

# “DEPOSIT POLICY”



“JOGINDRA CENTRAL COOP BANK  
LIMITED”

## PREFACE

One of the important functions of the Bank is to accept deposits from the public for the purpose of lending. Depositors are the major stakeholders of the Banking system. Depositors and their interests form the key area of the regulatory framework for banking in India and this has been enshrined in the Banking Regulation Act, 1949. With liberalization in the financial system and deregulation of interest rates, banks are now free to formulate deposit products within the broad guidelines issued by RBI. This Deposit Policy has been drawn up within the broad guidelines issued by the Reserve Bank of India.

This Policy document on deposits outlines the guiding principles based on which the Bank formulates the various deposit products offered by the Bank and the terms and conditions governing the conduct of the account. The document recognizes the rights of depositors and aims at dissemination of information with regard to various aspects of acceptance of deposits from the members of the public, conduct and operations of various deposit accounts, payment of interest on various deposit accounts, closure of deposit accounts, method of disposal of deposits of deceased depositors, etc., for the benefit of customers. It is expected that this document will impart greater transparency in dealing with the individual customers and create awareness among customers.

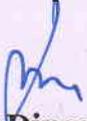
This core function, "acceptance of deposits" elucidated in the Policy adopting the principles of Corporate Governance, aims at creating substantial customer awareness. The Policy aims to educate the employees and public in general about the various methods adopted by the Bank for handling deposit accounts under various circumstances. The ultimate objective is that the customer will get services they are rightfully entitled to receive without demand. While adopting this Policy, the Bank reiterates its commitments to individual customers to act fairly. This document is a broad framework under which the rights of common depositors are recognized and all the guidelines under the Banking Codes and Standards Board of India for individual customers are taken note of. Detailed operational instructions on various deposit schemes and related services will be issued from time to time.

The Policy is applicable to all customers of the Bank and outlines the principles for identification of all customers across the Bank within the framework specified by

Reserve Bank of India (RBI). It is intended to be read, understood and practiced by all the employees who directly or indirectly service the customers.

The custodian of the Deposit Policy will be BSD&I Section.

For further details and complete information on terms and conditions of our various product and services, we request to visit our branches or our website [www.jccb.co.in](http://www.jccb.co.in).

  
**Managing Director**

# JOGINDRA CENTRAL COOPERATIVE BANK LIMITED

## DEPOSIT POLICY

### **1. PREAMBLE**

One of the important functions of the Bank is to accept deposits from the public for the purpose of lending. In fact, depositors are the major stakeholders of the Banking system. Similarly, the Bank may specify charges for issue of cheque books, additional statement of accounts, duplicate pass-book, folio charges, etc. All such details, regarding terms and conditions for operation of the accounts, availability of facilities such as Direct debit /credit, standing instructions etc. and schedule of charges for various services will be informed to the prospective depositor while opening the account. Any changes in the terms and conditions governing operation of the account will be implemented, normally, after giving due notice to the customers through Public Notices/notices in branches/Display in website of the bank.

### **2. KNOW YOUR CUSTOMER (KYC) GUIDELINES OF RBI**

Know Your Customer [KYC] is the platform on which Banking system operates to avoid the pitfalls of operational, legal and reputational risks and consequential losses by scrupulously adhering to the various procedures laid down for opening and conduct of account.

The Bank shall adopt appropriate Know Your Customer Policies, procedures and internal controls reasonably designed to:

- Determine and document the true identity and address of the customers who establish relationships, open accounts or conduct significant business transactions and obtain basic background information on customers.
- Obtain and document any additional customer information, commensurate with assessment of the money laundering risks posed by customer' expected use of Bank's products and services.
- Avoid doing business with any individual or entity whose identity cannot be determined or who refuses to provide information or who have provided



information that contains significant inconsistencies which cannot be resolved after due investigation.

The regulatory guidelines require Bank to categorize customers based on risk perception and prepare profiles of customers for the purpose of transaction monitoring. If the decision to open an account of a prospective depositor requires clearance at a higher level, reasons for any delay in opening of the account will be informed and the final decision will be conveyed at the earliest.

### **3. TYPES OF DEPOSIT ACCOUNTS**

The Deposit Products offered by the Bank are broadly categorized in the following types:

**1.Savings Bank Account.**

**2.Current Account.**

**3.Term Deposits.**

### **4. ACCOUNT OPENING AND OPERATION OF DEPOSIT ACCOUNTS**

#### **A.SAVINGS BANK ACCOUNT:**

Savings Bank account, as the very name suggests, is intended for savings for the future. There are no restrictions on the number and amount of deposit that can be made on any day. Minimum amount of withdrawal/deposit is Rs.10/-. Balance in the account earns interest at rates decided by the Bank, from time to time. The facility of withdrawal by cheque is also allowed subject to certain restrictions.

Savings Bank accounts can be opened by eligible persons except in the name of Government departments / bodies depending upon budgetary allocations for performance of their functions / Municipal Corporations or Municipal Committees / Panchayat Samitis / State Housing Boards / Water and Sewerage / Drainage Boards/ State Text Book Publishing Corporations / Societies / Metropolitan Development Authority / State / District Level Housing Co-operative Societies, etc. or any political party or any trading / business or professional concern, whether such concern is a proprietary or a partnership firm or a company or an association.



## ***Explanation***

***For the purposes of this clause, 'political party' means an association or body of individual citizens of India, which is, or is deemed to be registered with the Election Commission of India as a political party under the Election Symbols (Reservation and Allotment) Order, 1968 as in force for the time being.***

The above prohibition will not apply in the case of organisations / agencies listed as under [as approved by the RBI].

- (1) Primary Co-operative Credit Society which is being financed by the Bank.
- (2) Khadi and Village Industries Boards.
- (3) Agriculture Produce Market Committees.
- (4) Societies registered under the Societies Registration Act, 1860 or any other corresponding law in force in a State or a Union Territory except societies registered under the State Co-operative Societies Acts and specific state enactment creating Land Mortgage Banks.
- (5) Companies governed by the Companies Act, 1956 which have been licensed by the Central Government under Section 25 of the said Act, or under the corresponding provision in the Indian Companies Act, 1913 and permitted, not to add to their names the words 'Limited' or the words 'Private Limited'.
- (6) Institutions other than those mentioned above as ineligible to open Savings Bank accounts and whose entire income is exempt from payment of Income- tax under the Income-Tax Act, 1961.
- (7) Government departments / bodies / agencies in respect of grants / subsidies released for implementation of various programs / Schemes sponsored by Central Government / State Governments subject to production of an authorization from the respective Central / State Government departments to open savings bank account.
- (8) Development of Women and Children in Rural Areas (DW CRA).
- (9) Self-help Groups (SHGs), registered or unregistered, which are engaged in promoting savings habits among their members.



(10)Farmers' Clubs - Vikas Volunteer Vahini - VVV.

As required by Law, while opening the account, Bank will satisfy itself about the identity, including verification of address of a person/s seeking to open an account. Satisfying about his occupation and source of income, to assist in protecting the prospective customers, members of the public and the Bank against fraud and other misuse of the Banking system duly observing the Know Your Customer [KYC] guidelines of RBI.

Bank will not open savings deposit account in the name of entities belonging to the category of bodies/institutions/ organizations prohibited to open Savings Bank Deposit.

**Introduction:** Introduction from an existing customer is not mandatory for opening accounts, including those of legal entities. After passing of Prevention of Money Laundering Act (PML Act) and introduction of document based verification of identity/address of the proposed account holders, the accounts opened with proper documents are considered as acting in good faith and without negligence by the banks.

An account will be considered fully KYC compliant if documents of KYC, i.e., Proof of identity and Proof of address are submitted by the proposed account holder.

The Bank is required to obtain 2 recent photographs of the person/s opening the account. In case of illiterate persons, 3 photographs have to be obtained.

Banks can use physical copy of the Aadhaar card as well as e-Aadhaar, masked Aadhaar and offline electronic Aadhaar xml provided by UIDAI, which are various forms of Aadhaar, as Officially Valid Documents (OVD) for the KYC purpose but without e-KYC based authentication for those customers who do not give a declaration that s/he is desirous of receiving her/his entitled benefits for subsidies welfare schemes funded from the Consolidated Fund of India in her/his account directly.

(As per UIDAI circular dated 23-10-2018 based on the opinion received from the Ld. Attorney General for India after the Aadhaar Judgment of the Hon. Supreme Court of India, delivered on 26-09-2018).



Where the Client is an individual; he shall submit any Officially Valid Document which contains proof of Identity/Address.

The Officially Valid Documents are as under:

- 1) Aadhaar Card
- 2) Passport
- 3) Driving License
- 4) Voter Identity Card issued by Election Commission of India
- 5) Job Card issued by NREGA duly signed by an officer of the State Government
- 6) Letter issued by the National Population Register containing details of name and address
- 7) Any other document as notified by the Central Government in consultation with the Regulator.

Only the documents mentioned above would be accepted for opening accounts of individuals. Branches should not accept any other document for this purpose. (For details refer KYC POLICY)

The account holder is required to maintain minimum average balance in the account, as specified by the Bank from time to time, separately for branches of different population group. Non compliance of this would attract services charges. Bank has discretion to change the above norms and levy charges for non-compliance of the same. However, adequate notice will be given duly informing the change/s.

The interest on Savings Deposit is calculated on daily product basis and credited to the customers accounts on quarterly intervals, on, 31st of March, 30th of June, 30th of Sept and 31st of Dec every year.

Service charges will be collected if the number of withdrawals exceeds 50 for every half year period of Apr-Sept and Oct-March.



For existing accounts, Issue of cheque book is subject to satisfactory operation in the account. Issue of multiple cheque books is at the discretion of the Branch Manager.

Cheques, Dividend Warrants drawn in the name of account holder/s only will be collected through the account.

Pass book is provided to customer and updated periodically.

### **B. JCCB Basic Savings Bank Deposit Accounts(BSBDA):**

As per the guidelines of RBI, the “Basic Savings Bank Deposit Account” will offer following minimum common facilities to all the customers:

The Basic Savings Bank Deposit Account should be considered a normal banking service available to all.

This account shall not have the requirement of any minimum balance.

The services available in the account will include deposit and withdrawal of cash at bank branch as well as ATMs; receipt/credit of money through electronic payment channels or by means of deposit/ collection of cheques drawn by Central/ State Government agencies and departments.

While there will be no limit on the number of deposits that can be made in a month, account holders will be allowed a maximum of four withdrawals in a month, including ATM withdrawals and Facility of ATM card or ATM-cum-Debit Card. Annual Fee on ATM debit card waived for BSBD accounts.

The above facilities will be provided without any charges. Further, no charge will be levied for non-operation/ activation of inoperative “**Basic Savings Bank Deposit Account**”.

The Basic Savings Bank deposit Account is subject to RBI instructions on Know Your Customer (KYC)/ Anti-Money laundering (AML) for opening of bank accounts issued from time to time.

Holders of Basic Savings Bank Deposit Account will not be eligible for opening any other savings bank deposit account in the bank. If a customer has any other existing savings bank deposit account in the bank, he/she will be required to close such



existing accounts within 30 days from the date of opening of "JCCB Basic Savings Bank Deposit Account".

Accounts under Relaxed KYC Guidelines (Small Accounts)- "**JCCB Small Savings Bank Deposit**" account.

Although flexibility in the requirements of documents of identity and proof of address has been provided in the KYC guidelines, it has been observed that a large number of persons, especially, those belonging to low income group both in urban and rural areas are not able to produce such documents to satisfy the bank about their identity and address. This would lead to their inability to access the banking services and result in their financial exclusion. In such cases, if a person who wants to open an account and is not able to produce documents mentioned in KYC Policy, Bank shall open an account with Relaxed KYC guidelines.

The accounts with "Relaxed KYC guidelines" can be opened under "JCCB Small Savings Bank Deposit Account". The features of the above account and restrictions stipulated by RBI/Govt. of India are as under:

- accounts where aggregate of all credits in a financial year does not exceed ₹ 1.00 lakh
- the aggregate of all withdrawals and transfers in a month does not exceed ₹ 10,000/- and
- where the balance at any point of time does not exceed ₹ 50,000/-.

Any violation of the stipulations mentioned above will result in restraining the operations in the account after giving due notice to the account holder.

JCCB Small Savings Bank Deposit account can be opened on production of a self attested photograph and affixation of signature or thumb impression as the case may be, on the form for opening the account, provided that the bank official while opening the account certifies under his signature that the person opening the account has affixed his signature or thumb impression as the case may be, in his presence.



A JCCB Small Savings Bank Deposit Account shall remain operational initially for a period of twelve months, and thereafter for a further period of twelve months if the holder of such an account provides evidence before the Bank of having applied for any of the officially valid documents within twelve months of the opening of the said account. The entire relaxation provisions are to be reviewed in respect of the said account after twenty four months.

Holders of JCCB Small Savings Bank Deposit Account will not be eligible for opening any other savings bank deposit account in the Bank. If a customer has any other existing savings bank deposit account in the Bank, he/she will be required to close such existing accounts within 30 days from the date of opening of "JCCB Small Savings Bank Deposit Account".

Once the account holder keeps a balance of more than ₹ 50,000/- in the account opened under the scheme and in any other deposits accounts put together, or if the total credit in one year in all the deposit accounts including the account opened under the scheme exceeds Rs.1 lakh or if the total withdrawal and transfers in a month exceeds ₹ 10,000/-, the account holder should necessarily undergo full KYC procedure. In case, the account holder fails to undergo full KYC procedure, further transactions in his/her JCCB Small Savings Bank Deposit Account shall not be permitted.

In respect of "Small Accounts", the prescribed limits/conditions should not be breached and compliance therewith should be strictly monitored.

A JCCB Small Savings Bank Deposit Account shall be monitored and when there is suspicion of money laundering or financing of terrorism or other high risk scenarios, the identity of customer shall be established through the production of officially valid documents.

### **C. CURRENT ACCOUNT:**

Current Accounts are designed to meet the needs of such sections of the public who operate their account regularly and frequently. i.e., Traders, Businessmen, Corporate bodies or the like, who receive money and make payments very often. Current accounts are suitable to such category of customers as there are no restrictions on the number of withdrawal or deposit. Current accounts can be opened by individuals,



proprietary concerns, partnership firms, Private & Public Ltd Co., HUFs/Specified associations, Societies, Trusts, Limited Liability Partnerships, Departments of Authority created by Government (Central or State) etc.

As required by law, while opening the account, the Bank will satisfy itself about the identity, satisfying about his occupation and source of income, including verification of address of the person/s seeking to open an account to assist in protecting the prospective customers, public and the Bank against fraud and other misuse of the Banking system duly observing the KYC guidelines of RBI.

Introduction from an existing customer is not mandatory for opening accounts, including those of legal entities. An account will be considered fully KYC compliant if documents of KYC, i.e., Proof of identity and Proof of address are submitted by the proposed account holder **(For details refer to KYC Policy)**.

Only the Officially Valid Documents would be accepted for opening accounts of individuals/entities. Branches should not accept any other document for this purpose. **(For details refer KYC Policy)**

The Bank is required to obtain 2 photographs of all the person/s who are opening and operating the account.

The Bank is required to obtain Permanent Account Number [PAN] or alternatively obtain declaration in Form No.60 as per the Income Tax Act from the person/s opening the account [i.e., including partners or registered/unregistered partnership as also registered/corporate bodies/companies etc.].

The Bank will provide to the prospective customers details of the documents required for identification of the person/s opening the account. Minimum Balance as stipulated from time to time is required to be maintained by the customers.

No interest is paid on credit balance kept in Current Account.

Service charges are levied for:

- Ledger folio /statement used.
- Cheque books issued.
- Non-maintenance of minimum balance.



Return of cheques, etc..

Current Accounts for Executors, Administrators, Trustees, liquidators, etc., can also be opened.

The person proposing to open the account should declare in the account opening form or separately that he is not enjoying any credit facility with any Bank and if he does enjoy any facility/ies, he should declare full particulars thereof indicating the name of the Bank and branch from where he has availed these facilities and also submit no objection certificate from financing Bank/institution.

Statement of account is provided to the account holder monthly or at periodic intervals, as per the choice of the account holder.

For proprietary concerns, in addition to the PAN number and OVD applicable to the individual (proprietor), any two of the following documents in the name of the proprietary concern are required to be submitted:

- a) Registration Certificate (in the case of a registered concern).
- b) Certificate / licence issued by the Municipal authorities under Shop & Establishment Act.
- c) Sales and income tax returns.
- d) CST / VAT certificate.
- e) Certificate / registration document issued by Sales Tax / Service Tax / Professional Tax authorities.
- f) Licence / certificate of practice issued in the name of the proprietary concern by any professional body incorporated under a statute.
- g) The complete Income Tax return (not just the acknowledgement) in the name of the sole Proprietor where the firm's income is reflected, duly authenticated/acknowledged by the Income Tax Authorities.
- h) Utility bills such as electricity, water and landline telephone bills.



i) IEC (Importer Exporter Code) issued to the proprietary concern by the office of DGFT / Licence/certificate of practice issued in the name of the proprietary concern by any professional body incorporated under a statute.

Though the default rule is that any two documents mentioned above should be provided as activity proof by a Proprietary concern, in cases where the branches are satisfied that it is not possible to furnish two such documents, they would have the discretion to accept only one of these documents as activity proof. In such cases, the branches, however, would have to undertake contact point verification, collect such information as would be required to establish the existence of such firm, confirm, clarify and satisfy themselves that the business activity has been verified from the address of the proprietary concern.

Wherever the prospective account holder is giving a declaration in the account opening form that he/she is enjoying credit facility with any other bank, branches should obtain No Objection Certificate from the bank where the party is enjoying the credit facility(fund based or non-fund based) before opening the account . Keeping in view the importance of credit discipline, branches are advised to make use of the information available before opening a current account.

In case the account is reported SMA-1 (OVERDUE LESS THAN 60 DAYS) the current account opening branch is to request the concerned bank on the designated email ID for NOC/Permission. If such NOC/Permission is not received from the bank within 15 days from the date of request, the bank may open current account without waiting further for the NOC/Permission and thereafter advise the respective bank.

In case the account is reported under SMA-1 category & above (OVERDUE MORE THAN 60 DAYS), the current account opening bank should mandatorily obtain prior NOC/permission from the lead bank.

#### **D. TERM DEPOSIT ACCOUNT:**

Term deposits are deposits received by the Bank for a fixed period, withdrawable after the expiry of the fixed period and include deposits such as Recurring/Fixed/DDS etc. Bank has tailored various term deposit schemes to suit the needs and expectation of the investing people from all walks of life. Term deposits can be opened by individuals, partnership firms, Private/Public Ltd

Companies, HUFs, Institutions, Societies, Trusts, Limited Liability Partnership, Departments of Authority created by Government (Central or State) etc.

The Minimum period for placing deposit under Fixed deposits (FD) Scheme is 7 days. The minimum period is 6 months under Recurring deposit (RD). The maximum period for deposits under Fixed deposits (FD), and Recurring deposit (RD) is 10 years and 1 year under DDSY (for more details refer to detailed DDSY policy). However, deposits in the name of minors and deposits under court orders are accepted for more than 10 years period.

As required by law, while opening of the term deposit account, the Bank will satisfy itself about the identity, satisfying about his occupation and source of income, including verification of address of the person/s seeking to open an account to assist in protecting the prospective customers, public and the Bank itself against fraud and other misuse of the Banking system duly observing the KYC guidelines of RBI.

Introduction from an existing customer is not mandatory for opening accounts, including those of legal entities. An account will be considered fully KYC compliant if documents of KYC, i.e., Proof of identity and /Proof of address are submitted by the proposed account holder (For details refer KYC Policy).

Only the "Officially Valid Documents" mentioned in Annexure III would be accepted for opening accounts of individuals/entities. Branches should not accept any other document for this purpose. (For details refer KYC Policy of bank)

The Branch is required to obtain 2 photographs of all the person/s who are opening and operating the account. Photograph will not be insisted from depositors already having their SB/ Current Account with photographs.

The Branch is required to obtain Permanent Account Number [PAN] or alternatively obtain declaration in Form No.60 as per the Income Tax Act from the person/s opening the account. The Bank will provide to the prospective customers details of the documents required for identification and Address Proof of the person/s opening the account. Persons & entities already having operative accounts such as Savings Bank, Current account etc., need not provide the above documents for opening of the Term Deposit accounts.



The rate of interest for Term Deposits is decided by the Asset Liability Committee of the Bank, subject to subsequent ratification by the Board of the Bank. This interest rate is uniformly applied to all customers without any negotiation or discrimination.

Premature withdrawals are allowed as per interest rate policy of the bank.

Generally loans/overdrafts against deposits are allowed. Such loans are sanctioned by charging interest at rates announced from time to time by the Bank. The Bank may also consider loan against deposit standing in the name of minor. However, a suitable declaration stating that loan is for the benefit of the minor is to be submitted by the guardian.

Deposits shall be automatically renewed by the Bank on due dates for similar periods as per the mandate of the depositor in the original application except in case of encumbered deposits, CGA deposits, Tax Saver deposits, Non-callable deposits and in case of deposits where alternate instructions are available. The rate of interest prevailing on the date of maturity shall be the rate applicable for the renewed deposit. All other terms and conditions stated in the application will remain valid. The Bank intimates the depositor in advance regarding the date of maturity of the term deposit.

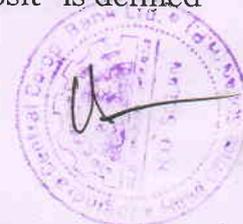
Interest shall be calculated at quarterly intervals on term deposits and paid at the rate decided by the Bank depending upon the period of deposits.

Premature extension/renewal of term deposit: As per Interest rate Policy of the bank.

Renewal of overdue Term Deposit: When a domestic term deposit is renewed on maturity, the interest rate ruling on the date of maturity for the period specified by the depositor would be extended. If mandate is not given, automatic renewal is not permitted. Facility of Automatic renewal of domestic term deposits is available for depositors who exercise their option for auto renewal except CGA deposits and Non-callable deposits.

## **5. BULK DEPOSITS:**

As per RBI Master Direction on Interest Rates on Deposits, "Bulk Deposit" is defined as "single Rupee term deposit of 1 crore and above".



The rate of interest for Bulk Deposits is decided by the Bank. This interest rate is uniformly applied to all customers without any negotiation or discrimination.

Presently, there is no penalty for premature closure/part withdrawal/ premature extension of Domestic term deposit of 1 crore & above.

In case of all Bulk Deposits of Rs.1 crore & above, a confirmatory letter in the form of a "Thanks giving" letter will be sent by the Bank to the beneficiary by Registered Post/Reputed Courier as well as e-mail and SMS wherever email ID and mobile number are available, giving necessary details.

KYC guidelines shall be complied with scrupulously while accepting bulk term deposits. Proper application, documents and resolution of the Board/Governing Body (wherever applicable), etc. have to be obtained and verified for its genuineness.

In respect of bulk term deposits, opening of term deposit account and printing of Deposit Receipt shall be done on the same day of accepting/ clearance of the proceeds.

A Power of Attorney holder from the branch accepting the bulk term deposit shall pay a personal visit to the office of the beneficiary after opening the bulk term deposit. This visit may coincide with the handing over of the Deposit Receipt against due acknowledgement from the depositor/ depositors authorized representative.

The visit of the Bank Official and handing over of the deposit receipt shall be properly recorded. Such record shall be kept in a separate file which may be verified and commented upon by the Overseeing Executive during the interface with the branch/ branch visit. The branch-in-charge shall be responsible for getting the same verified by the Overseeing Executive. Compliance of this aspect shall be ensured by the Inspecting Officers during the regular inspection of the branch.

In case of loan/overdraft facility of Rs.1 crore and above against the Bulk Deposit, necessary due diligence shall be ensured by the branches and offsite monitoring should be done at the Audit Section at HO.

Branches should not credit the proceeds of loan to third party accounts in case of loans/advances granted on Bulk Term Deposits. The loan proceeds should be credited to the account of the depositor/s only.



Before disbursing the loan proceeds against bulk term deposits, independent confirmation regarding request for loans to be obtained from the depositor, in addition to loan application.

The extant guidelines on delegation of powers shall be strictly adhered to while sanctioning any Loans/Overdrafts against bulk deposits.

Reports to be generated from CBS on a day to day basis for large value transactions of 1 crore & above in respect of Bulk Term Deposits and Loans/Overdrafts granted against Bulk Term Deposits and audit Section of should monitor these transactions every day.

Staff are advised to ensure strict compliance of all the cited guidelines and staff accountability shall be fixed for any lapse on part of the staff in following the laid down guidelines either in processing a proposal or sanction/disbursement, or monitoring.

Review of all Bulk Deposit Transactions of ₹ 1 crore & above should be done by the respective BSD&I Section at HO. Review of loans against Bulk Term Deposits should be done by the respective Credit Section of HO regularly.

Domestic Term Deposits of 1 crore & above can be either callable or non-callable.

A Callable deposit (premature withdrawal permissible) can be closed before maturity at any point of time without penalty and the rate of interest will be payable at the rate prevailing on the date of opening, for the period that the deposit has run.

A Non-callable deposit (premature withdrawal NOT permissible) (for a period of 46 days and above –other than Individual and HUF) cannot be closed before maturity and the Bank will offer additional interest rate above the rate as applicable to General Public for callable deposits.

Non-callable deposits will not have auto renewal, part withdrawal facilities.

Option letter has to be obtained from the depositor for Callable or Non callable deposit.

## **6. Tax on Interest on Bank Deposits:**

The Bank has statutory obligation to deduct tax at source if the total interest paid / payable on all term deposits held by a person exceeds the amount specified under the Income Tax Act. The Bank will issue a tax deduction certificate (TDS certificate) for the amount of tax deducted. All the branches are requested to send the Tax Deducted Source Certificate duly signed by Branch officials to the customers by Post. If it is returned back by post for want of proper address, short address, the customer should be contacted & correct address to be updated in records after receiving the adequate address proof. If the customer demands to receive the certificate personally the same should be issued to him. The depositor, if entitled for exemption from TDS can submit a declaration (claiming exemption) in the prescribed format at the beginning of every financial year. Customers to provide valid Permanent Account Number (PAN) in Form 15 G/ 15H if they desire to avail Tax benefits. It is mandatory for all the deductors to furnish particular of amount paid or credited on which tax was not deducted in view of the furnishing of declaration in 15G/ 15H forms under sub section (1) or sub section (1A) or sub section (1C) of section 197A by the Payee. Such transactions are required to be reflected in TDS Statement by flagging such transaction with appropriate flag ( Flag B ) as provided in Form 26Q.

TDS is deducted at the time of accrual of interest at the year end and / or on actual payment of interest to the depositor (at periodical intervals i.e., monthly/quarterly/half yearly/yearly) or on maturity.

Interest on bank deposits is exempted from Income Tax upto a limit specified by Income Tax authorities from time to time.

The depositor may furnish declaration in Form No.15G/15H at the commencement of the financial year for receiving interest on deposits without deduction of tax.

However, furnishing of PAN is mandatory. With effect from 1st April 2010, Tax at higher of the prescribed rate or 20% will be deducted on all transactions liable to TDS, where the Permanent Account Number (PAN) of the deductee is not available. The law will also apply to all non-residents in respect of payments / remittances liable to TDS. As per the new provisions, certificate for deduction at lower rate or no deduction shall not be given by the Assessing Officer under Section 197, or



declaration by deductee under Section 197 A for non-deduction of TDS on payments shall not be valid, unless the application bears PAN of the applicant / deductee.

The Bank will issue TDS certificate for the tax deducted.

New Form 15G/15H has to be obtained by the branches wherein 10 digit alpha-numerical UIN No. and date of obtention of 15G/H has to be provided by the branch. The serial No. will have to be reset at the commencement of each financial year.

### **7. Payment of Interest on the domestic Term Deposit of a deceased depositor:**

In respect of the deposit of the deceased closed before maturity and repaid to the legal heirs/ representatives of the deceased depositor, interest is payable at the rate applicable for the period for which the deposit actually remained with the bank without penal cut.

In the event of the death of the depositor before the date of the maturity of the deposit and the amount of the deposit is claimed after the date of maturity, the bank shall pay interest at the contracted rate till the date of maturity. From the date of maturity till the date of payment, the bank shall pay simple interest at the applicable Savings bank rate prevailing on the date of maturity, for the period for which the deposit remained with the bank beyond the date of maturity.

In the case of death of the depositor after the date of maturity the bank shall pay interest at Savings Bank rate prevailing on the date of maturity, from the date of maturity till the date of payment.

### **8. Payment of interest on Death Claim settlement in respect of auto renewed deposits:**

Payment of interest in the event of the death of the depositor before the date of maturity of the original deposit and the deposit is auto renewed on the date of maturity and the amount of deposit is claimed before or after the subsequent maturity date:



- The bank shall pay interest at contracted rate till the date of maturity of the original deposit and thereafter Savings Bank deposit rate operative on the date of maturity of the original deposit from the date of maturity of the original deposit till the date of payment.

Payment of interest in the event of the death of the depositor after the date of maturity of the original deposit and the deposit is auto renewed on the date of maturity and the amount of deposit is claimed during the pendency of the auto renewed deposit (i.e. premature closure of the auto-renewed deposit):

- From the date of auto renewal of the deposit till the date of payment; interest rate applicable for the period run prevailing on the date of auto renewal of the deposit without penal cut.

The above is applicable for the first renewal cycle of auto renewal.

Payment of interest in the event of the death of the depositor after the date of maturity of the original deposit and the deposit is auto renewed on the date of maturity of the original deposit and the amount of deposit is claimed after the maturity date of the auto renewed deposit:

(i) If the death of the depositor occurs after the date of maturity of the original deposit, but before the maturity of auto renewed deposit (i.e., first auto renewal) and the amount of deposit is claimed after the maturity of the auto renewed deposit:

- At the contracted rate till the date of maturity of auto-renewed deposit (i.e., first auto renewal).
- At Savings Bank deposit rate operative on the date of maturity of auto-renewed deposit from the date of maturity of the auto-renewed deposit till the date of payment.

(ii) If the auto renewal happens for more than once and the death of the depositor occurs during one of these auto renewal cycles, contracted rate shall be payable till the maturity date of the renewal cycle in which the death has occurred. Savings Bank rate shall be payable thereafter till the date of payment.



## **9. Term Deposits of Senior Citizens :**

Additional interest, as stipulated by the Bank from time to time, is available to Senior citizen deposits, irrespective of the size of the deposit across all maturity slabs under Domestic term deposits. Senior Citizen Deposit can be opened by persons who have completed the age of 60 years and above, individually or jointly with other senior citizen or with other persons below the age of 60 years subject to the condition that the Senior Citizen is No. 1 Depositor. The Bank will satisfy about the age through verification of applicable documents and a copy of the same will be obtained along with the application. As per RBI direction, the system will automatically enable preferential ROI (i.e. 0.5 % over and above existing deposit rate) to all existing Domestic Term Deposits and RD deposits with effect from the date of customer becoming Senior Citizen.

## **10. GENERAL GUIDELINES**

### **10.1 JOINT ACCOUNTS**

Deposit accounts can be opened by an individual in his own name or by more than one individual in their joint names, subject to maximum of four persons. Any person competent to contract /who need not necessarily be the parent of the minor may deposit the money belonging to him in his name jointly with a minor. However, the minor in such cases should be duly represented by his/her natural guardian or in the absence, a guardian appointed by a competent court only.

### **10.2 OPERATIONS OF JOINT ACCOUNT**

The joint account opened by more than one individual subject to a maximum of 4 persons can be operated by single individual or by more than one individual jointly. The mandate for operating the account can be modified with the consent of all the joint account holders. In case of SB account opened by minor jointly with the natural guardian, the operations are allowed by the natural guardian only.

### **10.3 TRANSFER OF ACCOUNTS**

Current Account, SB, Term Deposits may be transferred from one branch to another branch within the Bank at the request of the account holders subject to certain conditions.



KYC once done by one branch of a Bank is valid for transfer of the account within the Bank as long as full KYC has been complied for the concerned account. The Customer is allowed to transfer his/her account from one branch to another branch without restrictions. Along with the fresh address proof, the customer is required to submit 2 latest photographs (for accounts opened prior to 01.01.1994) to the transferee branch.

A customer is required to submit only one Officially Valid Document (OVD) for both proof of identity and for proof of address as part of KYC procedure. If the OVD submitted for proof of identity does not have the proof of address (for e.g., PAN Card), then the customer is required to submit another OVD for proof of address.

A customer is required to submit only one OVD as proof of address (either current or permanent) for KYC purpose. In case the proof of address furnished by the customer is neither the local address nor the address where the customer is currently residing, the branch should take a declaration of the local address on which all correspondence will be made by the Bank with the customer. No proof is required to be submitted for such address for correspondence/local address. This address should be verified by the branch through „positive confirmation“ such as acknowledgment of receipt of (i) letter, cheque books, ATM cards; (ii) telephonic conversation; (iii) visits; etc. In the event of change in this address due to relocation or any other reason, customers may intimate the new address for correspondence to the Bank within two weeks of such a change.

In case the address mentioned as per „proof of address“ undergoes a change, fresh proof of address should be submitted to the branch within a period of six months.

#### **10.4 ADDITION OF NAMES**

The Bank may at the request of the depositor/s allow addition of name/s subject to the condition that the total number of depositors does not exceed four in case of Savings Bank, Current Account & Term deposits. Deletion in name/s of depositor/s is also permitted, subject to the condition that one of the original depositors should continue to be a depositor.



### **10.5 CHANGE IN RATE OF INTEREST**

The rate of interest on deposits will be prominently displayed in the branch premises apart from placing the same on our Banks website.

The changes, if any, with regard to the deposit schemes and other related services shall also be communicated upfront and shall be prominently displayed.

### **10.6 WITHDRAWAL OF CASH :**

Payment of cash upto Rs.50,000/- per occasion in Savings Bank and Current Account is to be extended only to the drawer against self cheques, at all host branches (i.e other than the base branch). Cash payment to third parties will be extended at base branch only.

### **10.7 VALIDITY OF CHEQUES/DRAFTS/PAY ORDERS/BANKER'S CHEQUES**

As per RBI guidelines, w.e.f. April 1, 2012, Banks should not make payment of Cheques/Drafts/Pay Orders/Banker's Cheques bearing that date or any subsequent date, if they are presented beyond the period of three months from the date of such instrument.

### **10.8 PROHIBITION IN ALTERATIONS/CORRECTIONS ON CHEQUES**

As per RBI guidelines, no changes/corrections should be carried out on the cheques (other than for date validation purposes, if required). For any change in the payee's name, courtesy amount (amount in figures), or legal amount (amount in words) etc., fresh cheque forms should be used by the customers.

### **10.9 PAYMENT OF DIVIDEND WARRANTS/INTEREST WARRANTS**

Signature of the payee on the reverse of the Dividend warrant/Interest Warrant is not needed where such instruments have special crossing "Not Negotiable/Not Transferable/Account Payee/Beneficiary Banks" name and the Account Number" etc.



#### **10.10 CUSTOMER INFORMATION:**

The customer information collected from the customers shall not be used for cross selling of services/products by the Bank, subsidiaries & affiliates. If the Bank proposes to use such information, it shall be with the consent of the account holder/s.

#### **10.11 SECRECY OF THE CUSTOMER ACCOUNTS**

The Bank shall not disclose details/ particulars of the customer's accounts to a third person or party without the expressed or implied consent from the customer. However, there are some exceptions viz. Disclosure of information under compulsion of law, where there is a duty towards the public to disclose and where interest of the Bank requires disclosure.

#### **10.12 INOPERATIVE ACCOUNTS**

Accounts which are not operated for a period of two years will be transferred to dormant / inoperative account status in the interest of the depositor as well as the Bank. The depositor will be informed of charges, if any, which the Bank will levy on dormant/ inoperative accounts. The depositors can request the Bank to activate the account for operating it after complying with the conditions as per KYC norms.

A Savings as well as Current account will be treated as 'inoperative'/ dormant if there are no transactions in the account for a period over two years. For the purpose of classifying an account as 'inoperative', only transactions that are induced at the instance of customers as well as third party will be considered. However, the service charges levied by the Bank or interest credited by the Bank will not be considered.

All credits are permissible in inoperative/dormant accounts without changing the account status. However while allowing withdrawals due diligence should be ensured by the branches by ensuring the genuineness of transactions, verification of signature and identity etc. While allowing withdrawals branches are required to obtain request letter from the account holders and ensure KYC compliance etc. as per extant guidelines.

In case the balance is less than Rs 20/-, account will be closed if there is no account revival from the depositor to the notice sent by the Bank.



### **10.13 STOP PAYMENT FACILITY:**

The Bank will accept stop payment instructions from the depositors in respect of cheques issued by them. Charges as specified will be recovered.

### **10.14 MANDATE / POWER OF ATTORNEY**

At the request of the depositor, the Bank will register mandate/ power of attorney given by him authorizing another person to operate the account on his behalf.

### **10.15 ISSUE OF CHEQUE BOOK**

i. Cheque Book can be issued to customers

a) In person

b) To other person

c) By Post

ii. Officer issuing the Cheque Book to the customer must ensure to affix or write account number on every leaf.

#### **A. IN PERSON**

Cheque Book be issued to the Client personally against the Requisition Slip from the Cheque Book issued to him / her. If the request for issuance of Cheque Book is through Request letter, customer be advised to mention the reasons for not submitting requisition slip in his / her request letter. Branch to establish the identity of a person to whom Cheque Book is issued

#### **B. TO PERSON OTHER THAN CUSTOMER**

Issue of Cheque Book to third party be discouraged, if not eliminated altogether. In such cases, the identity of the person collecting the cheque Book on behalf of third person should be established beyond doubt and detailed KYC be carried out & confirmation be obtained from customer over phone and recorded.



## **C.TO CUSTOMER BY POST**

Cheque books can be issued and the same should be sent to the customer by post under Registered A.D./authorised courier service at the address given, provided the requisition slip has been received by the branch.

Bank will obtain such undertakings from depositors as follows:

“The dispatch of Cheque Books by the Courier is at depositor’s risk”.

## **10.16 DISHONOUR / RETURN OF CHEQUES**

Reserve Bank of India has instructed Banks that the cheque return memo should accompany a cheque dishonored / returned for any reason duly signed by the Branch official indicating the date of return in the cheque return memo.

## ***DEALING WITH INCIDENCE OF FREQUENT DISHONOUR***

With a view to enforce financial discipline among the customers; the bank will deal as follows:

a) In the event of dishonour of a cheque valuing rupees Rs.10.00 lakhs and above drawn on a particular account of the drawer on four occasions during the financial year for want of sufficient funds in the account, no fresh cheque book would be issued. Also, the bank may consider closing current account at its discretion. However, in respect of advances accounts such as cash credit account, overdraft account, the need for continuance or otherwise of these credit facilities and the cheque facility relating to these accounts should be reviewed by appropriate authority higher than the sanctioning authority.

b) For the purposes of introduction of the condition mentioned above in relation to operation of the existing accounts, bank may, at the time of issuing new cheque book, issue a letter advising the constituents of the new condition.

c) If a cheque is dishonoured for a third time on a particular account of the drawer during the financial year, banks should issue a cautionary advice to the concerned constituent drawing his attention to aforesaid condition and consequential stoppage of cheque facility in the event of cheque being dishonoured on fourth occasion on the



same account during the financial year. Similar cautionary advice may be issued if a bank intends to close the account.

Cheques drawn on a branch is passed if everything is in order and there are sufficient funds. Payment of cheques drawn on a branch is refused in the following Circumstances:

- A cheque is presented for payment before its ostensible date.
- Cheque which is drawn in irregular or ambiguous manner or in a form of doubtful legality.
- If the amount standing in credit is not sufficient to cover the whole amount of the cheque or if the overdraft limit is exceeded.
- Cheques are drawn beyond the arranged limit.
- If the funds of the customer are not properly applicable to the payment of the cheque.
- Where there is a legal bar on payment.
- Where payment of cheque has been stopped by the drawer.
- Where there is notice of customer's death.
- Where a customer becomes insolvent and an order of adjudication is made.
- A cheque presented through post by an unknown payee other than bank.
- If the cheque is not duly presented i.e., has not been presented within banking hours.
- If the cheque is not presented within the validity period of the cheque.
- If the Bank has not been given reasonable time to have the funds placed into the credit of the customer's account before they can be drawn against.
- Where endorsements are not in order in the case of 'Order' cheques.
- Where there is no endorsement of the payee in an Order Cheque, or the collecting Banker's confirmation.
- When the signature of the drawer differs from the specimen lodged.
- Where the drawer signs on behalf of a firm or a company and the name of the company is not mentioned.
- Where the cheque form used is not from among the cheque leaves issued to the party.
- When a crossed cheque is presented by a party other than a banker.



- Where there are material alterations in the cheque unauthorized by the drawer. RBI has directed that the drawer can authorize material alteration only for the date of the cheque.
- Where the cheque contains extraneous matter.

Any other reason for which Bank deem fit to refuse the payment.

#### **10.17 WRITING OF CHEQUES IN ANY LANGUAGE**

The bank will accept cheques written in English or Hindi.

#### **10.18 NOMINATION**

Nomination facility is available for all deposits held by individuals in their own capacity, singly or jointly.

Nomination facility is also available to a sole proprietorship account.

Nomination can be made in favour of one individual only.

Nomination so made can be cancelled or changed by the account holder/s anytime during which the deposit is held by the Bank to the credit of the depositor.

Fresh nomination shall not be asked if the fixed deposits are renewed.

Nomination can be made in favour of minor also, for which date of birth of the minor and full details of the guardian is to be furnished.

Bank recommends that all the depositors avail nomination facility. The nominee in the event of death of the depositor/s could receive the balance outstanding in the account as a trustee of legal heirs.

#### **10.19 INSURANCE COVER FOR DEPOSITS**

All bank deposits are covered under the Insurance Scheme of Deposit and Credit Guarantee Corporation of India (DICGC) subject to certain limits and conditions. The details of insurance cover in force will be made available to the depositor.

#### **10.20 UNCLAIMED CASA / TERM DEPOSITS:**

The saving & current accounts which remain in inoperative status for 8 years (i.e., 10 years from the date of last operation) and in Term deposits in ODFD accounts for 10



years period, will be marked as “Unclaimed Deposit”. Such accounts will be transferred & maintained under a separate head i.e. “Unclaimed Deposit. The list of unclaimed deposits / inoperative accounts which are inactive / inoperative for ten years or more has been displayed on Bank's website. The list so displayed contains only names of account holders(s) and his/her address in respect of unclaimed deposits / inoperative accounts which are inactive / inoperative for ten years or more. In case the account details provided by the customer match in the list available then they will contact their branch and submit the claim form along with the required documents for the activation / closure of such account. The information on the process of claiming the unclaimed deposit / activating the inoperative account and the necessary documents for claiming the same is also furnished on the website.

## **11. SPECIAL TYPES OF ACCOUNTS**

### **11.1 MINOR ACCOUNTS:**

Minor account represented by guardian may be opened in the name of a minor by the guardian. The account may be opened by natural guardian or with mother as the guardian.

According to the Indian majority act, a minor is one who has not completed 18 years of age. In terms of Indian contract Act, the contracting parties should be necessarily major, for the validity of the contracts. Hence, any contract with the minor is void ab-initio. Since the opening of the account forms contractual obligation between banker & customer, savings bank account in the individual capacity of the minor will not be opened. However, there are exceptions to this rule.

Cheques issued by the guardian prior to the date on which the minor attains majority, but presented after the above date, are to be treated as invalid.

### **11.2 ACCOUNTS IN THE NAME OF MINOR WHO IS ABOVE THE AGE OF 10 YEARS**

SB account can be opened in the name of a minor who is above the age of 10 years. A declaration-cum-no objection letter is to be given by the natural guardian of the minor to the effect that the minor has acquired sufficient knowledge about



opening/operating the Bank account. Such accounts are to be opened for a reasonable amount and the Minor has to come in person for withdrawal. No cheque book will be issued in such accounts and no overdrawings will be allowed.

On attaining majority, fresh set of application form with the specimen signature card and photograph of the erstwhile minor, duly countersigned by the guardian, would be obtained as in the case of new accounts.

### **11.3 ACCOUNTS OF ILLITERATE PERSONS**

The Bank shall open accounts of illiterate persons, after observing formalities for opening such accounts. No cheque book facility is provided for such accounts. The Bank will explain the need for proper care and safe keeping of the passbook etc., given to the account holder. The bank official shall explain the terms and conditions governing the account to the illiterate person.

### **11.4 ACCOUNTS OF BLIND PERSONS**

The Bank shall open deposit account in the name of blind person after observing all the formalities of the Bank for opening and operation of such accounts.

Branches are advised to offer all the banking facilities such as cheque book facility including cheques to third party/ies, to the visually challenged persons without any discrimination. Branches are also advised to render all possible assistance to the visually challenged persons for availing the various banking facilities.

In case a visually impaired customer makes cash withdrawals at the Bank then the payment must be made in the presence of another bank employee/ officer. No outside witnesses are required unless the visually impaired customer requests that such witnesses be present.

### **11.5 OPENING OF A BANK ACCOUNT OF A PERSON WHO HAS LOST BOTH HIS / HER HANDS AND COULD NOT SIGN THE CHEQUE / WITHDRAWAL FORM**

In terms of the General Clauses Act, the term "Sign" with its grammatical variations and cognate expressions, shall with reference to a person who is unable to write his name, include "mark" with its grammatical variations and cognate expressions. The Supreme Court has held in AIR 1950 – Supreme Court, 265 that there must be



physical contact between the person who is to sign and the signature can be by means of a mark. This mark can be placed by the person in any manner. It could be the toe impression, as suggested. It can be by means of mark which anybody can put on behalf of the person who has to sign, the mark being put by an instrument which has had a physical contact with the person who has to sign.

#### **11.6 ACCOUNTS OF MARRIED WOMEN**

- a) In order to facilitate newly married women in opening new account / transferring or getting the pre-marital name and address changed is permitted.
- b) Bank can accept any valid document which provides customer information to their satisfaction as part of implementation of customer identification procedure in the absence of documents prescribed there in.
- c) Bank will allow the women to open the account with their maiden name adhering to KYC guidelines.
- d) Details of opening of new Account/ transferring of Account or Change in the name of existing account is furnished in KYC/ Anti Money Laundering Policy

#### **11.7 HINDU JOINT FAMILY (HINDU UNDIVIDED FAMILY-HUF)**

A Bank account may be opened in the name of a Hindu Joint Family (i.e., Hindu Undivided Family-HUF) provided the HUF is not engaged in trading/business activity. The operation of the account of HUF must be by Kartha only as he alone has the capacity in law to enter into contracts etc., on behalf of HUF.

#### **11.8 ACCOUNTS OF MENTALLY ILL/RETARDED PERSONS**

The Mental Health Act 1987 accords that “mentally ill person” means a person who is in need of treatment by reason of any mental disorder other than mental retardation. Sections 53 & 54 of this Act provide for the appointment of guardians and in certain cases, Managers in respect of the property. The prescribed appointing authorities are the District Courts and Collectors of Districts under the Mental Health Act 1987.

The National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 provides for a law relating to certain specified disabilities. Clause (j) of Section 2 of that Act defines a “person with



disability” to mean a person suffering from any of the conditions relating to autism, cerebral palsy, mental retardation or a combination of any two or more of such conditions and includes a person suffering from severe multiple disabilities. This Act empowers a Local Level Committee to appoint a guardian, to a person with disabilities, who shall have the care of the person and property of the disabled person.

Branches are advised to take note of the legal position stated above and may rely on and be guided by the orders/certificates issued by the competent authority, under the respective Acts, appointing guardians/managers for the purposes of opening/operating bank accounts.

### **11.9 REPAYMENT UNDER JOINT DEPOSITS:**

The joint account holder can give any of the following mandates for disposal of balance in the account.

- 1) Either or survivor
- 2) No. 1 or survivor
- 3) Jointly

**Either or Survivor:** When all depositors are alive, Bank will be making payment to any one or more of the depositors presenting the deposit receipt. The Bank will be making payment of the maturity proceeds to the surviving depositor who presents the deposit receipt and furnishes the proper discharge without reference to the other depositor as well as to the legal heirs of the deceased depositor. Example:- if the account is in the name of two individuals say, A & B, the final balance along with interest, if applicable, will be paid to either of account holders i.e. A or B, on date of maturity or to the survivor on death of any one of the account holders.

**No. 1 or survivor:** If the specified depositor is alive, payment will be made on request of the specified depositor. If the specified depositor is not alive on the date of maturity, the bank will be making payment to the survivor without reference to the legal heirs of the specified depositor. If specified depositor dies on or after maturity, the claim will be settled in favour of the survivor subject to production of a notarized



indemnity for indemnifying the Bank in case of the claim from legal heirs of the specified depositor.

The above mandates will be applicable to or become operational only on or after the date of maturity of term deposits. This mandate can be modified by the consent of all the account holders. In case of premature repayment of term deposits by one of the joint depositors on the death of the other with operation/repayment clause "Either or survivor" and Former or Survivor/s / No.1 or survivor/s", the surviving joint depositor may be permitted premature withdrawal of the term deposit, only if there is joint mandate from the joint depositors to this effect.

This mandate is provided as a "Declaration" in the term deposit account opening form of the Bank.

Payable jointly: When all depositors are alive, the deposit receipt should be discharged by all depositors for receiving payment. If one or more of the depositor dies on or after maturity, the amount will be paid jointly to the surviving depositors along with the legal heirs of the deceased depositor.

#### **11.10 SETTLEMENT OF DUES IN THE DECEASED DEPOSITOR'S ACCOUNT**

If the depositor has registered nomination with the Bank, the balance outstanding in the account of the deceased depositor will be settled in favour of the nominee after the Bank is satisfied about the identity of the nominee.

In the absence of nomination and where there are no disputes among the claimants, the Bank will settle the claim in respect of the deceased person to his/her legal heirs after observing all the formalities. The settlement of claims will be as per the delegated powers conferred from time to time.

The Bank may not insist on succession certificate from the Legal heirs irrespective of the amount involved. However, the Bank may adopt such safeguards in considering settlement of claims as appropriate including obtention of indemnity.

If the survivorship clause as available in the Account opening form is opted while opening a joint account, then in the event of death of any of the joint depositor(s) prior to the maturity of the deposit, the Bank will at the written request of the



surviving depositor(s) be at liberty though not bound and its absolute discretion to pay interest till the date of settlement, to repay the deposit before maturity or to grant any advance against the security thereof to any one or more of the surviving depositor/s with the consent of other surviving depositor/s, on such terms as the Bank may decide and to add/delete/substitute any names therein. The discharge given by such surviving depositor(s) / any of the surviving depositor(s) shall give the Bank a valid discharge.

#### **11.11 SETTLEMENT OF CLAIMS IN RESPECT OF MISSING PERSONS**

Bank will follow the following system in case a claim is received from a nominee / legal heirs for settlement of claim in respect of missing persons.

The settlement of claims in respect of missing persons would be governed by the provisions of Section 107 / 108 of the Indian Evidence Act, 1872. Section 107 deals with presumption of continuance and Section 108 deals with presumption of death. As per the provisions of Section 108 of the Indian Evidence Act, presumption of death can be raised only after a lapse of seven years from the date of his/her being reported missing. As such, the nominee / legal heirs have to raise an express presumption of death of the subscriber under Section 107/108 of the Indian Evidence Act before a competent court. If the court presumes that he/she is dead, then the claim in respect of a missing person can be settled on the basis of the same. Considering the legal opinion and taking into account the facts and circumstances of each case, Bank will settle the claim in respect of missing persons on the basis of each case. In addition to the documents required under the Death Claim Policy as per threshold limits of claim, Claimant/s will submit FIR and the non-traceable report issued by Police Authorities and letter of indemnity.

#### **12. SAFE DEPOSIT LOCKERS (FOR DETAILS REFER TO LOCKER POLICY)**

The facility available at select branches and wherever it is available, allotment of safe deposit locker will be subject to availability and compliance with other terms & conditions attached to the services. Compliance to KYC guidelines will be ensured before the lockers are hired out. Safe deposit lockers may be hired by an individual (singly or jointly with another individual/s), HUFs, Firms, Ltd. Co., Associates, Societies, Trusts etc. Safe Deposit Locker can be opened by the minor individually



duly represented by the natural guardian or jointly with natural guardian. Nomination facility is available to individual/s holding the locker singly or jointly. Joint locker holders can give mandate for access to the locker in the event of death of one of the holders as similar to those for deposit accounts. In the absence of nomination or mandate for disposal of contents of lockers, with a view to avoid hardship to common persons, the Bank will release the contents of locker to the legal heirs against indemnity on the lines as applicable to deposit accounts.

### **13. REDRESSAL OF COMPLAINTS**

Depositors having any complaint / grievance with regard to services rendered by the Bank have a right to approach authority(ies) designated by the Bank for handling customer complaint / grievances. The details of the internal set up for redressal of complaints / grievances is available in the Bank's "Grievances Redressal Policy". The details of internal set up for redressal of complaints/grievances will be displayed in the branch premises. The branch officials shall provide all required information regarding procedure for lodging the complaint.

To enable the customers to voice their grievances or offer suggestions for improvement in customer service, the matter may be first brought to the notice of concerned Branch Manager for immediate redressal. If the complaint is not redressed to the satisfaction of the customer, the matter may be taken up with the Bank's Nodal Officer at Head Office designated to deal with customers' complaints/grievances giving full details of the case.

After exhausting the above machinery/channels, if the customer is not satisfied, he may write to Managing Director and CEO of the Bank and even after this, if not satisfied he is free to take recourse to The District Consumer Forum or State/National Commission under Consumer Protection Act, 1986.

The customer can also approach the Banking Ombudsman located in State Capitals under RBI Ombudsman Scheme, 2006, if the customer, in case of grievance, had made a written complaint to the Bank and the Bank has rejected the complaint or the complainant had not received any reply within a period of one month after the Bank received his representation or the complainant is not satisfied with the reply given to him by the Bank.



## 14. BANK'S CODE OF CONDUCT WITH RESPECT TO DEPOSITORS

Our Commitment to depositors:

We promise to:

- Act fairly and reasonably in all our dealings with you by
- Meeting the commitments and standards in this Code
- Making sure our products and services meet relevant laws and regulations
- Adhering to ethical principles of integrity and transparency
- Deal with speed and concern in respect of errors/mistakes by
- Correcting mistakes quickly
- Handling your complaints quickly
- Reversing any Bank charges that we apply by mistake/oversight
- Publicize this Code by hosting it on our website and have copies available for you on request.
- Before you become a depositor, we will:
  - Give you clear information explaining the key features of the services and products you tell us you are interested in.
  - Give you information on any type of account facility which we offer and may suit your needs.
  - Tell you what information we need from you to prove your identity and address and to comply with legal and regulatory requirements, and
  - Request for additional information about you and your family to build a database but such information can be furnished by you only if you wish and we will not compel you to give these information for opening your account.
- We will tell you if we offer products and services in more than one way [for example, through ATMs/internet, over the phone, in branches and so on] and tell you how to find out more about them.



- Once you have chosen an account or service, we will tell you how it works.
- When you open a single account or a joint account, we will give you information on your rights and responsibilities.
- We recommend that you avail nomination facility offered on all deposit accounts, articles in safe custody and safe deposit vaults.
- We will guide you how we will deal with deposits and other assets held with us in the name of a deceased person in the absence of nomination.
- You can find out about our interest rates by:
  - Looking at the notices in our branches
  - Calling our branches/ Call centres
  - Looking on our website; or
- When you become a Depositor, we will give you information on the interest rates which apply to your accounts and when we will pay interest on your deposits. We will also tell you our website address and the other ways in which you can find out about changes in the interest rates.
- At the time of opening of the account, we will inform you of the rate at which interest is paid on your savings deposits.
- Upon your becoming a depositor, we will give you upfront details of any charges applicable to the products chosen by you.
- To help you manage your account and check entries on it, we will give you account statements at regular intervals except in cases where Pass Books have been provided.
- We will normally provide you with a statement periodically as per our policy. You can ask us to provide you with account statements more often than is normally available on your type of account, but there may be a charge for this service.
- You will also be able to see your last few transactions on ATM or through your internet account wherever such facilities are available with us and opted by you.



We will tell you about the clearing cycle, including when you can withdraw money after lodging collection instruments and when you will start to earn interest.

We will pay interest on funds involved if collection is delayed beyond the normal period as stipulated by RBI.

We will act upon mandates given by you for direct debits [say ECS] and other standing instructions.

If, within a reasonable period after the entry has been made on your statement there is a dispute about a cheque paid from your account, we will give you the cheque copy as evidence.

We will provide you details of the service, exchange rates and charges that apply to foreign exchange transactions, which you are about to make. If this is not possible, we will tell you how these will be worked out.

In the event your cheque book, pass book or ATM/debit card has been lost or stolen, or that someone else knows your PIN or other security information, we will, on your notifying us, take immediate steps to try to prevent these from being misused.

We will treat all your personal information as private and confidential [even when you are no longer a customer]. We will not reveal transaction details of your accounts to a third party, including entities in our group, other than in the following four exceptional cases when we are allowed to do :

If we have to give the information by law

If there is duty to the public to reveal the information

If our interests require us to give the information [for example, to prevent fraud] but we will not use this as a reason for giving information about you or your accounts [including your name and address] to anyone else, including other companies in our group, for marketing purpose.

If you ask us to reveal the information, or if we have your permission to provide such information to our group/associate/entities or companies when we have tie-up arrangements for providing other financial service products.



## 15. DEPOSITOR'S RIGHTS

Deposits being the basic financial raw material, depositors form the core for banking business. There is now an awakening on depositors rights, rightly so, in the Banks, as it is fulfillment of such rights which can enable an effective resource management mechanism in Banks. Further, the depositor, being a consumer of various products and services offered by the Bank, is entitled to the following rights:

Right to Information:

A depositor will have right to information about price, quality, quantity and standard of the products/services offered by the Bank to enable him/her to take an independent decision.

Right to choose:

A depositor will have the absolute freedom to choose among the various products and services offered by the Bank to suit his/her requirements.

Right to avail/utilize the products and services:

A depositor will have the right to avail/utilize the products/services chosen by him/her without any intervention/obstacle.

Right to be heard and redressal of grievances:

A depositor will have the right to be heard and seek redressal against deficient service/poor quality of products and services, unfair Trade practices and Unscrupulous exploitation. This includes his/her right to fair redressal of any genuine grievance relating to products/services which he/she has chosen to utilize.

The policy prescription as above shall be deemed to have been amended from time to time upon any change therein being advised by Government of India and / or Reserve Bank of India or NABARD or any other Statutory / Regulatory Authority or as decided by the Bank from time to time.

***NOTE: Bank Reserves the Right to change/alter/add/delete any clause or entire Policy at any time. It is expected that the policy will impart greater transparency in dealing with the individual customers and create awareness among customers of their rights. This policy shall be***



**valid till the time of its next review. The policy will be displayed on Bank's web site.**

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