

Name of the Scheme: GGB Pigmy Deposit Scheme

(A daily deposit scheme)

Features	New Scheme
minimum amount to be collected	Rs.10/- per day
Period	72 months
Interest on deposit remaining with the Bank up to 24 months	NIL
Interest on deposit remaining with Bank for 24 months & above but less than 39 months	2 % p.a.
Interest on deposit remaining with Bank for 39 months & above but less than 48 months	3 % p.a.
Interest on deposit remaining with Bank for 48 months and above but less than 72 months	4 % p.a.
After 72 months (on maturity)	5 % p.a.
Premature refund before 12 months	Closure permitted after deducting 3 % of the balance as penalty.
Penalty for closing the Account after completion of 12 months and before completion of 24 months	1 % of the outstanding balance of the GGB Pigmy Deposit Scheme shall be recovered from the account as penalty.
Nomination facility	Available as in case of any other Term Deposits
Conversion	<ul style="list-style-type: none"> • The deposit can be converted into a Term Deposit at the Customer's option without levying any penalty for premature closure after the GGB Pigmy Deposit Account has <ol style="list-style-type: none"> 1. Completed 12 months and 2. The Balance outstanding in the GGB Pigmy Deposit Account is Rs.10000/ or more. • The period of the converted Term Deposit shall not be less than the total remaining period of GGB Pigmy Deposit. For Example- an account opened on 01.01.2008 with a balance of Rs.10000/- or more may be converted into term Deposit on or after 01.01.2009 but the term deposit shall mature on or after 01.01.2014. The Word GGB Pigmy should be prefixed before the respective deposit name on the Deposit Receipt e.g. GGB Pigmy VCC/FD/SSD. GGB Pigmy Deposit can not be converted to Suvidha Deposit and GGBTaxShield Scheme. • In case of conversion, only the balance outstanding in the GGB Pigmy Deposit Account can be transferred to Term Deposits and no addition from other sources to this amount is permitted. In case customer opts to convert entire amount

	<p>into term deposit after 24 months, interest applicable on GGB Pigmy Deposit till date of conversion shall be added to the principal and entire amount (Principal +interest) shall be converted to Term Deposit. However in case only partial conversion is requested, only requested amount shall be converted into term deposit. Similarly no interest shall be paid if conversion is after 12 months but before 24 months.</p> <ul style="list-style-type: none"> • The depositor shall have the option either closing the GGB Pigmy deposit account or continuing the same after converting whole or part of the balance in the GGB Pigmy deposit account subject to clause mentioned above. The converted Term Deposit shall bear interest at the prevailing card rate as on the date of conversion for Term Deposits of similar maturity period. • Premature refund: Premature refund of a converted term deposit shall be governed by the rules of GGB Pigmy Deposit Scheme. The rules of premature refund of term deposit shall not apply to a term deposit converted from GGB Pigmy Deposit. For example, an account opened on 01.01.07, converted to term deposit on 01.01.08 and closed before maturity on 31.12.08 i.e. before completion of 24 months from date of opening shall be closed without paying any interest and will be levied 1 % penalty. • D/ODD will be available up to 75 % of the outstanding balance of the converted Term Deposit on the usual terms and conditions as applicable to other term deposits. • DS rules in force as applicable to other term deposits will be applicable to the converted term deposit also.
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Commission/remuneration to Pigmy Agents:

- ❖ Fallback wages of Rs.750/-per month subject to a minimum collection of Rs.7500/- per month and commission of 2 % on the collections made over and above Rs.7500/- per month.
- ❖ A conveyance allowance of Rs.50/- where monthly collection is less than Rs.10000/-p.m. and Rs.100/- where monthly collection is more than Rs.10000/-p.m.
- ❖ Gratuity shall be payable at the rate of 15 days' average commission for each year of service rendered by the Pigmy Agents. Those Pigmy Agents whose agency is terminated for fraud/misappropriation etc. shall not be eligible for gratuity.
- ❖ Commission is not payable whenever lumpsum collections are made. Lumpsum collection for this purpose will mean any monthly collections made exceeding 3 times the normal/average monthly collection during the period of 6 months immediately preceding the date of such collection.
- ❖ LD/ODD before **conversion of GGB Pigmy Deposit to term deposit** may be permitted at 75 % of the balance in GGB Pigmy deposit account. Rate of interest shall be 8.50 % per annum.

However such LD/ODD shall be closed before converting GGB Pigmy Deposit balance into term deposit.

All pigmy agents shall be provided with machines and Pigmy collection in this scheme shall be made using these machines only.

The various codes for the different heads under the Scheme will be as under:

Head of Account	Balance Sheet Codes
GGB Pigmy Deposit Scheme	1209
GGB Pigmy Deposit Suspense	1210
GGB Pigmy Fixed Deposit	1211
GGB Pigmy Vikas Cash Certificate	1212
GGB Pigmy Social Security Deposit	1213

Accounting Procedure:

- (a) Daily collections during the month shall be credited to "GGB Pigmy Deposit Suspense" Account and on the first day of the next month, contributions of previous month shall be transferred from 'GGB Pigmy Deposit Suspense' to 'GGB Pigmy Deposit' accounts of customers. Daily uploading of data directly from the Collection Machine to the GGB Pigmy Deposit account.
- (b) The penalty collected on premature closure of GGB Pigmy Deposit Account shall be credited to Miscellaneous Income Account.

The detailed Accounting Procedure under the new Scheme i.e. GGB Pigmy Deposit is furnished in the Annexure -I.

1. Procedure regarding Appointment of Pigmy Agents:

2. The procedure as prevailing in Sponsor Bank for appointment of Pigmy Agents will be followed in our Bank also.
3. The Pigmy Deposit Agents shall collect contributions under the scheme.
4. A cash Security Deposit of Rs.25000/- shall be taken from the PD Agent. The candidates shall have the option of giving a surety for Rs.50000/-from person(s) acceptable to the Bank in lieu of the aforesaid cash security at the sole discretion of the Bank & in very special case. The surety shall be released only after the candidates build up a Cash Security Deposit of Rs.25000/-.
5. The Agent shall be liable to pay a rental for the use of the Machine. The rental at present is fixed at Rs.300/-p.m. and the same can be changed by the Bank at its sole discretion by informing the Agent at least a month in advance.
6. The Head Office is empowered to engage new Pigmy Agents.
7. There will be a review mechanism of Pigmy Agents. Branches shall review the performance of newly engaged Pigmy Agents during first six months on parameters like achievements of collection level, performance, behaviour or conduct of the Pigmy Agent and if it is not up to the desired level, the Branch may recommend to the Head Office for discontinuance of the Agency. Area Office shall take an appropriate action after going through the available records, recommendations of Branch and any other information, which they may call for or which may be brought to their knowledge & submit their recommendation to Head Office.

8. Guidelines for Branches:

9. 5 % of the Pigmy Depositors will be personally contacted by the officials of Branches every month to know about the proper functioning of the Scheme, and review the services rendered by the Agent. The official shall satisfy himself about the identity of the Customer. The official shall also brief them as to the advantages of the Scheme and obtain confirmation of balance in their accounts. Their reports shall be kept on record. Prompt corrective measures for any deficiencies shall be taken by the authorized persons.

Annexure -I

The basic accounting entries for the GGB Pigmy Deposit Scheme are furnished below:

a) Deposit of Daily Collection from the Pigmy Agents

- Debit: Cash A/c
 - Credit: GGB Pigmy Suspense A/c
- (Pigmy Agents to deposit daily collection by cash)

b) At the end of the month

- Debit: GGB Pigmy Suspense A/c
 - Credit: GGB Pigmy Deposit A/c
- (Transfer of monthly collection from GGB Pigmy Suspense A/c to GGB Pigmy Deposit A/c)

c) Closure of Deposit on maturity

- Debit: GGB Pigmy Deposit A/c
 - Debit: Interest on Deposit A/c (Payment of up-to-date interest)
 - Credit: Customer's Account or cash A/c in favour of the Customer
- (Repayment of Rs.20, 000/-and above should not be made in cash as per provisions of Sec 269 of IT Act, 1961)

d) Closure of Account before maturity

- Debit: GGB Pigmy Deposit A/c
- Debit: Interest on Deposit A/c (Payment of interest as applicable)
- Credit: Misc. Income A/c (Collection of penalty for premature closure, as applicable)
- Credit: Customer's Account or Cash A/c in favour of Customer.

e) Conversion of Deposit before maturity into a Term Deposit

- Debit: GGB Pigmy Deposit A/c (either partial balance or full balance as per party's request)
- Debit: Interest on Deposit (payable only incase of full balance conversion)
- Credit: Term Deposit A/c in the name of the Customer.

f) Acceptance of Security Deposit on appointment of New Pigmy Agent

- Debit: Cash or Customers' (Agent's) Account

➤ Credit: Pigmy Agents Security Deposit Account

g) Payment of Commission to Pigmy Agents Account

➤ Debit: Pigmy Agents' Commission Account

➤ Credit: Pigmy Agents' Security Deposit Account (transfer of portion of Commission payable to security deposit as applicable)

➤ Credit: SB A/c of individual Pigmy Agent. (Balance Commission Payable)

SALIENT FEATURES FOR APPOINTMENT OF PIGMY AGENTS

ELIGIBILITY

1. Educational Qualification : Pass in 10th standard
2. Should be in the age group of 18-30 years
3. Should have flair for public relations.
4. Should belong to the operational area of the Branch.
5. Should know the local/regional language
6. Should not have any adverse antecedents.
7. Should have high integrity, commitment and dedication
8. Should be willing to furnish to the Bank a sum of Rs. 25,000/- as Security Deposit or provide as Surety of Rs. 50,000/-. In lieu thereof, from the person(s) acceptable to the bank. Such surety will be released only after the agent is able to build up security deposit of Rs. 25,000/-.

BENEFIT AND REWARDS

- Fall back wages of Rs. 750/- per month subject to a minimum collection of Rs. 7,500/- per month.
- Commission of 2% for collection of amount over and above Rs. 7,500/- per month subject to the condition that collection shall be made from at least 30 depositors under the Scheme.
- Gratuity at the rate of 15 days commission for every completed year of agency.
- Review the benefits and rewards afresh.

GENERAL

1. The Bank reserves its right to accept or reject any application without assigning any reason.
2. A committee appointed by the bank will conduct Interview of eligible and suitable candidates.
3. Candidates shall produce all original certificates and testimonials at the time of interview. Selected candidate will have to submit Police Verification Certificate.

4. Candidates found suitable in the interview will be engaged as Agents for collection of deposits under Pigmy Deposit Schemes on commission basis for 3 years on execution of the agency agreement.
5. The Bank reserves its right to review the performance of the Agent on completion of six months and terminate the agency if found not suitable.
6. Engaging Agents for collection of deposits under Pigmy Deposit Schemes is **not** an employment in the bank. They are only Agents for collection of deposits under Pigmy Deposit Schemes on commission basis.

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15. The Branch/Area where you are interested to take up the Agency :.....

16. If agency is permitted, are you willing to lodge initial security of Rs.25000/-? :
If not, are you willing to furnish a Surety of Rs.50000/-from person(s) acceptable to the Bank?

17. Name & address of two respectable references other than relatives:

i) ii).....
.....
.....
Telephone No..... Telephone No.....

18. Are you related to any of the employees of the Bank?: Yes/No
If yes; Name of Employee & relation with him/her:.....

19. Details of Demand Draft : DD No.-----dated-----
-----issued at -----(bank)-----
--(branch) for Rs.25/- is enclosed.

* * Cross out whichever is not applicable

DECLARATION

I have perused the conditions of the Agency as in Annexure and the same are acceptable to me.

I hereby declare that all the statements made in this application are true, complete and correct to the best of my knowledge and belief. I understand that in the event of any information being found false or incorrect at any stage or not satisfying the eligibility criteria according to the requirements of the relative advertisement, my engagement is liable to be cancelled/terminated without recourse to me.

I hereby agree to abide by the rules and regulations of the Agency in respect of GGB Pigmy Deposit Scheme including the amendments that may be made by the Bank from time to time at its sole discretion. I am aware that above Agency if offered to me will be for a period of three years only (subject to review on completion of six months) renewable at the discretion of the Bank.

I hereby declare that there is no police case/criminal complaint/civil suits pending against me in any Court of Law/Forum.

I also declare that I have not been declared as insolvent by any Court of Law.

Place_____

Date: _____

Signature of applicant

SALIENT FEATURES FOR APPOINTMENT OF PIGMY AGENTS

ELIGIBILITY

1. Educational Qualification : Pass in 10th standard
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3. Should have flair for public relations.
4. Should belong to the operational area of the Branch.
5. Should know the local/regional language
6. Should not have any adverse antecedents.
7. Should have high integrity, commitment and dedication
8. Should be willing to furnish to the Bank a sum of Rs. 25,000/- as Security Deposit or provide as Surety of Rs. 50,000/-. In lieu thereof, from the person(s) acceptable to the bank. Such surety will be released only after the agent is able to build up security deposit of Rs. 25,000/-.

BENEFIT AND REWARDS

- Fall back wages of Rs. 750/- per month subject to a minimum collection of Rs. 7,500/- per month.
- Commission of 2% for collection of amount over and above Rs. 7,500/- per month subject to the condition that collection shall be made from at least 30 depositors under the Scheme.
- Gratuity at the rate of 15 days commission for every completed year of agency.
- Review the benefits and rewards afresh.

GENERAL

1. The Bank reserves its right to accept or reject any application without assigning any reason.
2. A committee appointed by the bank will conduct Interview of eligible and suitable candidates.
3. Candidates shall produce all original certificates and testimonials at the time of interview. Selected candidate will have to submit Police Verification Certificate.
4. Candidates found suitable in the interview will be engaged as Agents for collection of deposits under Pigmy Deposit Schemes on commission basis for 3 years on execution of the agency agreement.
5. The Bank reserves its right to review the performance of the Agent on completion of six months and terminate the agency if found not suitable.
6. Engaging Agents for collection of deposits under GGB Pigmy Deposit Scheme is not an employment in the bank. They are only Agents for collection of deposits under GGB Pigmy Deposit Scheme on commission basis.

Commission/remuneration to Pigmy Agents:

- ❖ Fallback wages of Rs.750/-per month subject to a minimum collection of Rs.7500/- per month and commission of 2 % on the collections made over and above Rs.7500/- per month.
- ❖ A conveyance allowance of Rs.50/- where monthly collection is less than Rs.10000/-p.m. and Rs.100/- where monthly collection is more than Rs.10000/-p.m.
- ❖ Gratuity shall be payable at the rate of 15 days' average commission for each year of service rendered by the Pigmy Agents. Those Pigmy Agents whose agency is terminated for fraud/misappropriation etc. shall not be eligible for gratuity.
- ❖ Commission is not payable whenever lumpsum collections are made. Lumpsum collection for this purpose will mean any monthly collections made exceeding 3 times the normal/average monthly collection during the period of 6 months immediately preceding the date of such collection.
- ❖ LD/ODD before **conversion of GGB Pigmy Deposit to term deposit** may be permitted at 75 % of the balance in GGB Pigmy deposit account. Rate of interest shall be 8.50 % per annum. However such LD/ODD shall be closed before converting GGB Pigmy Deposit balance into term deposit.

All pigmy agents shall be provided with machines and Pigmy collection in this scheme shall be made using these machines only.

Condition applicable to Pigmy Deposit Agency:

- 1) Educational Qualification : Pass in 10th Standard
- 2) The applicant should be in the age group of 18 to 30 years
- 3) The applicant should have flair for Public Relations.
- 4) The applicant should belong to the operation area of the Branch
- 5) The applicant should have knowledge of local/regional language.
- 6) The applicant should not have any adverse antecedents.
- 7) The applicant should have high integrity, commitment and dedication
- 8) The applicant should be willing to furnish to the Bank a sum of Rs.25000/-as Security Deposit or provide a Surety of Rs.50000/- in lieu thereof, from the person(s) acceptable to the bank. Such Surety will be released only after the agent is able to build up security deposit of Rs.25000/-.
- 9) The Agency is for a period of three years, subject to further extension at the sole discretion of the Bank.
- 10)The Bank reserves the right to review the performance of this agency on completion of six months and terminate the agency if found not suitable.
- 11) The agent must be able to collect a minimum of Rs.40000/- per month in rural areas and Rs.1 lac in other areas within six months of his engagement as agent for collection of deposits under GGB Pigmy Deposit Scheme.
- 12)The applications received will be scrutinized at Head Office level by a Committee formed for the purpose.
- 13)The Committee will conduct the interview of the applicants fulfilling the specification set by the Bank.
- 14)The applicants selected will be engaged as Agent for collection of deposits under Pigmy Deposit Schemes in the Branch allotted:
- 15)The Benefits/Rewards are as under:-
 - a. Fallback wages of Rs.750/-per month subject to a minimum collection of Rs.7500/- per month and commission of 2 % on the collections made over and above Rs.7500/- per month.
 - b. A conveyance allowance of Rs.50/- where monthly collection is less than Rs.10000/- p.m. and Rs.100/- where monthly collection is more than Rs.10000/-p.m.
 - c. Gratuity at the rate of 15 days' average commission for each year of agency to those Pigmy Agents whose agency has been terminated for reasons other than fraud/misappropriation.

- 16) Commission is not payable whenever lumpsum collections are made. Lumpsum collection for this purpose will mean any monthly collections made exceeding 3 times the normal/average monthly collection during the period of 6 months immediately preceding the date of such collection.
- 17) Agent engaged for collection of deposits under pigmy Deposit Schemes, is not an employee of the Bank and is not entitled for any wages, bonus and other allowances or other benefits available and applicable to the employees of the Bank.
- 18) The agent can renounce his agency by giving three month's notice after giving proper account of the collections made and surrendering bank's properties/equipments.
- 19) The Bank can terminate the agency at any time after giving one month's notice.
- 20) The offer of agency shall be subject to execution of an agreement by the Agent.