

## Savings Bank Rules

Savings Bank account is a form of demand deposit account, opened mainly for the purpose of saving and **not** for any business purpose, subject to restrictions on the number of withdrawals during any specified period. **Number of withdrawals** in a savings bank account permitted is fifty per half year in a financial year. For accounts opened in the middle of the half year permissible withdrawals will be calculated prorata. If the number of withdrawals exceed the permitted limit, a service charge as advised from time to time will be levied.

### 1. **Savings Bank accounts may be opened in the names of**

- Individuals—single accounts or joint accounts of two or more individuals.
  - minors by themselves or on behalf of the minors by their guardians
  - Following entities Primary Co-operative Credit Society which is being financed by the bank.
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- a) Khadi and Village Industries Board
  - b) Agriculture Produce Market Committee
  - c) Societies registered under Societies Registration Act, 1860 or any other corresponding Law in force in the state or Union Territory.
  - d) Companies Governed by the Companies Act 1956 which have been licensed by the Central Government under section 25 of the Act, or under the corresponding provisions in the Indian Companies Act 1913 and permitted, not to add to their names the word "Limited or the words "Private Limited"
  - e) Institutions other than those mentioned in para 2 and whose entire income is exempt from payment of income tax under Income Tax Act, 1961.
  - f) Government departments/bodies/agencies in respect of grants/subsidies released for implementation of various programmes/schemes sponsored by Central Government/State Governments subject to production of an authorisation from the respective Central/State Government departments to open savings bank account.
  - g) Development of women and children in rural areas (DWCRA).
  - h) Self-help Groups (SHGs) registered or unregistered, which are engaged in promoting savings habits among their members.
  - i) Farmers' Clubs - Vikas Volunteer Vahini. (V V V)

2. Savings Bank account **shall not be opened** in the name of the following:

- a. Any trading or business concern, whether such concern is proprietorship, partnership, company or association.
- b. Government departments/bodies depending upon budgetary allocations for performance of their functions.
- c. Municipal Corporations/Committees
- d. Panchayat Samities
- e. State Housing Boards
- f. Industrial Development Authorities
- g. State Electricity Boards
- h. Water / Sewerage / Drainage Boards
- i. State Text Book publishing corporations / societies
- j. Metropolitan Development Authorities
- k. State / District level housing Co-operative Societies.
- l. Other banks including Regional Rural Banks, Co-operative Banks and land Development Banks.
- m. Political parties

These Institutions / Organisations are specifically excluded from opening SB Accounts with Banks and earn interest thereon and hence branches are prohibited from opening such Accounts.

- 3. Any other institution permitted by Reserve Bank of India from time to time, can be allowed to open Savings Bank Accounts.
- 4. Acceptance of Interest free deposits in Savings Bank is **prohibited** irrespective of caste, creed or religion of the depositor.
- 5. Savings Bank accounts is permitted for the following special categories of depositors, subject to the guidelines on “ Constituents’ Accounts - General”, and also for operations thereon.

- a) Minors represented by guardians
- b) Minors above age ten
- c) Visually Impaired persons
- d) Illiterates
- e) Purdhanashin ladies
- f) Trusts.