

MADAPPALLY SERVICE CO-OPERATIVE BANK LTD. NO.160  
REVISED RULES FOR VARIOUS KINDS OF DEPOSITS

A. CURRENT ACCOUNT

1. (a) Current account may be opened
  - i. In the name of an individual
  - ii. In the name of two or more persons with the right to one or more or survivor or survivors to operate thereon and
  - iii. In the name of institutions
  
- (b) When accounts are opened in the name of an institution the rules and regulations and all other necessary information governing the institution and also modifications thereof, if any from time to time should be obtained in writing
  
2. No account will be opened for a sum of less than Rs.1000/- A credit balance of at least Rs.1000/- should always be maintained on all occasions when the balance falls below the required minimum an amount of Rs. 5 will be charged to the account.
  
3. Interest is allowed at the rate fixed by the Board of Directors of the Bank in accordance with the directions of the Registrar of Co-operative Societies on daily balance subject to the following conditions:
  - a.) Interest will be calculated on complete sums of Rs.100/ or multiples of Rs.100 only.
  - b.) Interest will be calculated for half yearly ending September and March of every year and added on the Principal.
  - c.) No Interest will be allowed if the amount of accrued interest per half year is less than Rs.5.
4. All payments to the credit of an account should be accompanied by pay in slip showing particulars of account, amount etc. and signed by the depositor or his/her agent.
  
5. All entries in the passbook will be made by the Bank Officers and constituent should not make/erase, or correct entry therein. Pass Book should be sent, at least once in a month for being written up.
  
6. If a pass book is lost or spoiled, the depositor may on requisition in writing get a fresh book by paying a sum of Rs.10/-
  
7. Any account that is closed within a period of six months from the date of opening will be charged incidental charges of Rs.25/
  
8. Every depositor will be required to give a specimen of his/her signature and a declaration in writing that he/she has read and accepted the rules as binding on him/her.
  
9. Cheque books will be supplied to the constituents free of charges and they shall use only the cheque supplied by the Bank for operating the current account. No other forms will be recognized. Application for new cheque book shall be made in person or by writing by the depositor. When new

cheque books are sent by post at the request of the customer, cost of postage, and registration will be charged to the Account.

10. Folio charges at the rate of Rs.10 per page will be debited to the account at the close of every half year.

11. The Bank will register instructions from the depositors regarding stop payment of cheques lost or stolen but cannot guarantee against the payment.

12. The depositors shall give a half yearly confirmation of the closing balance in their account failing which the balance shown in the Books of the Bank will be taken as correct.

13. The accounts which have no transactions continuously for two accounting years will be considered as an inoperative account. No interest will be paid for such accounts. Further at the close of the third financial year the account will be closed and the balance if any will be transferred to a suspense account. No interest will be paid for the balance in that account. No notice will be served by the Bank for this purpose.

14. An account can be closed with 15 days Prior notice in writing. The depositor should return all unused cheques to the bank at the time of closing the account and shall produce the passbook for making the entries. On failure to return the unused cheques the bank may charge Rs. 2 per cheque leaf

15. Handling Charges on Cheques Returned unpaid.

A minimum handling charges of Rs. 10/- will be realized on the first cheque received for collection from parties but returned un paid. For the second cheque the amount will be Rs.30/ For the third and subsequent cheques returned unpaid from an account an amount @ Rs.50 per cheque will be charged. In addition to the above handling charges, the actual charges incurred by way of postage commission etc., will also be realized from the party.

16. Normally the bank will accept cheques, drafts and other such instruments drawn on other banks in favour of the depositor for collection and only the proceeds after deducting the bank charges and the expenses for collection will be deposited in the respective account. The bank will not be liable for the loss of such documents in transit or the delay in collecting the instruments.

17. The Bank reserves the right.

- a) to close any current account without assigning any reason and
- b) to alter or add to these rules at any time without notice,
- c) to close the deposit account of those who misuse cheques.

18. The rules and interest rates are always subject to changes based on directives that may be issued by the Registrar of Co-Operative Societies from time to time.

## **B. SAVINGS BANK ACCOUNT**

1. a) Saving bank account may be opened
  - i. In the name of Individual
  - ii. In the name of two or more persons with the right to one or more persons to operate thereon,
  - iii. In the name of minors to be operated by the guardian.
  - iv. In the name of institutions and
  - v. In the name of self help groups.
- b) When accounts are opened in the name of an institution or in the name of the self help group the rules and regulations and all other necessary information governing the institution/self help group and also modifications thereof if any from time to time should be obtained in writing .When an account is opened in the name of minor the guardian of the minor shall make a true declaration in writing stating the date of birth of the minor which shall be recorded in the Bank's books .
2. No account shall be opened for a sum less than Rs.500/. A credit balance of at least Rs. 250/- should always be maintained. If the depositor is availing cheque facility from the account the minimum balance to be maintained is Rs.500. On all occasions when the balance falls below the required minimum an amount of Rs.5 will be charged to the account.
3. Forms for opening accounts and withdrawals as well as pass books will be supplied by the bank free of charges. If the depositor avails the cheque facility by agreeing the terms regarding the minimum balance to be maintained, cheque books will also be supplied free of cost. Application for new cheque book shall be made in person or by writing by the depositor. When new cheque books are sent by post at the request of the customer, cost of postage and registration will be charged to the account.
4. Interest will be allowed at the rate fixed by the board of directors of the Bank from time to time in accordance with the directions of the Registrar of Co-operative Societies, on the lowest balance of the credit of an account on complete sums of Rs.10 or its multiples on any date between 10<sup>th</sup> and the last day of the month , and if the interest so accrued is less than Rs. 5/- for half year such amount will not be taken in to account. Interest will be calculated for half years ending September and March of every financial year or on closing of an account, and added on to the Principal. No interest will be paid on Savings Account opened in the name of a business concern whether such concern is a proprietary or a partnership, a company or an association.
5. Any Savings account that is closed within six months of its opening will be charged incidental charge of Rs.25/-
6. The smallest sum that may be deposited or withdrawn at any time is Rs.5/- subject to the conditions of minimum required for opening the account.
7. If a Pass book is lost or spoiled the depositor may on requisition in writing get a fresh book by paying a sum of Rs. 10/-

8. Every depositor will be required to give a specimen of his signature and declaration in writing that he has read and accepted the rules as binding on him/her.

9. The total number of withdrawals that can be made by cheques during a half year is limited to 60. If the withdrawals exceeds this maximum an amount of Rs.1 will be charged per cheque.

10. Handling Charges on Cheques Returned unpaid.

A minimum handling charges of Rs. 10/- will be realized on the first cheque received for collection from parties but returned un paid. For the second cheque the amount will be Rs.30/ For the third and subsequent cheques returned unpaid from an account an amount @ Rs.50 per cheque will be charged. In addition to the above handling charges, the actual charges incurred by way of postage commission etc., will also be realized from the party.

11. Normally the bank will accept cheques, drafts and other such instruments drawn on other banks in favour of the depositor for collection and only the proceeds after deducting the bank charges and the expenses for collection will be deposited in the respective account. The bank will not be liable for the loss of such documents in transit or the delay in collecting the instruments.

12. The bank will register instructions from the depositors regarding stop payment of cheques lost or stolen but cannot guarantee against the payment. The Bank may also accept standing instructions from the depositors at its discretion

13. The accounts which have no transactions continuously for two accounting years, it will be considered as an in operative account. No interest will be paid for such accounts. Further at the close of the third financial year it will be closed and the balance if any will be transferred to a suspense account. No interest will be paid for the balance in that account. No notice will be served by the bank for this purpose.

14. An account can be closed with 15 days Prior Notice in writing. The depositor should return all un used cheques to the bank at the time of closing the account and shall produce the passbook for making the final entries. On failure to return the unused cheques the bunk may charge Rs. 2 per cheque leaf.

15. The Bank reserves the right.

a) to close any account without assigning any reason

b) to alter or add to these rules at any time without notice,

c) to close the deposit account of depositors who misuse the cheques.

16. These rules and interest rates are subject to change in accordance with the directives issued by the Registrar of Co-Operative Societies from time to time.

## **C. FIXED DEPOSITS**

Fixed deposit may be accepted on the following terms and conditions:

1. Deposits are received for a minimum period of 15 days.
2. Quarterly interest will be paid on production of the fixed deposit receipt at the bank's counter by the depositor himself or by a duly authorised agent. The bank will accept directions of the depositor to pay the interest to some other person or to remit in certain accounts or to send the amount to the depositor himself. In all these cases Bank will deduct service charges from the amount payable as interest.
3. Interest will cease on the date of maturity of the deposit.
4. **Overdue Deposits.**  
On Over due deposits, bank may in its discretion allow interest for the overdue period provided that
  - a) The deposit is renewed on requisition with effect from the date on which matured for a payment and
  - b) The rate of interest allowed does not exceed the appropriate rate applicable to the period for which the deposit is proposed to be renewed as ruling on the date of maturity of the deposit

Explanation: The rate of interest shall be rate applicable for the period on the date of original maturity. In the case a requisition for renewal of a portion of an overdue deposit, Bank may in its discretion allow interest for the above overdue period on that portion of the deposit which is proposed to be renewed.
5. **Deceased depositor.**  
In the case of a deposit standing in the name of a deceased depositor, interest may be paid for the period from the date of maturity of the deposit to the date on which the deposit is actually repaid to the heir or heirs of the deceased depositor.
6. **Interest on Loans against Deposit.**  
Interest on loans and advances shall be at least 2 % higher than the interest payable on the deposit. When the interest payable to the depositor on premature withdrawal of depositors is reduced, the interest charged on the advances shall also be correspondingly reduced to keep the difference of two percent.
7. **Margin of Loans.**  
Where a loan or advance is made against any deposit, margin of not less than 10% of the amount of the deposit shall be maintained. The interest payable on such shall be paid on this deposit unless the interest on advance is not remitted regularly.
8. **Premature withdrawal of Deposit:**  
Premature withdrawal of a deposit is allowed only at the discretion of the bank and cannot be claimed as a matter of right. Where a deposit is repaid before the expiry of the period of deposit agreed upon at the time of deposit the interest payable on such deposit for the entire period of

the deposit shall be at least two percent less than the rate of interest applicable to the period for which the deposit has remained with the Bank.

9. Extension or renewal of the period of the deposit will be allowed without invoking the penal provisions for premature withdrawal of deposit @ 2 % provided the deposit is continued to be held with the same office of the bank for a period longer than the remaining period of the original Deposit. In such a case, the rate of interest in respect of the period up to the date of renewal shall be the rate of interest applicable for the period during which the deposited remained with the bank up to the date of renewal and in respect of the period thereafter, at the rate of interest applicable equal to the period of renewal under the directive for a deposit for a period.

10. There will be no discrimination in the matter of the rate of interest paid on deposits between one deposit, and another accepted on the same rate and or the same maturity whether such deposits are accepted at the same office or at different offices of the Bank.

11. Deposit receipts should be returned duly signed by the depositor with required stamp affixed thereon at the time of receiving payment.

12. At Present the rate of interest on fixed deposits are as follows

15 days to 45 days	5.5%
46 days to 179 days	6.5 %
180 days and above but less than 1 year	7 %
1 year and above	7.75%
3 year and above	8%

(0.5% extra interest will be given to the deposits made by depositors aged 60 and above)

13. Interest Rates shall be changed according to the statutory directives of the Registrar of Co- operative Societies from time to time.

14. The above rules are subject to changes based on directives issued by the Registrar of Co- Operative Societies from time to time.

#### **D. RECURRING DEPOSIT**

1. Opening of Account

Any person competent to contract may open Recurring Deposit Account on signing the prescribed application form and agreeing to abide by the rules governing the account.

2. Account may be opened

a) In the names of two persons repayable to either or survivor or.

b) In the Names of two or more persons and repayable to them jointly or to the survivors or last survivor of them or

c) In the name of a minor to be operated up on by his / her guardian . In such a case, a declaration by the guardian of the date of birth of the minor will have to be made at the time of opening the account. Full names, addressees and specimen signatures of the depositors and where the depositor is a minor, of his guardian must be lodged with the bank at the time of opening the account.

**3. Illiterate Depositors**

Any depositor unable to write must attend in person and in the presence of an approved witness who knows the depositor and is known to the bank must affix his mark to application and other forms and have it attested by signature of the approved witness. Alternatively an illiterate depositor may if he or she so desire, lodge a passport size recent photograph with the Bank

**4. Depositors**

Recurring deposit will be in equal yearly /half yearly/quarterly/monthly-instalments. The number of monthly instalments may be 12-120 months. The depositor shall at the time of opening the account stipulate both the amount of the monthly instalment and the total number of instalment to be payable by him and shall not subsequently alter or vary them.

**5. Payment of Instalments.**

The instalments for any calendar month must be paid on or before the last working day of the month. If it is not so paid, interest will be charged on the instalments in arrears at the rate of one paise for one rupee per month. A fraction of a month will be treated as full month for the purpose of calculating such interest. The total interest so chargeable will be debited to the account and recovered from the total amount repayable.

**6. Standing instructions.**

Standing instructions from the depositor for transfer of monthly instalments from saving bank or current account or from any other accounts with the same office of the bank will be accepted and such transfers will be effected free of charges . In case where the depositor fails to maintain sufficient balance in the account to enable the bank to effect such transfers. the standing instructions will be treated as cancelled and instalments will be deemed to have fallen in arrears and will be subject to the charge of interest under Rule 4.

**7. Repayment and interest**

In the usual course when all the instalments stipulated by depositor are paid the accumulated amount will be repayable together with accrued interest thirty days after the last instalments has become payable and has been paid. The rule of interest will be the rate of interest applicable for term deposits of respective duration

8. In the event of death of a sole depositor or of the surviving or last surviving depositor repayment will be made to the legal representative of such sole depositor or of such surviving or last surviving depositor as the case may be.

9. If a sole depositor or in the case of a joint account all the joint depositors of the account dies before all the stipulated instalments are paid the amount of the instalments already paid will be repayable together with simple interest on monthly products at a rate 2% less than the rate of interest applicable to the period which the deposit has remained with the bank

10. If a sole depositor or the surviving or last surviving depositor dies before all the stipulated are paid the account will be discontinued and the amount of the instalments already paid will be repayable together with simple interest to the heirs of the deceased for the period ( Not exceeding the period of Deposit) for which the deposit has remind with the bank at the same rate mentioned in rule (8) above. Usually premature closing will not be accepted. Rules and rates of interest will be changed as per directives of Registrar of Co-operative Societies from time to time.

11 The bank will not be liable for payment of further interest for any period during which the total amount repayable remaining outstanding in the account beyond the stipulated period.

**12. Pass Book / Account Card**

The Depositor will be provided with a pass book / or account card in which instalment paid from time to time will be entered by the bank. No repayment can ordinarily be made from an account without the production of the pass book or the account card If the pass book be spoiled mutilated or lost a charge of Rs.5/- will be realised for a fresh book/card

**13. Loan against Deposits.**

The bank may at its description grant loans on the security of recurring deposit up to a maximum of 85% of the amount of instalment already paid. The rate of interest and other terms governing the loans may ascertain on application.

**14. Closing of accounts.**

The bank reserves the right to close any account in which the monthly /yearly instalment are not regularly paid or the instalment are allowed to fall in arrears for a continuous period of six months/ 2 Years. On such closure the amount of the instalment already paid will be repayable together with interest as provided in Rule (8)

15. Recurring deposit Accounts are not transferable

16. If an account is closed within 12 months of its opening a charge of Rs.25/- will be levied

17. Additions and Alterations to Rules

The bank reserves the right to alter add or modify these rules at any time without previous notice. Such changes in rules will not however effect the terms of deposits existing before such change come in to force.

## **E. RULES FOR CASH CERTIFICATE**

1. Cash certificates are available in maturity value of Rs. 50/- and its multiples to suit depositors.



2. Certificate will be issued for periods ranging from one year to ten years, rate of interest allowed for these certificates will be according to the directions of the Registrar of Co-operative Societies.
3. Quarterly interest is re deposited to the account.
4. Payment of interest on the cash certificate will cease after the expiry of period fixed
5. Cash Certificates will be treated as fixed deposits for the purpose of loans from the bank
6. The Bank may allow premature closing is allowed at the request of the depositor if it has run for a minimum period of 12 months. In such cases interest 2% below the rate applicable to the period which the deposit remained with the bank, alone will be paid
7. All the rules of fixed deposit apply to cash certificates and are subject to directives of registrar of Co-Operative Societies from time to time.

#### **F. RULES FOR TERM DEPOSIT**

1. Term deposit Account may be opened in Rs. 100/- and its multiples.
  - a) By a person on his /her own behalf.
  - b) By more than one person, payable to any one or more of them or survivor or survivors,
  - c.) By a guardian, on behalf of a minor.
2. The periods allowed to the term depositors are 12, 18, 24, 30, 36, 42, 48, 54, 60, 66, 72, 84, 90, 96, 102, 108, 114, and 120 months. Rate of interest allowed for the periods are as per the directions of Registrar of Co-operative societies and Reserve Bank.
3. Quarterly interest is re deposited to the account.
4. Payment of interest on Term deposit will cease after the expiry of period fixed.
5. The Term deposit will be treated as fixed deposit for the purpose of loans from the bank.
6. Premature closing may be allowed by the bank at the request of the depositor provided it has run for a minimum period of 12 months. In such cases interest 2% below the rate applicable to the period for which deposit remained with the bank, alone will be paid.
7. All other rules of fixed deposits apply to Term Deposit and are subject to directives of the Registrar of Co Operative Societies from time to time.

## **G. RULES FOR YEARLY RECURRING DEPOSIT SCHEME**

1. Recurring deposit is a convenient plan for making provisions one's daughter's marriage and for a start in life for one's children. The deposit may be opened in the name of a minor in which case he/she should be represented by his/her guardian.

2. Recurring deposit will be equal yearly instalment and in maturity values of Rs.1000/ and its multiples to suit the depositors. The number of yearly instalment available are 2,3,4,5,6,7,8,9 and 10 years. The depositor shall at the time of opening account stipulate both the amount, the yearly instalments and the total numbers of instalments to be payable by him and shall not subsequently alter or vary them.

3. The rate of interest allowed to recurring deposits is equal to that of term deposits and is subject to change as per the directives of Registrar of Co-operative Societies from time to time. Quarterly interest is re deposited to the account.

4. Due date of the instalment is the date at which the account was opened. If it is not paid on that date, interest will be charged on the instalments in arrears at the rate of one paise for one Rupee per month. A fraction of a month will be treated as total interest so chargeable will be debited to the account and recovered from the total amount repayable.

5. A minor's guardian who opens an account in the name of the minor shall be deemed to be the depositor during his minority and the minor shall be deemed to be the depositor on his attaining majority. A Minor on his attaining majority shall have the right to revoke any nomination made by his guardian and to make a fresh nomination.

6. In the usual course when all the instalments stipulated by the depositor are paid, the accumulated amount will be repaid together with accrued interest.

7. The rules governing recurring Deposit account in this bank shall be applicable to this Yearly Recurring Deposit Scheme as well and subject to directives of Registrar of Co Operative societies from time to time.