatha SB</td>
<td>Sree Anantha Samanya SB</td>
<td>Pinakini Saamanya SB</td>
<td>Changed</td>
</tr>
<tr>
<td>3</td>
<td>Current Account (C A)</td>
<td>Current Account</td>
<td>Current Account</td>
<td>Current Account</td>
<td>No change</td>
</tr>
<tr>
<td>4</td>
<td>Fixed Deposit (FD)</td>
<td>FD</td>
<td>FD</td>
<td>FD</td>
<td>No change</td>
</tr>
<tr>
<td>6</td>
<td>Akshaya Deposit (AD)</td>
<td>Jana-bhadratha deposit</td>
<td>------</td>
<td>------</td>
<td>Changed</td>
</tr>
<tr>
<td>7</td>
<td>Recurring Deposit (RD)</td>
<td>Cumulative deposit</td>
<td>Monthly Savings Deposit</td>
<td>Cumulative deposit</td>
<td>Changed</td>
</tr>
<tr>
<td>8</td>
<td>Nitya Nidhi Deposit (NND)</td>
<td>Janakalpa deposit</td>
<td>Abhyudaya deposit</td>
<td>Pinakini Daily Deposit</td>
<td>Changed</td>
</tr>
</tbody>
</table>

Except the above 8 schemes, all other existing domestic deposit schemes in the erstwhile RRBs are also furnished here below for reference.

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3 RRBs stand discontinued w.e.f. 09.09.2006. In other words, Branches should accept the deposits only under the above referred 8 deposit products/schemes in Andhra Pragathi Grameena Bank (APGB) w.e.f. 09.09.2006, observing the guidelines given overleaf and in the Annexure.

1) **DEPOSITS OF SENIOR CITIZENS:**

Senior citizens are eligible for **0.50%** additional interest rate (over and above the applicable card rate for less than Rs.15 lakh deposits as well as single deposit of Rs.15 lakh and above) under all above cited term deposit schemes, w.e.f. 01-07-2006 irrespective of the period of deposit, except under daily deposit scheme. This parameter (preferential interest rate) should be incorporated under all term deposit schemes in the ALPMs. Accordingly, the present practice of maintaining Senior Citizen deposits, under a separate deposit called ‘Senior Citizen Security Deposit’ (in the erstwhile RGB), is dispensed with.

2) **DEPOSITS OF WOMEN:**

Women depositors, including minor girls, are eligible for **0.25%** additional interest rate (over and above the applicable card rate for less than Rs.15 lakh deposits as well as single deposit of Rs.15 lakh and above) under all term deposit schemes, w.e.f. 01.07.2006, irrespective of the period of deposit, except under daily deposit scheme. In case of Joint Accounts, both the depositors should be women to avail this benefit. This parameter (preferential interest rate) should be incorporated under all term deposit schemes in the ALPMs.

3) **DEPOSITS OF STAFF:**

Andhra Pragathi Grameena Bank staff, including ex-staff, are eligible for **1.00%** p.a. additional interest, over and above the public rate, subject to submission of a declaration in the prescribed format by the staff, alongwith the deposit opening form.

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4) **BULK DEPOSIT RATE:**

Single deposit of Rs.15.00 lakhs and above shall be treated as bulk deposit and such bulk deposit is eligible to get additional interest rate of 0.25% over and above the applicable public rate for corresponding period of deposit.

5) **OTHER GUIDELINES:**

a) **Joint Accounts:** In case of joint term deposit account, both the depositors should be woman, to get additional interest rate (0.25%) under woman deposit category. If male member is there in a joint term deposit account alongwith a woman (irrespective of number one or number two position), such joint account is **NOT** eligible for additional interest rate (0.25%) under woman deposit category. However, term deposit in the name of a **minor girl, father as a guardian, is eligible for additional interest rate (0.25%) under woman deposit category.**

b) **Self-Help Groups (SHGs):** SHGs are eligible to get additional interest rate (0.25%) benefit provided all the members in a group are women.

c) The new name of the existing deposit scheme with revised scheme parameters, if any, should be incorporated in the ALPMs. If a deposit name is unchanged but only certain parameters in a scheme are changed, such changes should also be incorporated in the ALPMs.

d) The remaining deposit schemes (other than the 8 schemes given above) shall be continued in the ALPMs till such time the existing accounts are matured/closed. The matured deposits under the remaining schemes should not be renewed with the old deposit name/old scheme parameters, but can be renewed under the new deposit scheme/s/new scheme parameters taking **maturity date as value date.**

e) The existing stock of Deposit Receipts/Certificates should be used, affixing the new name of the Bank (ANDHRA PRAGATHI GRAMEENA BANK) as well as the

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new name of the deposit scheme until further instructions. Rubber seals with new deposit names are already supplied to all the Branches and ECs in the 2nd week of July 2006, from the Head Office, through the Regional Offices/Area Offices.

f) Personnel from EDP cell will visit the Branches/ECs and create the new deposit schemes in the ALPMs for the new deposit schemes introduced. The existing scheme parameters will also be changed by them wherever required. If this work is not completed before 09.09.2006 by the EDP Cell Personnel in any Branch/EC, such Branch/EC shall maintain the particulars of above cited new deposits opened from 09.09.06 manually. Such accounts shall be transferred to the ALPMs after creating/converting the new schemes in the ALPMs by the EDP Personnel.

6) Availment of additional/preferential interest rate on deposits:

As stated above, additional interest rate benefit is available on term deposits for Bank’s staff (01.00%), Senior Citizens (0.50%), Women depositors (0.25%) and bulk deposits (0.25%), irrespective of the period of deposit. Branches shall note that the multiple additional interest benefit can be extended on a deposit to a person w.e.f. 09.09.2006. Women Senior Citizens can avail 0.50% under Senior Citizen category, 0.25% under women category. Few illustrations are given here below to clarify the point with regard to extending of multiple additional interest benefit to the depositors.

a) Mrs. K.Rani, a woman depositor aged 61 years (senior citizen) deposited Rs.1.00 lakh on 11.09.2006, in a term deposit for a 9 months period. In this case, as a Senior Citizen and as a Woman depositor, Mrs.K. Rani is eligible to avail the following interest rate on her cited deposit.

\[
6.00\% \text{ (normal rate)} + 0.25\% \text{ (woman depositor rate)} + 0.50\% \text{ (Senior Citizen rate)} = 6.75\% \text{ p.a.}
\]
b) Mrs. L. Radhamma, a woman depositor aged 61 years (senior citizen) deposited Rs.16.00 lakhs on 12.09.2006, in a single term deposit (bulk deposit) for a 9 months period. In this case, as a Senior Citizen and as a Woman depositor, Mrs.L. Radhamma is eligible to avail the following interest rate on her cited single bulk deposit.

\[
6.00\% \text{ (normal rate)} + 0.25\% \text{ (woman depositor rate)} + 0.50\% \text{ (Senior Citizen rate)} + 0.25\% \text{ (bulk deposit rate)} = 7.00\% \text{ p.a.}
\]

c) Mrs. M. Soni, a woman staff member of our Bank, aged 36 years, deposited Rs.10,000/- on 13.09.2006, in a term deposit for a 9 months period. In this case, as a woman staff member, Mrs.M. Soni is eligible to avail the following interest rate on her cited deposit.

\[
6.00\% \text{ (normal rate)} + 0.25\% \text{ (woman depositor rate)} + 1.00\% \text{ (Staff deposit rate)} = 7.25\% \text{ p.a.}
\]

d) Mrs. N. Ramani, a woman staff member, deposited Rs.16.00 lakhs on 14.09.2006, in a single term deposit (bulk deposit) for a 9 months period. In this case, as a woman staff member, Mrs.N. Ramani is eligible to avail the following interest rate on her cited single bulk deposit.

\[
6.00\% \text{ (normal rate)} + 0.25\% \text{ (woman depositor rate)} + 1.00\% \text{ (Staff deposit rate)} + 0.25\% \text{ (bulk deposit rate)} = 7.50\% \text{ p.a.}
\]

e) Mrs A. Vani, a retired woman staff member of our Bank, aged 61 years, deposited Rs.5.00 lakhs on 15.09.2006, in a term deposit for a 9 months period. In this case, as a retired woman Senior Citizen staff member of our Bank, Mrs. A. Vani is eligible to avail the following interest rate on her cited deposit.

\[
6.00\% \text{ (normal rate)} + 0.25\% \text{ (woman depositor rate)} + 1.00\% \text{ (Staff deposit rate)} + 0.50\% \text{ (Senior Citizen deposit rate)} = 7.75\% \text{ p.a.}
\]

Contd.6
f) Mrs. P. Lakshmi, a woman retired staff member, aged 61 years deposited Rs.16.00 lakhs on 17.09.2006, in a single term deposit (bulk deposit) for a 9 months period. In this case, as a senior citizen, woman retired staff member of our Bank, Mrs. P. Lakshmi is eligible to avail the following interest rate on her cited single bulk deposit.

6.00% (normal rate) + 0.25% (woman depositor rate) + 1.00% (Staff deposit rate) + 0.25% (bulk deposit rate) + 0.50% (senior citizen deposit rate) = 8.00% p.a.

The new deposit products with detailed scheme parameters are furnished in the annexure to this circular. All the branches, ECs and Offices are advised to go through the enclosed deposit schemes along with scheme parameters thoroughly and act accordingly. Deposit pamphlets (in Telugu language) are being supplied to all the Branches and ECs shortly to popularise the deposit products.

Clarifications required, if any, on this circular, may be referred to the PDOS Department, Head Office: Kadapa.

(M.OBULESU)
CHAIRMAN
1. SAVINGS BANK DEPOSIT

a. In whose names the account can be opened?

i. Individuals singly or jointly
ii. Salaried class people
iii. Professionals in their individual names
iv. Clubs, Associations, Religious institutions which do not conduct business of commercial nature and Charitable Trusts who are exempted under Section 80 G of Income Tax Act for receiving donations.
v. Guardians on behalf of minors (A student of over 10 years of age can open SB A/c and operate the same without being represented by a guardian. In such cases, introduction from the head of the school (or class teacher) with date of birth of the student shall be obtained.
vi. Government Bodies established under specific acts for development purposes as listed below.
   ♦ Primary Co-operative Credit Society financed by the bank
   ♦ DPAP/DWMA; District Development Authority (DDA)
   ♦ DRDA/VELUGU (SERP)
   ♦ SGSY/SJSRY/ITDA/SCAP/BCAP/STAP/AP Minorities Corporation
     ♦ Agriculture Produce Market Committees
     ♦ Khadi and Village Industries Boards
   ♦ Jawahar Rojgar Yojana funds held by Zilla Parishads/Gram Panchayats.
   ♦ Nagar Panchayats, Nagar Palikas and Municipal bodies in relation to Scheme of Urban Micro Enterprises (SUME).
   ♦ Podupu Lakshmi Groups/SHGs/RMGs.
   ♦ Village Federations (Gram Samakhyas) of SHGs.
   ♦ Societies registered under the Societies Registration Act, 1860 or any other corresponding law in force in a State or a Union Territory.
   ♦ Companies governed by the Companies Act, 1956 which have been licensed by the Central Government under Section 25 of the said act, or under the corresponding provision in the Indian Companies Act, 1913, established for development purposes only and permitted not to add to their names the word ‘Limited’ or the words ‘Private Limited’.
   ♦ Institutions other than those listed under (b) below and whose entire income is exempt from payment of Income-Tax under the Income-Tax Act, 1961.
   ♦ Educational Institutions established solely for the purpose of education and the entire income of the institution is exempt from Income Tax (explained more in detail in this circular later).
     ♦ Any other institution permitted by the RBI from time to time.
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b. Trust accounts:

Rules relating to opening and operation of Executor/Trust Accounts:

All transactions in trust accounts must be carried on strictly in accordance with the provisions of the Trust Deed as the trustees have no powers to go beyond any provisions laid down in the Trust Deed.

A) Documents to be obtained:

i) Under law, Trust can be created either under a Will or under a Deed. Hence before opening an account in the name of a Trust, the branch must get the original Will or Trust Deed as the case may be and get a copy of the same duly certified by the trustee/trustees. After comparing the copy with the original and if satisfied that the copy is correct one, the original may then be returned to the parties.

ii) The branch should then get the account opening form OG-175 duly filled up and signed at the required places by the trustee or if there are more than one trustee, by all the trustees.

B) Caution:

i) Branches must keep a watch over the withdrawals from trust accounts and see that by these withdrawals misappropriation is not attempted by trustees.

ii) Transfer of amount from trust account to the account of individual trustees must never be permitted unless branch is satisfied that such transfers are under the terms of the Trust Deed or in payment of any genuine claim of the trustee against the Trust.

iii) The branches should keep a watch over all the trustees regarding their death, insolvency, lunacy etc. and immediately whenever a trustee dies, adjudged insolvent, or becomes lunatic, branches must get fresh account opening forms duly filled up by the existing trustees and new/substituted/replaced trustee. If the trustee operating the account or one amongst the trustees who operate the account dies, is adjudged insolvent or becomes lunatic, operation of the account must be immediately stopped and further operation may be permitted only after obtaining fresh account opening form and fresh mandate.

iv) Lien over the Balance:

Branches must note that the bank does not have a lien over the balance in the trust account for any liabilities of the trustees in their individual capacity, but lien is available for any dues of the trust.
v) Approval of and Reference to the Regional Office:

When a trust account is opened observing the formalities mentioned above, approval of the same must be obtained from the respective Regional Office and any deviation can be made only after receiving their written permission.

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If Branches experience any difficulty in complying with the formalities mentioned therein, they should seek clarification from the respective Regional Office and they must not do anything with any doubt in their mind.

Note: Trust accounts cast heavy responsibility on the bankers and hence branches should, as far as possible, persuade parties to have accounts in their own names. If such persuasion fails, only as a last resort, branches can open trust accounts.

c. In whose names, the account can not be opened?

Banks shall not open savings bank accounts in the name of any trading or business concern, whether such concern is proprietorship, partnership, company or association. However, if branches desire to open savings bank accounts in the name of institutions which are not covered in the list as above and which are specifically charged with the task of rendering social or economic assistance to, or welfare of, the weaker and underprivileged sections of the society, banks shall, for opening savings bank accounts for them, make a formal application to the Regional Office of the Department of Banking Operations and Development of the RBI within whose jurisdiction the Registered Office of the beneficiary organisation is situated, furnishing full particulars of the institution, including Memorandum and Articles of Association, bye-laws, nature of activities, published accounts, such as balance sheet, profit and loss account or income and expenditure statements, the manner of distribution of surplus funds, etc.; to enable the RBI to decide whether or not a specific exemption can be granted in its favour.

The following institutions are specially excluded from opening savings bank accounts with banks and earn interest thereon:

- Government departments/bodies depending upon budgetary allocations for performance of their functions.
  - Municipal Corporations/Committees; Panchayat Samitis.
- State Housing Boards; Industrial Development Boards/Authorities
- State Electricity Boards; Water/Sewerage/Drainage Boards
  - State Test Book Publishing Corporations/Societies;
  - Metropolitan Development Authorities
- State/District Level Housing Co-operative Societies.
In addition to the above, in respect of educational institutions following clarification is given:

Educational institutions which are not dependent on budgetary allocations as defined in paragraph 1 (h) of RBI directive BC.151/C.347-85 dated 27.12.85 for the performance of their function, there is no objection for opening Savings Bank account in the name of educational institutions if the statutory auditor of the concerned educational institution certify that the institution concerned is ‘existing solely for the purpose of education’ within the meaning of section 10 (22) of income tax act 1961 and that the entire income of the institution is exempt from income tax under the income tax act 1961.

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For the benefit of the branches, we reproduce here below para 1 (h) of RBI directive referred above:

“Budgetary allocation” shall mean the allocation of funds by the Government made through the budget, wherein all the Government expenditure is reflected. Any institution, irrespective of the fact that it is a Government Department, Semi-Government or Quasi-Government Body, which receives grants, loans or subsidies from the Government is said to depend on budgetary allocation. Government grants to Institutions are also in the nature of budgetary allocation. Government’s subscription to the share capital of these institutions also forms part of the budgetary allocation. Local bodies like Municipal Corporations, Zilla Parishads, Taluka Panchayats and Gram Panchayats are given grants in the nature of ‘compensation and assignments’ which also form part of budgetary allocation, although taxes collected by these bodies are not covered under the definition and scope of budgetary allocation of Central and State governments. Opening of SB Accounts in the name of Chairtable Trusts (Registered) exempted from paying Income Tax under Income Tax Act.

d. Minimum initial deposit / Minimum balance (Computerised branches as well as Non-computerised branches)

<table>
<thead>
<tr>
<th></th>
<th>Urban</th>
<th>Semi-urban &amp; Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>With cheque book</td>
<td>Rs.500/-</td>
<td>Rs.250/-</td>
</tr>
<tr>
<td>Without cheque book</td>
<td>Rs.250/-</td>
<td>Rs.100/-</td>
</tr>
</tbody>
</table>

e. Interest

The present rate of interest is 3.50% p.a. w.e.f. 01.03.2003. Interest will be allowed on the minimum monthly balances between 10th and the last day of the
month. No interest will be paid unless the account earns a minimum of Re.1/- per half year. Interest shall be credited to the account at calendar half yearly intervals (from 1<sup>st</sup> to 10<sup>th</sup> July every year for the period January-June and from 1<sup>st</sup> to 10<sup>th</sup> January every year for the period July-December).

f. In-operative accounts:

If no transaction are there in a account for more 24 months, such account shall be treated as “in-operative account”. To mark such accounts in the ALPM, branches have to invoke the option “19” in the Managerial Functions. ALPM will not automatically transfer such in-operative accounts into dormant accounts category.

g. Service Charges/Incidental charges:

i) Service Charge of Rs.10 per month shall be collected for non-maintenance of minimum stipulated balances.

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ii) Duplicate pass book with latest balance entry can be issued on payment of Rs.30/- by the depositor. To get previous entries, Rs.20/- shall be collected for each folio or part thereof of SB pass book.

iii) For closure of account before one year, Rs.25/- shall be collected as incidental charges.

h. Issue of Cheque book:

Depending upon the need of the customer, cheque book with 10 leaves can be given. Later, depending upon the requirement of the customer, cheque book with more than 10 leaves can also be given. In all, 60 cheque leaves can be given free of cost in a calendar year. If the cheque issued by the customer are frequently bounced back/returned unpaid, Branch can recall the cheque book by issuing a suitable letter to the customer.

i. Nomination facility

Nomination facility is available to the SB account holder/s.

j. Others

i. Know Your Customer (KYC) norms should be followed scrupulously.

ii. Two pass port size photos shall be obtained from each depositor (one photo for Pass Book and another for specimen signature card).

iii. Individual account can be converted into joint account by obtaining suitable letter from the first account holder.

iv. The account can be transferred from one branch to another branch free of charge at the written request of the depositor.

v. Repayment of the deposit should be done observing the repayment clause/mode (either or survivor: No.1 or survivor; former or survivor
etc.) opted by the depositor/s and as recorded in the opening form.

vi. 1% additional interest can be paid on staff SB accounts, provided prescribed declaration is given by a staff member at the time of opening of an account.

vii. Particulars of SB accounts where the aggregate credits in a financial year exceeded Rs.10.00 lakhs in a account should be furnished to the Head Office, in the prescribed statement, for onward submission of consolidated information to the Income-Tax Department. Such information should reach the Head Office by 15th of May every year.

2. PRAGATHI JANATHA SAVINGS BANK DEPOSIT SCHEME
   (‘No Frills’ SB product)

The salient features of Pragathi Janatha Savings Bank (PJSB) deposit are:

a. **Name of the Deposit:** Pragathi Janatha Savings Bank

b. **Eligibility:** Except Institutions, Associations, Trusts, Clubs, Societies, all individual/s can open this account, following the extant KYC norms.

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c. **Initial/Minimum balance:**

   All branches & ECs : zero/zero balance

d. **Rate of Interest:** As per SB Deposit (3.50% p.a. at present)

e. **Cash receipts:** No restrictions

   f. Cash withdrawal:

   50 withdrawals per financial year shall be allowed. **Service charges of Rs.10/- per debit(cash) transaction shall be collected in case if the stipulated 50 debit(cash) transactions in a calendar year are exceeded.**

g. **Service charges:** No charges for non maintenance of minimum balance (zero balance permitted).

h. **Cheque book facility:**

   **Cheque book cannot be issued to this account holders.** In case if any depositor wants to avail cheque book facility, he/she can close the PJSB account and open normal SB account with required initial balance.

i. **Issue of Pass Book and duplicate Pass Book**
a) A simplified 4 page Pass Book (specially designed for these accounts) is supplied to the Branches/ECs. Hence, such pass book shall be given to the customer **without collecting any charges**.

b) For issuing duplicate Pragathi Janatha SB Pass Book (furnishing only the latest balance entry), Rs.5/- shall be collected.

**j. Charges to be collected for Closure of account:**

a) If the account is closed before 1 year: **Rs.5/-**

b) If the account is closed after 1 year: **No charges**

* Branches should note that while closing an account, ALPM will not automatically debit these charges. Hence, branches should ensure collection of the charges from the customer while closing an account before one year. Failure to collect the charges will be treated as seepage of income.

**k. Other conditions:**

a) Branches shall use the existing SB account opening application forms/specimen signature cards for Pragathi Savings Bank Accounts also. Branches may not obtain Form No.60 / Form No.61, as the case may be, for these accounts. However, duly attested photo copy of any of the following documents, in support of the identity / address of the account holder, shall be obtained while opening the account.

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i) Ration Card / Voter identity card.  
ii) Passport  
iii) Driving licence  
iv) Identify Card issued by any Institution/Agency/Department.  
v) Electricity bill or Telephone bill showing residential address.  
vi) Any document or communication issued by any authority of Central Government, State Government or local bodies showing residential address.  
vii) Any other documentary evidence in support of his/her address given.
b) All other conditions/KYC/AML norms, payment of interest etc., as applicable to Savings Bank account, shall also apply to the accounts opened under PJSB scheme. It may be noted that the KYC procedure for opening accounts has been simplified by RBI, for those persons who intend to keep balances not exceeding Rupees fifty thousand (Rs.50000/-) in all their accounts taken together and the total credits in all the accounts taken together is not expected to exceed Rupees one lakh (Rs.1,00,000/-) in a year.

3. CURRENT ACCOUNT (CA) DEPOSIT

a. Current Account is demand deposit, wherein the account holders can credit amounts and issue cheques any number of times without any restriction. Current Accounts are convenient to Businessmen, Companies, Industries, Associations and individuals, who have occasion to receive and pay amount in cash/cheques quite often. These accounts are to be operated by cheque only.

b. Minimum initial deposit

Rs.3000/- in urban and semi-urban branches/ECs.
Rs.1000/- in rural branches/ECs.

c. Interest

No interest shall be paid on Current Account balances as per the extant guidelines of Reserve Bank of India.

d. Service Charges:

I) For non-maintaining of minimum balance

Rs.50/- per month by all branches.

II) Cheque leave charges:

Re.3/- per cheque leaf shall be collected while issuing cheque Book, including first cheque book.

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III) **duplicate pass book with latest balance entry**, can be issued on payment of Rs.30/-. To get previous entries, Rs.20/- shall be collected for each folio or part thereof of Current account pass book.

IV) **For closure of account (irrespective of age of the account)**, Rs.50/- shall be collected as incidental charges. However, no charges shall be collected in case of transfer of account from one branch to another branch or for opening of another new account in case of death of one depositor/partner/joint account holder.

e. **Ledger folio charges:**

Rs. 60/- per ledger folio shall be collected. However, certain number of free ledger folios are permitted for the Current Account holders depending on the credit balances maintained in their accounts as shown below.

<table>
<thead>
<tr>
<th>Average credit balance maintained in Current Account:</th>
<th>Free ledger folios allowed per annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to Rs.25000/-</td>
<td>NIL</td>
</tr>
<tr>
<td>Above Rs.25000/- and up to Rs.50000/-</td>
<td>3</td>
</tr>
<tr>
<td>Above Rs.50000/- and upto Rs.1.00 lakh</td>
<td>5</td>
</tr>
<tr>
<td>Above Rs.1.00 lakh and up to Rs.2.00 lakh</td>
<td>10</td>
</tr>
<tr>
<td>Above Rs.2.00 lakh</td>
<td>All folios</td>
</tr>
</tbody>
</table>

- For accounts maintained in the ALPMs, 40 entries or part thereof shall be treated as one ledger folio.
- Ledger folio charges are not applicable to State and Central Government Accounts.
- Ledger folio charges should be collected once in a year on completed pages only. Part of the page should be considered as full page. These charges shall be debited on or before 28th February every year or on the date of closure of the account whichever is earlier.

f) **Nomination facility**

Nomination facility is available.

g) **Others**

i) Whenever a Current Account is opened, branches shall obtain a declaration from the party to the effect that he/she is not enjoying any credit facilities with other Banks or a declaration giving details of credit facilities enjoying with other Bank/s.

ii) Two passport size photographs shall be obtained. Wherever required seal of the firm/establishment shall be affixed in the account opening form.
iii) If no transaction are there in a account for more 24 months, such account shall be treated as “in-operative account”. To mark such accounts in the ALPM, branches have to invoke the option “19” in the Managerial Functions. ALPM will not automatically transfer such in-operative accounts into dormant accounts category.

iv) If the issued cheques are frequently bounced back/returned unpaid, Branch can recall the cheque book by issuing a suitable letter to the party.

4. FIXED DEPOSIT (FD)

a. FD can be opened by:

- An individual
- Jointly with one or more persons
- Guardian on behalf of minor
- Partnership firms, Companies, Associations, Clubs, Charitable institutions, Trusts etc.

b. Minimum amount of deposit

Fixed deposit can be accepted with a minimum deposit of Rs.500/- and in multiples of Re.1/- thereof.

c. Period

The minimum period is 7 days and the maximum period is 10 years. 7days – 14 days period of deposit is applicable to FDs of Rs.10 lakhs and above only, as per the extant guidelines of the Bank.

d. Interest

i. Interest on term deposits of various maturities will be communicated by the Head Office from time to time.

ii. Interest shall be paid at applicable/contracted rate on quarterly intervals (March, June, September & December).

iii. Interest shall be paid only on maturity if the FD is accepted for less than 6 months period.

e. Nomination facility

Nomination facility is available.
f. Premature closure of deposit

I) In case of premature closure of FD, the applicable interest rate is the rate applicable to the period for which the deposit is remained with the bank minus 1% for deposits of below 1 year period and minus 0.50% for deposits of above 1 year period.

II) In case of deceased depositors, penal cut of interest is not to be levied in the event of premature closure of term deposit standing in the name of deceased depositor or two or more depositors where one of the depositors has died.

III) Penal cut of interest need not be applied when a deposit is prematurely closed and re-invested the amount in the bank for the purpose of availing increased interest rate. The re-invested account period should be for more than the un-expiry period of original Fixed Deposit.

g. Overdue deposits - Renewals

i. If the depositor approaches for renewal within 14 days from the date of maturity, the rate prevailing as on the date of maturity shall be extended.

ii. If the depositor approaches for renewal after 14 days from the date of maturity interest prevailing as on the date of maturity or as on the date of renewal, whichever is lower can be extended.

iii. Automatic renewal facility can be extended under FD. In case of Kamadhenu Deposit accounts in the erstwhile Rayalaseema Grameena Bank, maturity notices shall be sent to the depositors informing about the withdrawal of the scheme w.e.f. 09.09.06. At the request of the depositor, RGB Branches can renew the matured Kamadhenu deposit accounts under Fixed Deposit scheme with automatic renewal facility.

h. Repayment of term deposits

According to the provisions of Section 269 T of income tax Act, 1961, the refund of term deposits either on maturity or before maturity is to be made by means of account payee demand draft or pay order or by credit to the SB/Current Account of the depositor/s, if the aggregate of deposit and interest is Rs.20,000/- and above. Failure to comply with this provision, a penalty amounting to a sum equal to the amount of aggregate deposit will be imposed by the Income Tax department under Section 271- E of the Income Tax Act.
i. TDS on interest earned/accrued

Tax shall be deducted at source if the interest accrued/paid/credited to a fixed deposit exceeds Rs.5,000/- in a year.

j. Issue of duplicate deposit receipt:
   i) In respect of matured deposit:

   Written intimation about loss of deposit receipt should be obtained from the depositor/s. Duplicate deposit receipt need not be issued in such cases. However, after satisfying the genuineness of depositor/s intimation about loss of deposit receipt, the branch should obtain signature/s of depositor/s on the back side of the debit slip and also obtain stamped receipt for the total deposit amount (Principal + interest) while making payment. Indemnity bond shall also be obtained, whenever required.

   ii) In respect of deposit not matured:

   Written intimation about loss of deposit receipt should be obtained from the depositor/s. After satisfying the genuineness of depositor/s intimation about loss of deposit receipt, branch can proceed for issuing duplicate deposit receipt, making necessary entries on the duplicate receipt. The fact of issuing duplicate receipt should be recorded in the ledger folio concerned without fail.

k. Other guidelines

   i) Individual account can be converted into joint account by obtaining suitable letter from the first account holder.
   ii) The account can be transferred from one branch to another branch free of charge (including postal expenses).
   III) 1% additional interest can be paid on staff accounts, provided declaration in the prescribed format is given by a staff member along with the deposit opening form.
   iv) Passport size photo of the depositor/s shall be obtained while opening the account. Photo shall be pinned to the opening form.
   v) Repayment of the deposit should be done observing the repayment mode (either or survivor: No.1 or survivor; former or survivor etc.) opted by the depositor/s and as recorded in the opening form and in the Deposit Receipt.
   vi) Loan on Deposit (LD) facility is available.
   vii) KYC/AML norms shall be followed scrupulously.
5. PRAGATHI CASH CERTIFICATE (PCC)

The amount accepted in this scheme grown constantly with interest compounded on quarterly basis and accrued interest will be paid alongwith the principal amount on maturity.

a. Minimum amount of deposit

   Minimum amount of deposit is Rs.500/- and multiples of Rs.100/- thereof in case of fresh deposits. In case of renewals, it can be in multiples of Re.1/- thereof.

b. Period

   12 months to 120 months, in completed quarters i.e. 15 months, 18 months, 21 months, 24 months, 27 months ------- and so on.

c. Interest

   Interest shall be compounded quarterly and credited to the account on quarterly intervals (March, June, September & December).

All Other business rules as applicable to fixed deposit scheme are equally applicable to this Cash Certificate scheme also.

6. AKSHAYA DEPOSIT (AD)

The special feature of this term deposit scheme is that interest on this deposit will be paid on monthly intervals on the discounted value, to meet the monthly requirement of funds by a depositor.

a. Minimum amount of deposit

   Minimum amount of deposit is Rs.500/- and in multiples of Rs.100/- thereon.
b. **Period**

12 months to 120 months, in completed quarters i.e. 15 months, 18 months, 21 months, 24 months, 27 months ------ and so on. This deposit cannot be accepted for less than 12 months period.

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c. **Interest**

The interest on the deposit shall be calculated and payable at monthly intervals on the discounted value, by crediting to the SB Account of the depositor/s. The following table shows the monthly interest payable on a deposit of Rs.100/- and Rs.1000/- at different interest rates.

<table>
<thead>
<tr>
<th>Rate of Interest % p.a.</th>
<th>Amount of deposit Rs.100</th>
<th>Amount of deposit Rs.1000</th>
<th>Rate of Interest % p.a.</th>
<th>Amount of deposit Rs.100</th>
<th>Amount of deposit Rs.1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.00</td>
<td>0.4149</td>
<td>4.149</td>
<td>9.25</td>
<td>0.7649</td>
<td>7.649</td>
</tr>
<tr>
<td>5.25</td>
<td>0.4355</td>
<td>4.355</td>
<td>9.50</td>
<td>0.7854</td>
<td>7.854</td>
</tr>
<tr>
<td>5.50</td>
<td>0.4562</td>
<td>4.562</td>
<td>9.75</td>
<td>0.8059</td>
<td>8.059</td>
</tr>
<tr>
<td>5.75</td>
<td>0.4768</td>
<td>4.768</td>
<td>10.00</td>
<td>0.8264</td>
<td>8.264</td>
</tr>
<tr>
<td>6.00</td>
<td>0.4975</td>
<td>4.975</td>
<td>10.25</td>
<td>0.8469</td>
<td>8.469</td>
</tr>
<tr>
<td>6.25</td>
<td>0.5181</td>
<td>5.181</td>
<td>10.50</td>
<td>0.8674</td>
<td>8.674</td>
</tr>
<tr>
<td>6.50</td>
<td>0.5387</td>
<td>5.387</td>
<td>10.75</td>
<td>0.8878</td>
<td>8.878</td>
</tr>
<tr>
<td>6.75</td>
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<td>5.593</td>
<td>11.00</td>
<td>0.9083</td>
<td>9.083</td>
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<tr>
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<td>5.799</td>
<td>11.25</td>
<td>0.9288</td>
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<tr>
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<td>6.005</td>
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<tr>
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<tr>
<td>7.75</td>
<td>0.6417</td>
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<td>9.901</td>
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<td>8.00</td>
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<td>1.0104</td>
<td>10.104</td>
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<tr>
<td>8.25</td>
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<td>6.828</td>
<td>12.50</td>
<td>1.0309</td>
<td>10.309</td>
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<td>8.50</td>
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<td>7.033</td>
<td>12.75</td>
<td>1.0513</td>
<td>10.513</td>
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<td>13.00</td>
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<tr>
<td>9.00</td>
<td>0.7444</td>
<td>7.444</td>
<td>13.50</td>
<td>1.1124</td>
<td>11.124</td>
</tr>
</tbody>
</table>

d. **Other guidelines**

i. The interest received on the deposit can be re-invested in the Recurring Deposit (RD) account, if the depositor so desires by giving standing instruction.

ii) All Other business rules as applicable to fixed deposit scheme are equally applicable to this term deposit scheme also.
7. RECURRING DEPOSIT (RD)

Under this scheme, deposits into the accounts are made in monthly instalments for a stipulated period and on expiry of the period, the total amount of instalments deposited is repaid with interest accrued. This scheme is suitable for salaried persons and other customers who receive monthly income. A simple and specially designed RD pass book shall be given to the depositor furnishing all the particulars including period of deposit, monthly instalment amount, maturity value etc. If the original pass book is lost, branch can issue duplicate pass book at the written request of depositor, by collecting Rs.10/- as incidental charges.

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a. Minimum amount of deposit
   Rs.50/- per month and multiples of Rs10/- and there of.

b. Period
   1 year to 10 years (in completed quarters also above one year).

c. Interest
   As applicable to fixed/term deposits.

d. Date of maturity
   Maturity value of Recurring Deposit shall be paid only 30 days/one month after the last instalment has been paid or on the expiry of the period for which the deposit was accepted, whichever is later, irrespective of whether the last instalment is paid with penalty in subsequent month.

e. Penalty
   In case the monthly instalment is not paid during the stipulated month, in which they fall due, penalty shall be collected as indicated below.

<table>
<thead>
<tr>
<th>Instalment</th>
<th>Period of maturity</th>
<th>Penalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rs.50/- per month</td>
<td>5 years or less</td>
<td>0.50 pais per month</td>
</tr>
<tr>
<td>Rs.50/- per month</td>
<td>Above 5 years</td>
<td>Rs.1.00 per month</td>
</tr>
</tbody>
</table>
f. All Other business rules applicable to fixed deposit are applicable to this term deposit scheme also.

8. NITYA NIDHI DAILY DEPOSIT (NND)

This is a daily deposit scheme on the lines of Pigmy deposit scheme of Syndicate Bank. The Bank appointed agent called Nitya Nidhi Daily Deposit Agent will collect the amounts from the depositors by visiting their (depositors) houses/business places daily and record the daily collections in the daily collection card against the acknowledgement of the depositors. The particulars of the scheme are given overleaf.

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a) Minimum amount of the deposit is Rs.10/- and in multiples of Rs.5/- thereafter.

b) The period of the deposit is 63 months.

c) No refund/premature closure is permitted before 12 months except in case of death of a depositor or a depositor leaving the present place of stay permanently. However, no interest should be paid for refund before 12 months period and commission paid to the Agent concerned should be recovered in all such cases.

d) Loan on NND can be allowed (with 25% margin). Rate of interest on such loan is 10% (irrespective of age of the NND account) at present.

e) Commission at the rate of 2.50% will be paid on the total deposit collected in a month and the same shall be paid to the Nitya Nidhi Agent on the first day of the succeeding month.

f) 10% of the commission amount received shall be credited to the Agent’s
security deposit account every month.
g) Interest shall be paid to the Agent’s security deposit account on half yearly basis (September/March), as described hereunder.

i) The Nitya Nidhi Agent’s security deposit earns interest at the rate decided by the Head Office from time to time. The present applicable rate is the maximum interest rate offered to the public and term deposits from the first of the succeeding month whenever the interest rates are revised upward and from first of the month in which the interest rates are revised in case of downward revision in interest rates. The interest is paid half yearly on this deposit and is credited to janakalpa agent’s deposit account only but not paid to the agent.

ii) The Nitya Nidhi agent’s deposit earns interest at the rate as applicable to Nitya Nidhi agent’s security deposit. The interest will be calculated at end of each half year (September/March) on monthly minimum balances. The interest will be credited to this deposit only.

iii) Branches should obtain balance confirmation from the Agents after crediting interest to their deposit.

iv) The above deposits will continue to earn interest till it is refunded at the prescribed rate even if the agent has resigned or his agency has been terminated.

h) At present, the following rates of interest shall be applied on Nitya Nidhi Daily deposit accounts.

- ➢ Below 12 months period: - No interest
<table>
<thead>
<tr>
<th>Duration</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 months to 18 months</td>
<td>1.00% p.a.</td>
</tr>
<tr>
<td>Above 18 months to 24 months</td>
<td>1.50%p.a.</td>
</tr>
<tr>
<td>Above 24 months to 36 months</td>
<td>2.00% p.a.</td>
</tr>
<tr>
<td>Above 36 months to 60 months</td>
<td>4.00% p.a.</td>
</tr>
<tr>
<td>Above 60 months</td>
<td>5.00% p.a.</td>
</tr>
</tbody>
</table>

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