



ASSAM GRAMIN VIKASH BANK

(A joint undertaking of Govt. of India, Govt. of Assam & United Bank of India)

Head Office: G S Road, Bhangagarh, Guwahati –781005(Assam)

Phone No : 0361-2463621,2464107,2131604,2131605,2131606,2131607 Fax No. 0361-2463621

e-mail : agvbank@yahoo.co.in Website www.agvbank.co.in

Circular No. AGVB/ P&D / 26 / OM-93 /2009-10

Date : 30-03-2010

To
All Branches and Offices,
All Departments at Head Office

Sub. : Payment of Interest on Overdue Term Deposit

Very often, Branches/Regional Offices seek clarification from Head Office on the procedure of payment of interest on Overdue Term Deposits. In terms of Reserve Bank of India instructions, Regional Rural Banks are required to formulate suitable guidelines by fixing the rates of interest payable on Overdue Term Deposits of the respective RRBs. Accordingly, in order to put in place a uniform guideline on the procedures of payment of interest on Overdue Term Deposits, Bank formulated a draft guideline on the subject and placed the same before the Hon'ble Board of Directors of the Bank in its 24th Meeting, held on 10-12-2009. The guidelines, as approved by the Hon'ble Board of Directors are appended here-in-below for information and adherence by all branches of the Bank.

Guidelines on payment of interest on Overdue Term Deposits

Conditions	Applicable Rate of Interest
Period of renewal	Minimum 15 days from the date of presentation for renewal.
Where the request for renewal of the term deposit is received within 14 days from the date of maturity.	The Term deposit will be renewed w.e.f. the date of maturity and interest rate applicable for the renewed deposit will be the rate prevailing on the date of maturity, for the intended period of renewal.
Where the request for renewal of the term deposit is received after 14 days from the date of maturity.	The term deposit will be renewed w.e.f. the date of presentation for renewal and interest rate applicable for the renewed deposit will be the rate prevailing on the date of presentation, for the intended period of renewal. Interest at Savings Bank rate will be admissible for the overdue period (i.e. from the date of maturity to the date of presentation for renewal) on the amount so renewed. However, the customer will not be eligible for overdue interest in case the renewed term deposit is tendered for premature/foreclosure, before the completion of minimum 15 days from the date of renewal of the term deposit.

GENERAL MANAGER



অসম গ্ৰামীণ বিকাশ বেঙ্ক
ASSAM GRAMIN VIKASH BANK

(A joint undertaking of Govt. of India, Govt. of Assam & United Bank of India)

Head Office: G S Road, Bhangagarh, Guwahati –781005(Assam)

Phone No: 0361-, 2131604, 2131605, 2464107 Fax No.0361-2463621

Circular No. AGVB/P&D/ 22 /OM-107 /2012-13

Date: 01-01-2013

To
All Branches and Offices
All Departments at Head Office

Sub : AUTOMATIC RENEWAL OF TERM DEPOSIT AFTER 14 DAYS OF MATURITY

As per our existing rules governing Term Deposit accounts, branches are required to serve a notice to the depositors prior to the date of maturity of the Term Deposit accounts with a request to call at the branch office to get the accounts renewed, if so desired by the depositors.

This procedure involves certain formalities and the depositors may not always find it convenient to reach the branch office in time, which ultimately deprives the depositors from earning interest on their term deposits during the overdue period.

In order to obviate the aforesaid difficulties, it has been decided by the Bank to introduce a system of **Automatic Renewal of Term Deposit if the customer fails to turn up within 14 days after Maturity**. Henceforth, branches at the time of opening Term Deposit accounts shall **obtain a mandate from the depositor**, if so intended, authorizing the Bank to renew the Term Deposit account (s) **for equivalent period after 14 days of maturity**.

In case of existing term deposit accounts, auto renewal shall also be allowed only against receipt of specific written request of the customer. As the term deposit account numbers remain same on auto renewal, printing of newTD Receipts may lead to confusion. In view of this, a letter of confirmation of auto renewal should be sent to the customer concerned instead of issuing new Term Deposit Receipt. A specimen copy of the system generated auto renewal confirmation letter is enclosed as "Annexure – I".

This automatic renewal of term deposit on maturity would be an additional facility offered to the customers and would be **available on 2 [two] occasions for each Term Deposit account.**

All concerned are advised to follow the guidelines for automatic renewal of term deposit as annexed hereto and give wide publicity of the facility for information of customers.

Till supply of revised Term Deposit Opening Forms, the existing Term Deposit account opening Form shall be used by affixing a Rubber Stamp in the following way-

<u>Renewal Instructions:</u>	
Auto Renewal:	<input type="checkbox"/> Yes <input type="checkbox"/> No
1).....	
2).....	
Signature of the Depositors	

These guidelines will come into force with immediate effect.

CHAIRMAN



অসম গ্ৰামীণ বিকাশ বেঙ্ক

ASSAM GRAMIN VIKASH BANK

(A joint undertaking of Govt. of India, Govt. of Assam & United Bank of India)

Head Office: MahapurushSrimanataSankardev Path, Bhangagarh, Guwahati –
781005, Assam.

Phone No : 0361-2131604,2131605,2131606

Ref.No:AGVB/Acctts/29/OM-47/2019-20

Date: 20-06-2020

To

All Branches
All Regional Offices
All Department at Head Office
Project Monitoring Office

Sub: AUTOMATIC RENEWAL OF TERM DEPOSIT ACCOUNT

As per HO Circular no-AGVB/P&D/22/OM-107/2012-13 dated 01-01-2013, the auto renewal of term deposit on maturity was made available for maximum 2(two) occasions for each Term Deposit Account.It has now been decided to change the rules governing Term Deposit accounts thereby allowing auto renewal for unlimited number of times same as original period of the deposit.

As per existing modalities, term depositors may not find it convenient to visit the Branch office in time for renewal of their Term Deposit after expiry of 2(Two) auto renewal limit.Now,customers will no longer be deprived of earning interest at TD rates after maturity of the original deposit as the account will be auto renewed every time on maturityfor the same tenor as the original deposit period but as per prevailing rate.

The auto renewal for unlimited number shall be allowed only against receipt of written request in case of existing account and for new accounts customer has to provide mandate through specific instruction available in the Term Deposit Account opening form which is to be filled up by customer. As the term deposit account numbers remain same on auto renewal, printing of new TD receipt is not required and a letter of confirmation of auto renewal should be provided to the concerned customer instead of issuing new Term Deposit Receipt. A specimen copy of Auto Renewal Confirmation letter is enclosed as "Annexure-I".

All concerned are advised to follow the guidelines for automatic renewal of Term Deposit as annexed hereto and arrange for wide publicity of the facility for information of customers.The Branches may utilise the existing Term Deposit Opening form wherein a column exists as Specific Instruction of disposal of deposit on maturity(if any) to obtain customers mandate for unlimited renewal.

The new system will come into force with immediate effect.


GENERAL MANAGER

Encl: As stated





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Head Office: G S Road, Bhangagarh, Guwahati-781 005(Assam)

Phone No: 0361-2464107 (EPABX), Mobile. +91-9957183638

Web site: www.agvbank.co.in ; e-mail: agvbank@yahoo.co.in

Circular No.: AGVB/ P&D /১০৪/OM- 65/2021-22

Date: 19.07.2021

To

All Branches/Offices

Reg: Review of Instructions on Interest on overdue domestic deposit

Enclosed, please find herewith the Master Circular of RBI vide no. RBI/2021-22/66 DoR.SPE.REC.29/13.03.00/2021-2022, dated 2nd July, 2021 on the captioned subject which is self-explanatory.

All concerned are advised to go through the contents of the circular and take necessary steps to ensure compliance.

GENERAL MANGER

Encl: As stated.



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

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RBI/2021-22/66

DoR.SPE.REC.29/13.03.00/2021-2022

July 02, 2021

All Scheduled Commercial Banks (including RRBs)
All Small Finance Banks
All Local Area Banks
All Primary (Urban) Co-operative Banks/ District Central Co-operative Banks/
State Co-operative Banks

Dear Sir / Madam,

Review of Instructions on Interest on overdue domestic deposits

Please refer to Section 9 (b) of Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016 dated March 3, 2016, and the Master Direction -Reserve Bank of India (Co-operative Banks- Interest Rate on Deposits) Directions, 2016 dated May 12, 2016 in terms of which if a Term Deposit matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as applicable to savings deposits.

2. On a review of these instructions, it has been decided that if a 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.

3. The relevant section of Master Directions are amended accordingly as indicated in the Annex.

Yours faithfully,

(Thomas Mathew)
Chief General Manager

Amendments to Master Directions		
Sl. No.	Existing Section	Amended Section
A. <u>Master Direction – Reserve Bank of India (Interest Rate on Deposits) Directions, 2016 dated March 03, 2016 (Updated as on February 22, 2019)</u>		
Section 9 (b)	<u>Interest on overdue domestic deposits</u> If a Term Deposit matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as applicable to savings deposits.	<u>Interest on overdue domestic deposits</u> If a 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.
B. <u>Master Direction – Reserve Bank of India (Co-operative Banks- Interest Rate on Deposits) Directions, 2016 dated May 12, 2016</u>		
Section 9 (b)	<u>Interest on overdue domestic deposits</u> If a term deposit matures and proceeds are unpaid, the amount left unclaimed with the co-operative bank shall attract rate of interest as applicable to savings deposits	<u>Interest on overdue domestic deposits</u> If a Term Deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the co-operative bank shall attract rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower.