

PLEASE NOTE: HUDCO HAD DISCONTINUED ACCEPTANCE / RENEWAL OF PUBLIC DEPOSIT W.E.F. 01.07.2019. HOWEVER, FOR REFERENCE OF EXISTING DEPOSIT HOLDER INFORMATION/ DOCUMENTS ARE AVAILABLE.

General Instructions

Resident/Non-Resident (On non-repatriable basis) individuals, Minors through Guardian, Hindu Un-divided families (HUF), Trusts, Cooperative Societies, Domestic Companies.

Tax Benefits

- HUDCO Public Deposit Scheme qualifies under Section 80C (2)(xvi)(a) of Income-tax Act, 1961. Accordingly, the deposits with minimum lock in period of 5 years made under HUDCO Public Deposit Scheme will qualify for deduction from gross total income upto Rs. 1,50,000/-.
- The above tax benefit is only for individual and HUF investors.

General

- All new depositors shall provide proper introduction at the time of submitting deposit, introduction can be given by either the existing depositor or on the basis of one of the following i.e. Income tax permanent account number, Election identity card, Passport or Ration Card.
- Interest shall be rounded off to the nearest Rupee i.e., upto 50 paise will be ignored. Interest and deposit amount will be paid by crossed Account Payee Cheque payable at par of all branches of designated bank drawn in favour of the first name depositor.
- The interest on deposit will cease on the date of maturity e.g. if a deposit is maturing on 15th Oct 2013. The interest on deposit will not accrue after 15th Oct 2013. If the FD is not surrendered for repayment unless renewed, interest will accrue thereafter only if the deposit is renewed as per terms prevailing on the date of expiry.
- Income Tax will be deducted at source from interest in accordance with section 194 A of the Income Tax Act, 1961 i.e. if the interest payable exceeds Rs. 5000/- in aggregate in the current financial year. In cumulative option interest will be deemed to accrue every year as on 31st March of each financial year & interest will be compounded after deducting the tax amount unless form 15G/15H in duplicate as prescribed under income tax rules (except company & firm) is furnished to HUDCO latest by 15th March of each financial year. However in case of Non Cumulative option form 15G/15H should be furnished to HUDCO latest by 15th March of each financial year for the next financial year. Deduction of tax at source in case of trust will not be made if certificates under section 197 of Income Tax Act, 1961 issued by the concerned assessing officer of the trust or copy of the order under section 10 of the income tax under Income Tax Act 1961, if the trust is exempted under the above act, is submitted at by 15th March of each financial year. Form 15G/15H should only be furnished by the depositors.

Other Miscellaneous Provisions

- Deposits from minor(s) will be accepted through natural/legal guardian(s) provided the application form is signed by their natural or legal guardian, on their behalf.
- Where the due date of any payment falls on Sunday, Bank holiday or any other day on which the office remains closed, the payment will be made on the next following working day, without any additional interest.
- Interest for the part of month during which the deposit is made shall be paid along with interest for the next month in case of Regular Plus. For Regular Plus Scheme the half year shall be reckoned to end on 31st March and 30th September. For yearly option the first year will end on next following 31st March and the balance interest payable would be accordingly adjusted in the last maturity period. Quarterly option shall be reckoned to end on 31st March, 30th June, 30th September & 31st December. Interest cheques for different options (Quarterly/Half yearly/yearly) shall be sent in advance on financial year basis i.e. from 1st April to 31st March each year, after deducting tax, as applicable.
- Deposits once accepted under one scheme cannot be interchanged/split/Transferred/Transposed etc. before the expiry of the said deposit term under any circumstances.
- The aforesaid terms and conditions of acceptance of deposit are subject to rules and regulations framed by the Central Government, Reserve Bank of India/ National Housing Bank or any other competent authority from time to time.
- In case of cumulative deposits for the purpose of deduction of income Tax, interest will be deemed to accrue every year and tax will be deducted on the accrued interest in each financial year.
- In case of any deficiency of the company in servicing its deposits, the depositor may approach the National Consumers Disputes Redressal Forum, the State Level Consumers Disputes Redressal Forum or the District Level Consumer Dispute Redressal Forum for the relief.
- The financial position of the company as disclosed and the representations made in the application form are true and correct and that the company and its Directors are responsible for the correctness and veracity thereof.
- The deposit acceptance activities of the company are regulated by the NHB. It must however be distinctly understood that the NHB does not undertake any responsibility for the financial soundness of the company or for the correctness of any of the statements or the representation made or opinion expressed by the company and for repayment of deposit/discharge of liabilities by the housing finance company.

Deposit Repayment

Deposit receipt duly discharged must be surrendered to the office of the Company for repayment of principal and interest upto the date of maturity at least three weeks before the due date.

The repayment of deposit shall be made by Account Payee Cheque payable at par at all the branches of designated bank on surrendering the deposit receipt discharged with revenue stamp of requisite value.

Joint Deposit

Deposits can be made in the joint names with maximum of three persons. Deposit in joint names shall be with or without any of the clauses namely:

- a. Either or survivor
- b. Number one or survivor(s)
- c. Anyone or survivor(s)

The names and addresses of all the joint depositors will be entered in the ledger and register of depositors.

The interest on deposits in joint name will be paid (in case of cumulative deposit it will be deemed to accrue) to the first named depositor for the purpose of the deduction of tax at source and discharge given by him/ her will be binding on the joint holder(s).

In the event of death of first named depositor interest on fixed deposit will be paid and in case of cumulative deposit interest will be deemed to accrue to the depositor in the order of survivors as given in the application on production of first named depositor's death certificate.

Repayment of deposit will be made as per instructions given in application by the depositors. Discharge by such person(s) will be binding on the joint holders.

Nomination Facility

Individual depositors, single or jointly, can nominate under this facility. The nominee shall have the right to receive the amount due in respect of deposit on death of all the depositors. Power of Attorney holder or a guardian applying on behalf of a minor cannot nominate.

Loan Against Deposit

In order to provide Easy Liquidity to the depositor HUDCO provides Loans against the Fixed Deposit

The applicant can take the loan against the Fixed Deposits under the following schemes only:

- HUDCO REGULAR PLUS: PERIODIC INCOME SCHEME.
- HUDCO MULTIPLIER PLUS: CUMULATIVE INCOME SCHEME.

Features of the Scheme:

- The Depositor is entitled to a loan of 75% of the amount of deposit (i.e. principal amount and excluding accrued interest, if any).
- The Depositor can avail this facility only after 3 months from the date of commencement of deposit.
- The interest charged will be 2% above the Interest being paid on the deposit.
- Depositors of HUDCO REGULAR PLUS: PERIODIC INCOME SCHEME however has to deposit all the interest warrants issued to him and further no interest warrants will be issued to him and these warrants will be kept by the company and will be credited as payments into his Loan Account as and when these warrants become due.
- The period of the loan will be till the date of maturity of deposit.
- Depositor can pay any amount and adjust the loan before the maturity of deposit, however on the maturity date the maturity amount will be credited into the loan account and the loan will be adjusted and the balance amount if any will be refunded to the depositor.
- Deposits received u/s 80c are not eligible for loan against deposit facility.

How to apply?

It is very simple, depositor has to deposit Fixed Deposit receipt, endorsed in favour of HUDCO along with an undertaking at HUDCO Offices.

Premature Withdrawals

A. Premature withdrawal will be permitted subject to Housing Finance Companies (NHB) Directions, 2010 for deposits and interest paid as follows:

- i. Minimum lock in period - Three months
- ii. After three months but before six months-The interest payable shall be 4 percent per annum for individual depositor and no interest in case of other category of depositors.
- iii. After six months but before the date of maturity - The interest payable shall be one percent lower than the interest rate applicable to a public deposit for the period for which the deposit has run or if no rate has been specified for that period then two percent lower than the minimum rate at which the Public Deposits are accepted by HUDCO.

a. Provided that in the event of death of a depositor, the deposit may be paid prematurely to the surviving depositor/s in the case of joint holding with the survivor clause, or to legal heir/s with interest at the contracted rate (applicable) up to the date of repayment.

b. For the purpose of determining the period where the period for which the deposit had run contains any part of the year then, if such part is less than six months it shall be excluded and if such part is six months or more, it shall be reckoned as one year.

In order to meet certain expenses of an emergent nature which includes medical emergency or expense due to natural calamities/ disaster as notified by the concerned Government /Authority;

- iv. 'Tiny deposits' may prematurely be paid to individual depositors, at the request of the depositor, before the expiry of three months from the date of acceptance of such deposits, in entirety, without interest.

'Tiny Deposit' means the aggregate amount of public deposits not exceeding Rs 10000/- standing in the name of first sole or first name depositor in the same capacity in all the branches of the housing finance company.

- v. In case of other public deposits, not more than fifty per cent of the amount of the principal sum of deposit or Rs 5 lakh, whichever is lower, may be prematurely paid to individual depositors, at the request of depositors, before the expiry of three months from the date of acceptance of such deposits, without interest; the remaining amount with interest at the contracted rate shall be governed by the provisions of the extant Directions as applicable for public deposits.

Provided further that in cases of critical illness, hundred per cent of the amount of the principal sum of deposit, may be prematurely paid to individual depositors, at the request of depositors, before the expiry of three months from the date of acceptance of such deposits, without interest.

B. Conditions for premature withdrawal for depositors availing Tax benefits under section 80C(2)(xvi) (a) of income tax act, 1961:-

- vi. The minimum lock in period of five years is fixed for depositors availing tax benefits under section 80C and no premature withdrawal is allowed for such deposits prior to the above lock in period.
- vii. in case of joint holding by two or three persons, only the first depositor would be eligible for tax benefit for Section 80C.

C.As per Housing Finance Companies (NHB) Directions, 2010, the premature withdrawal is, however, at the discretion of HUDCO