

P S B FIXED DEPOSIT TAX SAVER SCHEME

Bank has formulated Fixed Deposit Scheme for Tax Saving under Section 80 C (2) of the Income Tax Act, 1961.

Salient features of the scheme

- 1) An Individual or a Hindu Undivided Family can invest in the Fixed Deposit of our Bank under the scheme.
- 2) Account can be opened in a Single or a Joint Name.
- 3) Under the joint account deposit receipt may be issued to two adults or jointly to an adult and a minor, and may be payable to either of the holders or the survivors.
- 4) In case of Joint Name the tax benefit under section 80 C will be available only to the first holder of the deposit.
- 5) The investment in Fixed Deposit under the scheme along with investments in other Saving Schemes, will be subject to the overall ceiling of Rs. 1 lac for the purpose of tax benefit under Section 80 C.
- 6) The minimum amount to be invested under the scheme is Rs. 100/- or multiples thereof.
- 7) As per the scheme the Fixed Deposit so placed cannot be pledged with any other agency or offered as a security for any purpose.
- 8) The 'lock in' period for such Fixed Deposit shall be five years. Fixed Deposit cannot be encashed before the expiry of 5 years.
- 9) The interest on the Fixed Deposit shall be liable to tax either on Accrual or on Receipt basis, depending upon the method of accounting followed by the investor.
- 10) The scheme provides Nomination Facility, which can be effected at the time of the deposit or at any time before maturity.
- 11) In the event of death of the holder of a Fixed Deposit in respect of which a nomination is in force, the nominee shall be entitled to encash the Fixed Deposit at any time before or after the maturity of the Fixed Deposit. In case of pre-matured payment the interest will be paid according to the period the deposit actually run without penalty at the rates applicable under normal fixed deposit scheme.
- 12) The fixed deposit may be transferred from one branch to any other branch of the Bank on the request of the holder(s).
- 13) If a fixed deposit receipt is lost, stolen, destroyed, mutilated or defaced, the person entitled thereof may apply for the issue of a duplicate receipt. A statement showing particulars, such as number, amount and date of the receipt and the circumstances explaining such loss, theft, destruction, mutilation or defacement, shall accompany every such application. On satisfaction a duplicate receipt shall be issued to the applicant on furnishing an 'Indemnity Bond' in prescribed form with one or more approved sureties or with a Bank Guarantee.

Provided that where the face value or the aggregate face value of the certificate or certificates lost, stolen, destroyed, mutilated or defaced is five hundred rupees or less, a duplicate receipt or receipts may be issued on the applicant furnishing an 'Indemnity Bond' in prescribed form without any such surety or guarantee.

Provided further that where such application is made with respect to a receipt mutilated or defaced, or whatever face value, a duplicate receipt may be issued without any such indemnity bond, surety or guarantee, if

the receipt mutilated or defaced is surrendered and the receipt is capable of being identified as the one originally issued.

Please note that the duplicate receipt issued shall be treated as equivalent to the original receipt for all the purposes of this scheme except that it shall not be encashable at a branch other than the branch at which such original receipt is issued without verification.

14) Interest Rate on this Fixed Deposit scheme is presently fixed 8.50 % p.a. (5 years & above). The Senior Citizen shall be allowed additional interest @ 0.50 % p.a. over the interest rate of 8.50 % p.a. **However, the Ex – Staff members who become Senior Citizen by attaining the age of 60 years will be eligible for Senior Citizen benefit only under this scheme. Please note that additional benefit of 1% interest over and above normal rate of interest to staff / ex – staff members shall not be permissible under this scheme.**

15) Any change in rate of interest, terms and any other benefits under this scheme shall be specifically and separately advised as and when done.

CLARIFICATIONS

1. The maximum period of Fixed Deposit will be 5 years and no interest will be paid after 5 years as it is close ended scheme similar to NSC & KVP (Kisan Vikas Patra) etc.
2. Fixed Deposit may be issued with Simple interest or reinvestment scheme as per instructions of customer.
