



भारतीय रिजर्व बैंक

RESERVE BANK OF INDIA

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RBI/2009-10/126

UBD (PCB) BPD Cir No. 4 /13.01.000/2009-10

August 20, 2009

Chief Executive Officer of
All Primary (urban) Cooperative Banks

Dear Sir/ Madam

Payment of interest on accounts frozen by UCBs

Please refer to paragraph 2 of our circular [UBD \(PCB\) BPD Cir No 21/13.01.000/2008-09 dated October 1, 2008](#) on payment of interest on accounts frozen by UCBs, wherein banks have been advised to follow certain procedure in the case of Term Deposit Accounts frozen by the enforcement authorities.

2. In terms of paragraph 2 (i) of the circular, banks were advised to obtain a request letter from the customer for renewal for a term equal to the original term, on maturity. On a review, it is felt that instead of renewing it for a term equal to the original term, it would be appropriate, if the depositor is given the option to choose the term for renewal of the deposit. While obtaining the request letter from the depositor for renewal, the banks may advise him to indicate the term for which the deposit is to be renewed. In case the depositor does not exercise his option of choosing the term for renewal, banks may renew the same for a term equal to the original term.

Yours faithfully,

(A. K. Khound)
Chief General Manager

Urban Banks Department, Central Office, 1 Floor, Garment House, Worli, Mumbai - 400 018

Phone: 022 - 2493 9930 - 49, Fax: 022 - 2497 4030 / 2492 0231,

Email: rbiubd@giasbmol.vsnl.net.in