



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2009-10/119

DBOD.No.Leg.BC.30 /09.07.005/2009-10

August 12, 2009

All Scheduled Commercial Banks
(Excluding RRBs)

Dear Sir,

Payment of interest on accounts frozen by banks

Please refer to paragraph 5.8.9 of our [Master Circular DBOD.No.Leg.BC.9/09.07.006/ 2009-10](#) dated July 1, 2009 on Customer Service, wherein banks have been advised to follow the procedure laid down thereunder in respect of Term Deposit Accounts frozen by the enforcement authorities.

2. In terms of paragraph 5.8.9 (i), 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.

3. Banks may, therefore, while obtaining the request letter from the depositor for renewal, also 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

(B.Mahapatra)
Chief General Manager