

**Resource Management & Relationship Banking Department**

**Central Office, Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai.**

**Penalty on Premature closure of Retail Term Deposits**

From 01.04.2020, Penalty is levied on premature closure of retail term deposits opened/renewed on or after 01.04.2020.

The details are as under;

- In case of Pre-closure of retail term deposits (less than Rs.2.00 crores), which have run for 7 days or above, interest to be paid at 1.00% less than the applicable rate (as on the date of opening of deposit) for the period for which it has actually remained with the Bank or contracted rate, whichever is lower, except for the following cases;
  - i) Flexi Term deposits
  - ii) Bank induced closure of term deposits (eg. Invocation of Security Deposits)
  - iii) Recurring Deposits/ Union Monthly Plus Scheme
  - iv) Money Flex Term Deposit Scheme
  
- Penal Interest not to be charged for NRE & FCNR deposits. However, it shall be applicable for NRO deposits.