

यूको बैंक  
सामान्य व्यवस्थापन विभाग का



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HO/SP/2020-21/252

Date: 12-10-2020

TO ALL BRANCHES AND OFFICES OF INDIAN UNION

Sub: Payment of Additional Interest on domestic deposit

During the Course of Offsite surveillance, HO, Audit & Inspection Department have observed that Branches are giving preferential interest rate in term deposit accounts to customers, who are not eligible for the same. This resulted huge revenue loss to the Bank on account of payment of excess interest in non eligible deposit accounts.

In view of the above, all Branches/ Offices are advised to be guided by the provisions of the clause 7.2 (page 15-16) of Deposit Policy 2020-21, circulated vide reference no. CHO/SP/CSCCELL/03/2020-21 dated 20-04-2020 on subject matter and ensure strict compliance of the instructions. We reiterate the provision of payment of additional interest on domestic deposit for ready reference.

**Payment of Additional Interest on Domestic Deposits –**

A) Additional Interest of one percent per annum, over & above the rate of interest mention in schedule of interest rates on savings or a term deposits of bank's staff and their exclusive associations as well as on deposits of Managing Director & CEO, Executive Director & CEO, Executive Director or such other Executives appointed for a Fixed tenure, subject to the following conditions :-

(i) The additional interest is payable till the person continues to be eligible for the same and in case of his ceasing to be so eligible, till the maturity of a term deposit account.

\*Managing Director & CEO, Executive Director are entitled for additional interest of 1% per annum, over and above the rate of interest mentioned in the schedule of interest rates on saving or a term deposits even after ceasing of their fixed tenure in the Bank.

(ii) In case of employees taken over pursuant to the scheme of amalgamation, the additional interest is allowed only if the interest at the contractual rate together with the additional interest does not exceed the rate, which could have been allowed if such employees were originally employed of the bank.

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(ii) In the case of employees taken on deputation from another bank, the bank from which they are deputed may allow additional interest in respect of the savings or term deposit account opened with it during the period of deputation.

(iv) In the case of persons taken on deputation for a fixed tenure or on a contract of a fixed tenure, the benefit will cease to accrue on the expiry of the term of deputation or contract, as the case may be.

(v) Bank Employees' Federation, in which bank employee are not direct members, shall not be eligible for additional interest.

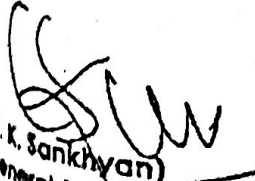
(vi) The additional interest may be paid on the following depositors after obtaining a declaration from the depositor concerned, that the monies deposited or which may be deposited from time to time into such account belong to the depositor :-

- Member or a retired member of the bank's staff, either singly or jointly with any member or members of his/her family; or
- The spouse of a deceased member or deceased retired member of the Bank's staff; and
- An association or a fund, member of which are members of the Bank's staff.

B) Bank shall provide resident Indian senior citizen, higher & fixed rate of interest as compared to normal deposits of any size. Provided that this facility is not offered on the term deposit standing in the name of an HUF or the karta of the Hindu Undivided Family (HUF), even if the Karta is a resident Indian senior citizen.

C) Bank shall give their resident Indian retired staffs, who are senior citizens, the benefit of additional interest rates as admissible to senior citizens over and above the additional interest payable to them by virtue of their being retired members of the bank's staff.

However, additional interest rate payable on deposits of Senior Citizen, staff, ex staff, ex staff sr. citizen above the general rate on Domestic Term Deposit.

  
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