

BM 160.23: Policy on settlement of (a) claims in respect of deceased depositors & bondholders and (b) unclaimed/overdue Term Deposits & Bonds

The Board was apprised about the proposed policy on settlement of (a) claims in respect of deceased depositors & bond holders and (b) unclaimed/overdue Term Deposits & Bonds. The Board was informed that the proposed policy also included in its scope, settlement of claim of bond holders of NHB bonds which was earlier not covered in the extant policy. It was informed to the Board that proposal was placed before the Operational Risk Management Committee (ORMC), Risk Management Advisory Committee (RMAC) and Risk Management Committee of the Board (RMCB) and the Committees have recommended the proposal to the Board for its approval.

It was further informed to the Board that the RBI guidelines on transferring the unclaimed deposits amount to the Depositor Education and Awareness Fund (DEAF) and SEBI Regulation on transferring the unclaimed Bonds amount to The Investor Education and Protection Fund (IEPF) is not applicable on NHB. However, in case of any new guidelines by the RBI and SEBI to the Development Financial Institutions (DFIs), the same shall be applicable to National Housing Bank (NHB). Till such time, as proposed in the Policy, the unclaimed Deposits/Bonds amount will be transferred in the dedicated Bank accounts after remaining unclaimed for more than 10 years/7 years, respectively, and the payment of the unclaimed deposits/bonds will be settled from the said accounts.

Board deliberated on the proposal and approved the proposal as recommended by the Risk Management Committee of the Board.

After due deliberation, the following resolution was passed.

"Resolved that the proposal on Policy on settlement of (a) claims in respect of deceased depositors & bond holders and (b) unclaimed/overdue Term Deposits & Bonds, as contained in the Board Memorandum No'/NHB/BD/5147 /2022 dated June 08, 2022 be, and is hereby, approved. "



Board Memorandum No. NHB/BM/5147/2022

BM 160.23

Dated: 08.06.2022



ED (RB)



MD

MEMORANDUM FOR THE BOARD

For Approval

Policy on settlement of (a) claims in respect of deceased depositors & bond holders and (b) unclaimed/overdue Term Deposits & Bonds

ISSUE:

To seek approval of the Board of Directors to amend the existing Policy on 'Unclaimed Term Deposits', for settlement of claims in respect of depositor (s)/investor(s)/claimant(s) and process to be followed for payment of Unclaimed/Overdue Deposits and Bonds issued by National Housing Bank.

2. BACKGROUND:

2.1 To avoid inconvenience and undue hardship to the depositors/investors/claimants; and also, in the light of RBI directive (No. RBI/2004-05/490) dated June 09, 2005 on the issue and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; it is proposed to amend the existing policy on 'Unclaimed Term Deposits' to include the operational procedure to be adopted for unclaimed deposits and also to enhance the coverage of the policy to define the treatment for unclaimed/overdue accounts on account of Bonds/Debentures.

2.2 The Bank had launched two term deposit schemes namely "Sunidhi Term Deposit Scheme" and "Suvridhi Tax Saving Term Deposit Scheme" in December ,2008 and January, 2009, respectively to accept deposits from the public. Subsequently, the Bank had decided to discontinue the said term deposits schemes w.e.f. August 01 ,2017 i.e., no new deposits or any request for Renewal of the deposits is accepted on or after August 01, 2017.

2.2 As on March 31, 2022, there is unclaimed Capital gains Bonds (CGB), and Overdue Term Deposit Schemes, overdue Interest Amount of Tax-Free Bonds are as under:

Instrument	Principal amount	Interest Amount	Total amount
Capital Gain Bonds (unclaimed)	2.78	0.14	2.92*
Sunidhi Term Deposits (Overdue)	3.43	0.23	3.66#

Suvriddhi Term Deposits (Overdue)	1.62	0.48	2.10 [#]
Tax Free Bonds (Overdue interest)	0.00	1.66	1.66 [@]

**Entire amt. is not claimed for a period of seven years and would be transferred into The Investor Education and Protection Fund (IEPF) in case of direction by the SEBI/IEPFA.*

#Nil amt. breached the period of 10 years and would be transferred into The Depositor Education and Awareness Fund in case of direction by the RBI.

@Only unclaimed interest amount since the redemption of the Tax-Free Bonds will start from 2023 onwards.

3. PROPOSAL

3.1 The proposal is to amend the existing Policy on 'Unclaimed Term Deposits', for settlement of claims in respect of depositor (s)/investor (s)/claimant(s) and process to be followed for payment of Unclaimed/Overdue Deposits and Bonds issued by National Housing Bank.

3.2 Presently, the RBI guidelines on transferring the unclaimed deposits amount to The Depositor Education and Awareness Fund (DEAF) and SEBI Regulation on transferring the unclaimed Bonds amount to The Investor Education and Protection Fund (IEPF) is not applicable on NHB. However, in case of any new guidelines by the RBI and SEBI to the Development Financial Institutions (DFIs), the same shall be applicable to National Housing Bank (NHB). Till such time, as placed in the Policy, the unclaimed Deposits/Bonds amount will remain in the accounts, and the payment of the unclaimed deposits/bonds will be settled from the said accounts.

3.3 The proposed Policy is bifurcated into two parts, Part-A for Term Deposits and Part-B for Bonds.

3.4 The following major changes are proposed in the policy:

S.no.	Existing Policy	Proposed to be amended/inserted	Rationale
1.	Existing Policy is titled 'Unclaimed Policy for Term Deposit'	The Proposed Policy will be called 'Policy on settlement of (a) claims in respect of deceased depositors & bond holders and (b) unclaimed/overdue Term Deposits & Bonds'	The coverage of the policy has been enhanced to include Bonds and operational procedures for Unclaimed Deposits and Bonds.



			The other operational procedures are defined in more detail.
2.	As per existing policy saving rate of interest is payable on the amount left unclaimed.	No interest payable on the amount left unclaimed.	In future, as and when mandated the Bank may need to transfer the unclaimed amount to Investor Education and Protection Fund / The Depositor Education and Awareness Fund DEAF.
3.	No provision	Competent Authority for Settlement of Claims	Incorporated in order to streamline the process.
4.	No provision	Two separate Bank account will be opened with the name "Unclaimed Account-Term Deposits" for the amount of deposits remining unclaimed for more than 10-years, similarly a Bank account will be opened for "Unclaimed Account-Bonds" for the amount of Bonds remining unclaimed for more than 7-years.	As per Regulation 61A of SEBI (LODR), 2015 and RBI directive (No. RBI/2004-05/490)
5.	No provision	MIS to the management	In order to apprise the management about current status.



3.5 The proposal was placed before the Operational Risk Management Committee in its 56th meeting held on May 31, 2022. The Committee deliberated on the proposal and recommended to:

- 1) bifurcate policy into two parts, one for Term Deposits and other for Bonds
- 2) procedure to be adopted in case of inapplicability of RBI directive (No. RBI/2004-05/490) dated June 09, 2005, on the issue and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- 3) the Policy to be got vetted by the Legal Department, Risk Management Department.

3.6 Accordingly, the Policy has been drafted incorporating the suggestions given by the Risk Management Department and vetted by the Legal Department; and placed as Annexure – I.

3.7 Thereafter, the Policy was submitted to the Risk Management Advisory Committee (RMAC) in its 71st meeting held on June 07, 2022 and Risk Management Committee on June 14, 2022. Both the Committees deliberated the proposal and have recommended the Policy to the Board for its approval in its ensuing meeting.

4. This Memorandum on Policy on settlement of (a) claims in respect of deceased depositors & bond holders and (b) unclaimed/overdue Term Deposits & Bonds, as annexed (Annexure – I), is submitted for consideration and approval of the Board.

If approved, the Board may kindly consider passing the following resolutions -

“Resolved that the proposal on Policy on settlement of (a) claims in respect of deceased depositors & bond holders and (b) unclaimed/overdue Term Deposits & Bonds, as contained in the Board Memorandum No./NHB/BD/5147 /2022 dated June 08, 2022 be, and is hereby, approved.”


(Raj Kumar Negi)
Manager


(Mohit Kaul)
Deputy General Manager



राष्ट्रीय
आवास बैंक
NATIONAL
HOUSING BANK

Policy on settlement of (a) claims in respect of deceased depositors & bond holders and (b) unclaimed/overdue Term Deposits & Bonds



1. Preamble

1.1 One of the important functions of the National Housing Bank (NHB) is to raise funds to meet the short-term and long-term resource requirements of the Bank in order to cater the sectoral needs of credit linked to the operations, purpose and objectives with which the NHB was set up. NHB raises funds as per the guidelines issued by Reserve Bank of India (RBI) from time to time under Resource Raising Norms for Financial Institutions.

1.2 As per the 'Terms and Conditions' of Term Deposits and 'Term of Issue, of Bonds/Debenture, redemption and interest payment of the Term Deposits, Tax-Free Bonds and Capital Gains Bonds are being done regularly as per schedule. However, a few depositors/investors are not claiming redemption amount and interest payment even after reminders/list uploaded on Banks website. Accordingly, keeping in view the imperative need to avoid inconvenience and undue hardship to the depositors/investors/claimants it has been proposed to modify the existing Policy to incorporate the procedure for settlement of the claims in respect of deceased depositors/investors and also to enhance the coverage of the Policy.

1.3 This Policy document on settlement of claims in respect of unclaimed/overdue term deposits/ bonds and deceased depositors/investors, outlines the guiding principles in respect of formulation of various safeguards and obligations on the part of NHB to fulfill its commitments towards the depositors/investors.



PART-A

SETTLEMENT OF CLAIMS IN RESPECT OF DECEASED DEPOSITORS AND UNCLAIMED/OVERDUE TERM DEPOSITS

1. Background:

1.1 NHB had launched two term deposit schemes namely "SUNIDHI Term Deposit Scheme" in December 2008 and "SUVRIDDI Tax Saving Term Deposit Scheme" in January 2009 to accept deposits from the public. As per the terms and conditions of the deposits for redemption or renewal of deposit, it is mandatory to submit the duly discharged original Term Deposit Receipt (TDR). However, in practice in some deposit accounts even after reminders, the depositor(s) does not provide original TDR or Indemnity or requisite documents for redemption of the deposits.

2. Classification of Overdue and Unclaimed Deposits:

2.1 All Term Deposits which are not claimed after the maturity period will be termed as Overdue Deposits.

2.2 Any Overdue Deposit which is not claimed for a period of ten years will be termed as Unclaimed Deposit.

3. Operational guidelines for procedures to be adopted for Overdue/Unclaimed Deposits:

3.1 NHB shall make a quarterly review of all Overdue Deposits in which maturity proceeds are not claimed for more than a year.

3.2 NHB shall endeavor to approach the depositors by informing them in writing about Overdue Deposits on the address given in the application form as well as last available address in the record of the Registrar on periodical intervals.

3.3 NHB shall display the name and address of depositors of Unclaimed Deposits on its website. In case where depositor(s) are non-individual(s), the name of authorized signatories to operate the account or name printed on the TDR shall be displayed.

3.4 NHB shall also display on its website, the information on the process of claiming the Unclaimed/ Overdue Deposits along with the necessary forms and documents required for claiming the same.

3.5 Any Unclaimed Deposit shall be transferred into the bank account(s) separately maintained in this regard. Any claim against the unclaimed deposits shall be settled after due verification of the claimant/s and on submission of documents as mentioned in para 5.



3.6 In case the Overdue Deposit is on account of misplacement / loss of TDR:

The depositors may be advised to provide Indemnity in respect of such TDRs along with other documentary requirement as specified in para. 5 for claiming the amount under deposit(s).

4. Operational guidelines for settlement of claims of deceased depositors:

4.1 **Accounts with Nominee:** In the case of deposits where the depositor had utilized the nomination facility and made a valid nomination in terms of the National Housing Bank (Nomination) Regulation, 2004, in the event of death of the single holder or both/all the joint holders, as the case may be, the payment shall be made to the nominee after exercising due care and caution in establishing the identity of the nominee and on submission of documents as specified in para 5.

4.2 **Accounts without Nominee:** In case where the deceased depositor had not made any nomination, the claims in respect of the deceased depositors will be settled on submission of death certificate, KYC documents {of all claimant(s)/legal heir(s)}, Indemnity, Affidavit regarding Declaration of legal heirs and Letter of Disclaimer in respect of such TDR along with other documentary requirement as specified in para. 5.

4.3 **In case of Joint Account without survivorship mandate:** In the event of death of one (or more but not all) of the joint account holders, the matured amount will be paid jointly to the survivor(s) and the legal heir(s) of the deceased joint account holders (or any of them as mandated by all the legal heirs) against their joint claim on verification of authority of the legal heirs and proof of death of the depositor along with other documentary requirement as specified in para. 5.

4.4 In case of Non-Resident Depositors:

4.4.1 In addition to guidelines given under para 4.1, 4.2 & 4.3 *supra*, the following additional guidelines are required to be fulfilled for settlement of claims of Non-Resident Depositor /Claimant:

(a) In case the depositor(s) is Non-Resident and has passed away abroad, the death certificate duly attested/certified by any of the following shall be accepted for processing the claim:

- (i) Notary Public in that Country (Wherever applicable/provided by the Depositor).
- (ii) Indian Embassy / High Commission in that Country.
- (iii) Embassy/High Commission of that Country in India.



(b) As corroboratory evidence, confirming incidence of death any of the following documents along with death certificate shall be accepted:

- (i) Evidence of settlement of an insurance claim at foreign center on account of death of the account holder.
- (ii) Evidence of settlement of proceeds of bank accounts at foreign center on account of death of the account holder.
- (iii) Evidence of settlement of terminal benefits by the employer at foreign center on account of death of the account holder. However, the employer would have to be a government/multilateral Organization only.
- (iv) Evidence of death as provided by a hospital or local police authorities at the foreign center. However, it may be ensured that any of these documents are issued from the same country as the death certificate.

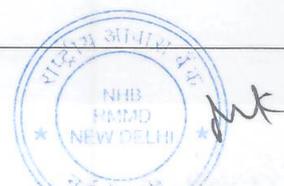
4.5 Settlement of claims in respect of missing depositors:

The settlement of claims in respect of missing persons shall be governed by the provisions of applicable law. As per applicable law, presumption of death can be raised only after a lapse of seven years from the date of his/ her being reported missing. As such, nominee/legal heirs have to raise and express presumption of death of the depositor before a competent court. If the court presumes that he/ she is dead and pass order to that effect, then the claim in respect of a missing person will be settled as is done in case of any other deceased accounts.

5. Documentary requirement for claiming the deposit redeemed amount:

In order to avoid inconvenience and undue hardship to the depositors/ claimants of deposits; the following documents will be required to process the claim and for making the payment as per the redemption amount slab:

S.No.	Redemption Amount (in ₹)	Documents required*
1.	≤ 2.00 Lakh	1. Indemnity Bond 2. KYC documents 3. Other documents establishing identity of the claimant/s
2.	>2.00 - ≤ 5.00 Lakh	1. Indemnity Bond 2. Surety (One surety having worth twice the amount of claim) 3. KYC documents 4. Other documents establishing identity of the claimant/s
3.	> 5.00 Lakh	1. Indemnity Bond 2. Succession Certificate / Legal heir certificate/ Probated Letter of Administration etc., legal representations.



	3. KYC documents
	4. Other documents establishing identity of the claimant/s

** Note: In addition to above, NHB may also seek any other document, which may be deemed necessary to settle the claim in favor of claimant. Further, competent authority may exempt the requirement of documents as per the merit of the case after establishing the identity of the claimant as per due procedure. In the event of production of valid legal representation like succession certificate/probated will, the requirement of indemnity may be dispensed with.*

6. Competent Authority for Settlement of Claims:

The Competent Authority for the purpose of settlement of claims in respect of Unclaimed/Overdue Term Deposits & deceased depositors will be as follows:

S.No.	Designation	Amount (in ₹)
1.	RM and above	≤ 5.00 Lakh
2.	HOD, RMMD	> 5.00 Lakh

7. Due diligence in redemption of Overdue/Unclaimed Deposits:

In order to reduce the risk of fraud etc., in Unclaimed/Overdue Deposits Accounts, while repaying the maturity amount additional due diligence shall be exercised by ensuring the genuineness of the account wherein amount is being transferred, verification of depositors/investor signature, verification of legal heirs and his/her identity, etc. However, it has to be ensured that the depositor(s)/investor(s) is/are not put to inconvenience in any manner.

8. Payment of interest on unclaimed/ overdue deposits:

As per the Terms and Conditions for Term Deposits, no interest shall be payable on Deposits after attaining the maturity period.

9. The Depositor Education and Awareness Fund:

9.1 A separate bank account will be opened in order to transfer unpaid interest/Unclaimed Deposits and the amount of all such deposits will be transferred to overdue General Ledger (G/L) on the last day of the month in which the same matured. Post transfer, depositor-wise details will be maintained, and the payment of the Unclaimed Deposits will be settled after due verification of the claimant/s.

9.2 On month end, the Registrar will provide a statement in desired format, containing following information, namely:-



SN	Particulars*	Amount (in ₹)
1.	The name/s and last known addresses of the persons entitled to receive the sum	
2.	The nature of amount	
3.	The amount to which each person is entitled;	

**Any other information as may be considered necessary.*

9.3 An officer from RMMD shall be appointed as Nodal Officer.

9.4 MIS will be submitted to the Top Management certified by the Nodal Officer on quarterly basis from the date of receipt of statement from the Registrar.

10. Preservation of records:

NHB will take necessary steps for preserving the unclaimed depositors account information, including preservation of records of the depositors and their addresses etc. for a period of 10 years from the date of payment of maturity proceeds or such other period as may be prescribed under the Prevention of Money-Laundering (Maintenance of Records Rules), 2005 from time to time.



PART-B:

**POLICY ON SETTLEMENT OF CLAIMS IN RESPECT OF DECEASED BOND HOLDERS
AND UNCLAIMED/OVERDUE BONDS**

1. Background:

NHB has issued Capital Gain Bonds and Tax Free Secured Redeemable Non-Convertible Bonds with tenure of five/seven years and ten years respectively. The Capital Gain Bonds matured between 2009 and 2013. However, it is observed that some of the investors are yet to claim the amount due on maturity of these bonds. Further, the Tax Free Secured Redeemable Non-Convertible Bonds will become overdue from the date of the maturity of the bond. This Policy shall also apply to the bonds issued by NHB in future.

2. Classification of overdue and Unclaimed Bonds:

2.1 All bonds which are not claimed after the maturity period will be termed as Overdue Bonds.

2.2 Any Overdue Bond which is not claimed for a period of seven years will be termed as Unclaimed Bond.

2.3 For the purposes of this Policy, the term "the Bonds" shall have the same meaning as ascribed to them in National Housing Bank (Issue and Management of Bonds) Regulations, 1989.

3. Operational guidelines for procedures to be adopted for Overdue/Unclaimed Bonds:

3.1 NHB shall make a quarterly review of all Overdue Bonds in which maturity proceeds are not claimed for more than a year.

3.2 NHB shall endeavor to approach the investors by informing them in writing about Overdue/Unclaimed Bonds to the address given in the application form as well as last available address in the record of the Registrar on periodical intervals.

3.3 NHB shall display the name and address of investors of Unclaimed Bond holders on its website. In case where the investor(s) are non- individuals, the name of authorized signatories printed on the Bond Certificate shall be displayed.

3.4 NHB shall also display on the website, the information on the process of claiming the Overdue/ Unclaimed Bonds along with the necessary forms and documents for claiming the same.

3.5 Any unpaid interest/Unclaimed Bonds shall be transferred into the bank account(s) separately maintained in this regard. Any claim against the unpaid interest/Unclaimed Bonds



shall be settled after due verification of the claimant(s) and on submission of the documents mentioned in para 5.

3.6 In case the Overdue/Unclaimed Bonds is/are due to misplacement/ loss of Bond Certificate:

The investors may be advised to provide Indemnity in respect of such Bond Certificate along with other documentary requirement as specified in para. 5 for claiming the Bond redeemed amount. If such intimations are returned undelivered twice, NHB shall consider to advise the respective Registrar to reach out to the investors through other mode of communication viz. telephone number, e-mail ID etc. as provided in the application form/s and in their data base and efforts would be made to contact the investor(s) through these modes on regular basis.

4. Operational guidelines for settlement of claims of deceased investors:

4.1 With Nominee: In case where the investor had utilized the nomination facility and made a valid nomination in terms of the National Housing Bank (Nomination) Regulation, 2004, in the event of death of the single holder or both the joint holders, as the case may be, the payment shall be made to the nominee after exercising due care and caution in establishing the identity of the nominee and on submission of documents as specified in para 5.

4.2 Without Nomination: In case where the investor had not made any nomination, the claims will be settled as per the National Housing Bank (Issue and Management of Bonds) Regulation, 1989. Regulation 16 of the said Regulation stipulates that the executors or administrators of a deceased sole holder of a bond needs to submit all the required documents along with succession certificate or probate/Letter of administration or other legal representation as the case may be from the competent court of India or office in India having effect at the place of situation of office of issue. However, it is also provided that in any case where the prescribed officer (" the competent authority") in his absolute discretion think fit, it shall be lawful for him to dispense with the production of probate, letter of administration or other legal representation upon such terms as to indemnity or otherwise as he may think fit.

In cases where it has been decided to settle the claim on the basis of Indemnity, the claimant/s may be advised to provide death certificate, KYC documents (of all claimants/legal heirs), Indemnity, Affidavit regarding Declaration of legal heir(s) and Letter of Disclaimer in respect of such Bond Certificate along with other documentary requirement as specified in para. 5 for claiming the Bond redeemed amount.

4.3 In case of Joint Account without survivorship mandate: In the event of death of one (or more but not all) of the bondholders, the matured amount will be paid jointly to the survivor(s)



and the legal heir(s) of the deceased bondholder (or any of them as mandated by all the legal heirs) against their joint claim on verification of authority of the legal heirs and proof of death of the depositor/investor and on submission of documents as specified in para 5.

4.4 In case of Non-Resident Investors/Claimant:

4.4.1 In addition to guidelines given under para 4.1, 4.2 & 4.3 *supra* for settlement of claims, the following additional guidelines are required to be fulfilled for settlement of claims of Non-Resident Investors:

(a) In case the investor is Non-Resident and has passed away abroad, the death certificate duly attested /certified by any of the following shall be accepted for processing the claim:

- (i) Notary Public in that country (wherever provided by the Investors/Claimant.)
- (ii) Indian Embassy / High Commission in that country.
- (iii) Embassy/High Commission of that Country in India.

(b) As corroboratory evidence, confirming incidence of death any of the following document along with death certificate shall be accepted:

- (i) Evidence of settlement of an insurance claim at foreign center on account of death of the account holder.
- (ii) Evidence of settlement of proceeds of bank accounts at foreign center on account of death of the account holder.
- (iii) Evidence of settlement of terminal benefits by the employer at foreign center on account of death of the account holder. However, the employer would have to be a government/multilateral Organization only.
- (iv) Evidence of death as provided by a hospital or local police authorities at the foreign center. However, it may be ensured that any of these documents are issued from the same country as the death certificate.

4.5 Settlement of claims in respect of missing investor(s):

The settlement of claims in respect of missing persons shall be governed by the provisions of applicable law. As per applicable law, presumption of death can be raised only after a lapse of seven years from the date of his/ her being reported missing. As such, nominee/ legal heirs have to raise an express presumption of death of the investor before a competent court. If the court presumes that he/ she is dead, and pass order to that effect, then the claim in respect of a missing investor can be settled as is done for any other deceased accounts.



5. **Documentary requirement for claiming the bond redeemed amount:**

In order to avoid inconvenience and undue hardship to the bond holders/ claimants; the following documents will be required to process the claim for making the payment as per the redemption amount slab:

S.No.	Redemption Amount (in ₹)	Documents required*
1.	≤ 2.00 Lakh	1. Indemnity Bond 2. KYC documents 3. Other documents establishing identity of the claimant/s
2.	>2.00 - ≤ 5.00 Lakh	1. Indemnity Bond 2. Surety (One surety having worth twice the amount of claim) 3. KYC documents 4. Other documents establishing identity of the claimant/s
3.	> 5.00 Lakh	1. Indemnity Bond 2. Succession Certificate / Legal heir certificate/Probated Will / Letter of Administration etc. legal representations. 3. KYC documents 4. Other documents establishing identity of the claimant/s

* Note: In addition to above, NHB may also seek any other documents, which may be deemed necessary to settle the claim in favor of genuine claimant. Further, competent authority may exempt the requirement of documents as per the merit of the case after establishing the identity of the claimant as per due procedure. In the event of production of valid legal representation like succession certificate/probated will, the requirement of indemnity may be dispensed with.

6. **Competent Authority for Settlement of Claims:**

The Competent Authority for the purpose of settlement of claims in respect of Overdue/ Unclaimed Bonds will be as follows:

S.No.	Designation	Amount (in ₹)
1.	RM and above	≤ 5.00 Lakh
2.	HOD, RMMD	> 5.00 Lakh

7. **Due diligence in redemption of Overdue/ Unclaimed Bonds:**

In order to reduce the risk of fraud etc., in Overdue/ Unclaimed bonds, while repaying the maturity amount additional due diligence shall be exercised by ensuring the genuineness of the account wherein amount is being transferred, verification of investor signature,



verification of legal heirs and his/her identity, etc. However, it has to be ensured that the investor(s) is/are not put to inconvenience, in any manner.

8. Payment of interest on unclaimed/ overdue Bonds:

No interest shall be payable on Bonds after attaining the maturity period. Hence, no interest shall be payable on Overdue /Unclaimed Bonds.

9. The Investor Education and Protection Fund:

9.1 A bank account will be opened in order to transfer the unpaid interest/amounts of Unclaimed Bonds. The amount of all such bondholders will be transferred to overdue General Ledger (G/L) on the last day of the month in which the same matured. Post transfer, investor-wise details will be maintained, and the payment of the unpaid interest/Unclaimed Bonds will be settled after due verification of the investor(s)/claimant(s).

9.2 On month end, the Registrar shall provide a statement with respect to Overdue/Unclaimed Investors in desired format, containing following information, namely:-

SN	Particulars*	Amount (in ₹)
1.	The name/s and last known addresses of the persons entitled to receive the sum	
2.	The nature of amount	
3.	The amount to which each person is entitled;	

**Any other information as may be considered necessary*

9.3 An officer from RMMD shall be appointed as Nodal Officer.

9.4 MIS will be submitted to the Top Management certified by the Nodal Officer on quarterly basis from the date of receipt of statement from the Registrar.

10. Preservation of records:

NHB will take necessary steps for preserving the information of the bondholders of Overdue/Unclaimed bonds, including preservation of records of the investors and their addresses etc. for a period of 10 years from the date of payment of maturity proceeds or such other period as may be prescribed under the Prevention of Money-Laundering (Maintenance of Records Rules), 2005 from time to time.

11. Review of the Policy:

The Policy shall be reviewed biennial.

