



INDRAPRASTHA SEHKARI BANK LTD

Interest Rate on Deposits on balances held in current accounts of deceased account holders.

In terms of Master Directions of RBI dated 12.05.2016 updated up to 16.09.2022 on Co-operative Banks – Interest Rate on Deposits, “No interest shall be paid by the Bank on deposits held in current accounts”, provided that balances lying in current account standing in the name of deceased individual depositor or sole proprietorship concern shall attract interest from the date of death of the depositor till the date of repayment to the claimant/s at the rate of interest applicable to savings deposit as on the date of payment.

Accordingly, the Bank shall pay interest on balances lying in current accounts standing in the name of deceased individual depositor or sole proprietorship concern from the date of death of the individual account holder / sole proprietor till the date of repayment to the claimant(s) at the rate of interest applicable to saving deposits as on the date of payment.

However, In the event of non-receipt of intimation about death of the account holder and/ or if the Bank is kept in dark about death of the account holder for a considerably longer period without any justifiable reasons and the account continues to be used/operated / business carried on, as usual, by the survivor(s) / nominee / legal heirs for their own benefit the bank shall not be under any obligation to pay interest on balances held in current account after the death of the account holder/proprietor till the settlement of the claim.

In such cases, the bank may consider payment of interest on credit balances held for a maximum period of three months from the date of death of the account holder/sole-proprietor provided the bank is intimated about the death of the account holder by survivors giving valid reasons for such inordinate delay in informing the bank.

Provided,

1. There is no order from the competent court restraining the bank from making the payment from the account of the deceased; and
2. It has been made clear to the survivor(s) / nominee that he/she would be receiving the payment from the bank as a trustee of the legal heirs of the deceased account holder i.e. such payment to him shall not affect the right of claim which any person may have against the survivor(s) / nominee to whom the payment is made.

The payment made to the survivor(s) / nominee, subject to the foregoing conditions, would constitute a full discharge of the Bank's liabilities.
