

POLICY ON DEPOSITS - 2022-23	
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1.0 INTRODUCTION

- 1.1 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. The 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. The Reserve Bank of India is empowered to issue directives/ advices on interest rates on deposits and other aspects regarding conduct of deposit accounts from time to time. 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.
- 1.2 This policy document on deposits outlines the guiding principles in respect of formulation of various deposit products offered by the Bank and terms and conditions governing the conduct of the account. The document recognises 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 deposits accounts, payment of interest on various deposit accounts, closure of deposit accounts, method of disposal of deposits of deceased depositors, annual survey of depositor satisfaction etc., for the benefit of customers.
- 1.3 While adopting this policy, the bank reiterates its commitments to individual customers outlined in 'Code of Banks Commitment to Customers'. This document is a broad framework under which the rights of common depositors are recognized. Detailed operational instructions on various deposit schemes and related services will be issued from time to time.

2.0 DEFINITIONS :

The various deposit products offered by the Bank can be categorised broadly into the following types. Definitions of major deposits schemes are as under:

- 2.1 **“Demand deposit”** means a deposit received by the Bank which is withdrawable on demand.

2.2. **“Savings deposit”** means a form of demand deposit which is subject to restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the Bank during any specified period.

2.3 **“Term deposit”** means a deposit received by the Bank for a fixed period withdrawable after the expiry of the fixed period. At present term deposits are accepted under the following schemes.

- Fixed Deposit.
- Abhyudaya Cash Certificate.
- Soulabhya Deposit.
- Recurring Deposit.
- Honey Deposit.
- Tax Planner Deposits.
- Centenary Deposit [Scheme feature includes Fixed Deposit and Abhyudaya Cash Certificate].

2.4 **“Current Account”** means a form of demand deposit wherefrom withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount and will also include other deposit accounts which are neither Savings Deposit nor Term Deposit.

3.0 ACCOUNT OPENING AND OPERATION OF DEPOSIT ACCOUNTS

3.1 The Bank before opening any deposit account will carry out due diligence as required under “Know Your Customer” (KYC) guidelines issued by RBI, Anti-Money Laundering rules and regulations and or such other norms or procedures as per the “Know Your Customer” (KYC) policy of the bank. 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 to the customer and the final decision of the Bank will be conveyed at the earliest to the customer.

- 3.2 As per RBI guidelines, every account holder / depositor will be assigned a single customer ID , known as Unique Customer Identification Code (UCIC), which will be the basis for all banking transactions, across various branches of the Bank.
- 3.3 The bank is committed to providing basic banking services to disadvantaged sections of the society. Banking services will be offered to them through Basic Savings Bank Deposit Accounts (BSBDA) as per regulatory guidelines. Further, in order to ensure financial inclusion, the bank will offer various deposit schemes, as specified by the Government of India / RBI, from time to time. The details of such deposit schemes will be made available at all the bank's branches.
- 3.4 The account opening forms and other material would be provided to the prospective depositor by the Bank. The same will contain details of information to be furnished and documents to be produced for verification and/or for record. The Branch official while opening the account will explain the procedural formalities and provide necessary clarifications sought by the prospective depositor when he/she approaches for opening a deposit account. In addition to the above, bank has launched online account opening process under the name of Xpress SB Account opening wherein the customer has a option to open a account with/without visiting the branches, through Web banking, V-CIP banking, Qucik SB account and TAB banking.
- 3.5 The regulatory guidelines require banks to categorize customers based on risk perception and prepare profiles of customers for the purpose of monitoring transaction. Inability or unwillingness of a prospective customer to provide necessary information/details sought could result in rejection of opening an account by Bank.
- 3.6 Inability of an existing customer to furnish details required by the bank **for** periodical updating of customer profile to fulfill statutory obligations could also result in closure of the account after due intimation is provided to the customer.
- 3.7 For deposit products like Savings Bank Accounts (excluding Basic Savings Bank Deposit Accounts) and Current Deposit Accounts, the Bank will normally stipulate certain minimum balances to be maintained as part of terms and conditions governing operation of such accounts. Failure to maintain minimum balance in the account will

attract levy of charges as specified by the Bank / RBI from time to time. For Saving Bank Account, the Bank may also place restrictions on number of transactions, cash withdrawals, etc., for a given period. Similarly, the Bank may specify charges for issue of cheque books, additional statement of accounts, duplicate passbook, folio charges, entry charges, ATM/Debit Card charges, verification of signatures, return of cheques / mandates including Electronic Clearing System Mandates, change in mandate or style of account etc., which will be recovered from time to time as applicable. All such details, regarding terms and conditions for operation of the accounts and schedule of charges for various services provided will be communicated to the prospective depositor while opening the account. If any change is to be effected immediately as per directions of RBI/Govt. of India, such changes will be effective accordingly.

3.8. Savings Bank Accounts can be opened by eligible person/persons and certain organizations/ agencies (as advised by Reserve Bank of India (RBI) from time to time).

3.9. Current Accounts can be opened by individuals/ proprietary concerns / partnership firms/ Private and Public Limited Companies/ HUFs/ Specified Associates/ Societies/ Trusts, Departments of Authority created by Government (Central or State), Limited Liability Partnership etc., subject to eligibility as per revised RBI norms dtd.06.08.2020 for opening Current accounts.

On request of customer, Bank shall permit operation of eligible Savings Bank and Current accounts through digital channels like Debit Card, Internet Banking and Mobile Banking subject to terms and conditions and transaction limits prescribed by the Bank from time to time. Bank shall also provide mobile based, digital transactions locking facility to customers. Wherever such electronic facilities are offered as a part of the basic account/ product, Bank will obtain confirmation from the customer for availing the facility.

3.10 Term Deposits Accounts can be opened by individuals/ proprietary concerns / partnership firms/ Private and Public Limited Companies/ HUFs/ Specified

Associates/ Societies/ Trusts, Departments of Authority created by Government (Central or State), Limited Liability Partnership etc.

3.11 The minimum tenor of domestic term deposit is 7 days and maximum 120 months. However, in case of minors, the deposit may be accepted till the minor attains majority or for a maximum period of 120 months, whichever is later or as per order of the competent court.

3.12. The due diligence process, while opening a deposit account will involve the following:

- Establishing the identity of the person
- Verification of address of the prospective account holder
- Satisfying about his occupation and normal source of income
- Obtaining recent photograph of the person opening/ operating the account

As per KYC/AML guidelines, introduction is not a part of the customer identification procedure and shall not be sought while opening accounts.

3.13. In addition to the due diligence requirements under KYC norms, the Bank is required by law to obtain Permanent Account Number (PAN) or alternatively declaration in Form No. 60 or 61 as specified under the Income Tax Act/ Rules and obtain AADHAAR Number with due consent of the customer.

3.14. Deposit accounts can be opened by an individual in his own name (status: known as account in single name) or by more than one individual in their own names (status: known as Joint Account).

Savings Bank Account can also be opened by a minor jointly with natural guardian or with mother as the guardian (Status: known as Minor's Account) or guardian appointed by court (legal guardian). However, Savings Bank and Term Deposit account can be opened by mother as guardian even if the natural guardian (father) is alive subject to following conditions:-

An undertaking shall be submitted by the mother stating that:-

- Money belongs to her and the same is deposited in the minor's account for the benefit of minor.

- The account will always remain in credit and will not be allowed to be overdrawn under any circumstances.
- Only cash transactions will be allowed and cheques /dividend warrants etc. drawn in the name of minor will not be accepted.
- Mobile/Internet banking will not be allowed.

Minors above the age of 10 years will also be allowed to open and operate Savings Bank Account independently. However, no overdraft will be granted to these minors and Mobile banking will not be permitted. However Internet banking facility is provided for minors.

3.15. **Operation of Joint Account:** The Joint Account opened by more than one individual can be operated by single individual or by more than one individual jointly as per the customer's instructions. The mandate for operating the account can be modified with the consent of all joint account holders. The Savings Bank Account opened by minor jointly with natural guardian/ guardian can be operated by natural guardian/guardian only till the minor attains majority.

For joint account customers, Mobile/Internet banking platform shall be permitted only in the case of joint accounts with operations by any one and operations in the account shall be permitted in Internet Banking /Mobile Banking in the name of any/all of the account holders as per the name and style appearing in the account. Operations in Minor accounts shall not be permitted in Mobile Banking.

3.16. **The joint account holders** can give any of the following mandates for the disposal of balance in the above accounts:

3.16.1 **Either or Survivor:** If the account is held by two individuals, the final balance along with interest, if applicable, will be paid to either of the depositors when both are alive on maturity or to survivor on death of anyone of the account holders.

If fixed/term deposit accounts are opened with operating instructions 'Either or Survivor', the signatures of both the depositors need not be obtained for payment of the amount of the deposits on maturity. However, the signatures of both the depositors may have to be obtained, in case the deposit is to be paid before maturity.

If the operating instruction is 'Either or Survivor' and one of the depositors expires before the maturity, no pre-payment of the fixed/term deposit may be allowed without the concurrence of the legal heirs of the deceased joint holder. This, however would not stand in the way of making payment to the survivor on maturity.

3.16.2 **Former or survivor or No.1 or Survivor/s:** If the account is held by two individuals the final balance along with interest, if applicable, will be paid to former or No.1 of the depositors on maturity or to survivor/s on death of former or No.1 of the account holders.

In case the mandate is 'Former or Survivor', the 'Former' alone can operate/withdraw the matured amount of the fixed/term deposit, when both the depositors are alive. However, the signature of both the depositors may have to be obtained, in case the deposit is to be paid before maturity. If the former expires before the maturity of the fixed/term deposit, the 'Survivor' can withdraw the deposit on maturity. Premature withdrawal would however require the consent of both the parties, when both of them are alive, and that of the surviving depositor and the legal heirs of the deceased in case of death of one of the depositors.

3.16.3 **Anyone or Survivor/s:** If the account is held by more than two individuals the final balance along with interest, if applicable, will be paid to anyone of the depositor on maturity or to the survivor on death of any two account holders.

3.16.4 The joint deposit holders are permitted to give the mandate for disposal of balance in the account either at the time of placing fixed deposit or anytime subsequently during the term/tenure of the deposit. If such a mandate is obtained, bank can allow premature withdrawal of term/fixed deposits by the surviving depositor without seeking the concurrence of the legal heirs of the deceased joint holder. Such mandate can be modified by the consent of all the joint holders.

3.16.5 **Addition or Deletion of the Name/s of Joint Account Holders:** The bank may at the request of all the joint account holders allow addition or deletion of name/s of joint account holder/s if the circumstances so warrant or allow an individual depositor to add the name of another person as a joint account holder. However, in no case should

the amount or duration of the original deposit undergo a change in any manner in case the deposit is a term deposit.

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

3.18. Term deposits opened and renewed on or after 01.02.2016 will be auto renewed for the same period as the original term deposit, unless specific instruction is received at the time of placing their deposits or until the maturity of term deposits. The deposit receipt of auto renewed term deposit will be handed over to customers only after receiving the discharged deposit receipt. The information regarding the Auto Renewal is printed on the deposit receipt as "Auto Renew : Y/N".

In the case of digital channels (Mobile and Internet banking) Bank shall permit opening and closing of Term Deposit accounts in individual name only, including Recurring Deposit of existing customers. In case of deposit accounts opened through digital channels an electronic "deposit advice" shall be given by email to the registered email id of the customer immediately and no separate deposit receipt shall be issued.

While closing Term Deposit accounts through digital channels, the closure proceeds shall be credited to the designated operative account of the customer, irrespective of the amount. Only Deposit accounts opened through digital channels shall be allowed for closure through digital channels and daily transaction limit for number of deposits and amount for closure will be set, specifying time limits for such operations.

Any exception to the above shall be referred to Head Office, BBDC Department for dispensation.

3.19. Nomination facility is available on all deposit accounts opened by individuals. Nomination is also available to a sole proprietary concern account. Nomination can be made in favour of one individual only. While making nomination, the signature of the account holder/s in the nomination forms (DA1, DA2 & DA3) need not be attested by witnesses. However, thumb impression of the accountholder/s is required to be

attested by two witnesses. Nomination can be made in favour of a minor also. Nomination facility is also available for joint deposit accounts and in such cases nomination should be made by all depositors jointly. Nomination so made can be cancelled or changed by the consent of account holder/s at any time. Nomination facility and cancellation of nomination through Mobile and Internet Banking shall be made available for Saving Bank accounts, Recurring and Term deposits.

As such, a nominee cannot be an Association, Trust, Society or any other Organization or any office-bearer thereof in his official capacity. Hence any nomination other than in favour of an individual will not be valid.

3.20. Bank recommends that all depositors avail nomination facility. The nominee, in the event of death of the depositor/s, would receive the balance outstanding in the account as a trustee of legal heirs. In the case of a joint deposit account the nominee's right arises only after the death of all the depositors.

The depositor will be informed of the advantages of the nomination facility while opening a deposit account.

If the person opening the account still does not want to nominate, the bank branch shall obtain a specific letter to the effect that he/she does not want to make a nomination. In case the depositor declines to give such a letter, the bank branch shall record the fact on the account opening form and proceed with opening of the account if otherwise the depositor satisfies all other eligibility criteria.

The depositor has the discretion of getting nominee's name printed on the passbook/term deposit advice.

3.21. A passbook will be provided by the Bank to Savings Bank and a statement of account to Current Deposit Account Holders periodically as per terms and conditions of opening of the account. Electronic Statement will be provided on the registered mail address to the customer on regular basis.

3.22. The deposit accounts may be transferred to any other branch of the Bank at the request of the depositor.

3.23. If the dealings/ transactions in the account are not satisfactory i.e. detrimental to the interest of the Bank, the Bank reserves the right to close the account by giving 30 days notice.

3.24. Bank reserves the right to amend, delete, or add any rules at any time and such alterations in the rules will be notified by affixtures to the notice Board/ publishing in Banks website, which shall be deemed to be sufficient notice to the customer.

3.25. Deposit receipt for fresh/renewal of term deposits will be generally issued on the same day.

For deposits opened/renewed through Digital channels like Mobile and Internet banking, in lieu of deposit receipt the deposit advice shall be provided in electronic form which shall be delivered to the registered email ID of the depositor. Deposit advice for fresh/renewal of term deposit will be generated/ issued immediately for term deposit accounts opened through digital channels.

The Deposit Advice shall be only proof of deposit and does not confer title to the deposit.

3.26. Original Term Deposit receipts must be signed (discharged) by the account holder/s and has to be submitted at the base branch while closing the same on maturity, while handing over the term deposit for renewal and while prematurely closing the Term Deposit etc.

For Term Deposit accounts opened through digital channels, both online opening and closing of Term Deposit is made available. The customer can close only those Term Deposits which are opened through digital channels like Mobile and Internet banking. The customer needs to visit the branch for all the other activities related to Term Deposits opened through digital channels, like availing loan against deposits, settlement of claims, issue of deposit receipt in lieu of deposit advice or for any exceptions.

4.0 SAVINGS BANK - SMALL ACCOUNTS

“SB - Small” accounts shall be opened on the basis of simplified KYC norms as per RBI guidelines from time to time and in conformity with the Bank’s KYC and AML Policy. Such accounts shall remain operational initially for a period of twelve months, and thereafter for a further period of twelve months, if the holder of such account provides evidence of having applied for any of the officially valid documents within 12 months of the opening of the said account. The entire relaxation shall be reviewed in respect of the said account after 24 months. If the account holder doesn’t comply with the prescribed provisions, the Bank is within its right to stop operations in the said account or pursue for closure of the account.

5.0 MINORS’ ACCOUNTS

- 5.1. The minor can open Savings Bank Account jointly with natural guardian or with mother as the guardian (Status: known as Minor’s Account). Minors above the age of 10 will also be allowed to open and operate saving bank account independently. However, neither overdrafts nor cheque books will be granted to these minors.
- 5.2. On attaining majority, the erstwhile minor should confirm the balance in his/ her account and if the account is operated by the natural guardian/ legal guardian, fresh specimen signature of the erstwhile minor and operating instructions (duly verified by the natural / legal guardian) would be obtained and kept on record for all operational purposes. Bank will also obtain the latest photograph of the erstwhile minor and a fresh set of the documents like duly filled account opening form and full KYC documents. The bank shall duly intimate the erstwhile minor and the natural/legal guardian to comply with the above requirements for allowing further operations in the account.

6.0 SENIOR CITIZENS' ACCOUNTS

Bank may consider higher rate of interest to Resident Indian Senior citizens who have completed the age of 60 years on their term deposits [One year and above] as specified by the bank from time to time. Priority will be given in the services to the Senior Citizens. Separate Queue will be provided to the senior citizens in front of every counter whenever required.

If the depositor becomes a senior citizen during the contracted period of the term deposit, the applicable additional interest offered to senior citizens as above on the said existing term deposit will come into effect only after maturity i.e., at the time of renewal of the existing term deposit.

In the case of a term deposit which is standing in the name of a HUF, the Karta of the HUF cannot be offered higher rate of interest, even if he is a resident Indian senior citizen, as the beneficial owner of the deposit is the HUF and not the Karta in his individual capacity.

7.0 NRI DEPOSITS

Bank offers wide range of deposits for Non Resident Indians and Returning Indians as enlisted below:-

i). For Non Resident Indian

- Non Resident (External) Rupee Account (Both Savings & Term deposit accounts).
- Non Resident Ordinary (NRO) Account (Both Savings & Term deposit accounts).
- Foreign Currency Non Resident (Bank) FCNR (B) Account (Only term Deposit Account).

ii). For Returning Indian

- Resident Foreign Currency (RFC) Account.(Both Savings & Term deposit accounts).

Opening and Maintaining of Bank accounts of Non Resident Indians is guided by the Foreign Exchange Management Act-1999(FEMA).Interest rates of FCNR (B) scheme and RFC scheme are regulated by Reserve Bank of India and shall be revised based on Alternative Reference Rate [ARR] in the currency concerned from time to time as per

RBI guidelines. Consequent to deregulation, the interest rates on NRE/NRO term deposits will be as decided by the bank, as per RBI guidelines issued from time to time.

8.0 ACCOUNT OF ILLITERATE

The Bank may at its discretion open deposit accounts other than Current Accounts of illiterate person. The account of such person may be opened provided he/ she calls on the Bank personally along with a witness who is known to both the depositor and the Bank. Normally, no cheque-book facility is provided for such Savings Bank Account. At the time of withdrawal/ repayment of deposit amount and/ or interest, the account holder should affix his/ her thumb impression or mark in the presence of the authorized officer who should verify the identity of the person. 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/ blind person.

9.0 ACCOUNT OF VISUALLY IMPAIRED PERSONS

All banking facilities such as cheque book facility including third party cheques, ATM facility, Net banking facility, locker facility, retail loans etc., shall be invariably offered to the visually challenged without any discrimination.

10.0 ACCOUNT OF OLD/SICK/INCAPACITATED CUSTOMERS

While allowing operation of the accounts by old/Sick/Incapacitated customers the following procedure will be followed:

- 10.1 Whenever thumb or toe impression of the sick/old/incapacitated account holder is obtained it should be identified by two independent witnesses known to the bank, one of whom should be a responsible bank official.
- 10.2 Where the customer cannot even put his/her thumb impression and also would not be able to be physically present in the bank, a mark obtained on the cheque/ withdrawal form should be identified by two independent witnesses, one of whom should be a responsible bank official.

11.0 DORMANT / INOPERATIVE AND UNCLAIMED ACCOUNTS

An account shall be classified as “dormant” if an account is inoperative for a period of 24 months. Bank shall pursue the following procedure for classification of accounts as dormant accounts:

1. A savings as well as current account shall be treated as dormant if there are no customer induced transactions in the account for over a period of two years.
2. For the purpose of classifying an account as “dormant” both the type of transactions i.e. debit as well as credit transactions induced at the instance of customers as well as third party shall be considered. However, the service charges levied by the bank or interest credited by the bank shall not be considered.
3. Periodic interest if any shall be credited to the dormant accounts.
4. Periodical debit or credit of interest and debiting of service charges by the Bank shall not be construed as a customer-induced transaction. However, Interest on Fixed Deposit account credited to the Savings Bank account, standing instructions (Debit)/ECS mandates executed in the accounts and dividend credited shall be treated as a customer induced transaction. The Savings Bank account can be treated as inoperative account only after two years from the date of the last credit entry of the interest on Fixed Deposit account or date of last execution of Standing instructions/ ECS Mandate.
5. Interest on savings bank accounts shall be credited on regular basis whether the account is operative or not. If a Fixed Deposit matures and proceeds are unpaid, the amount left unclaimed with the bank will attract savings bank rate of interest.

An annual review shall be made for such accounts in which there are no operations (i.e. no credit or no debit other than crediting of periodic interest or debiting of service charges) for more than one year and efforts would be made to trace out the customers/legal heirs. Record of follow up with the customers/ legal heirs would be maintained.

11.1 Operational Procedure of classifying account as Dormant

1. An intimation will be given to the respective account holders (including joint account holders) three months prior to the date of conversion to dormant status, intimating them about non operation of the accounts and requesting them to start regular operation of the account, failing which the Bank will be forced to classify the accounts as Dormant
2. The bank shall approach the customers and inform them in writing that there has been no operation in their accounts and ascertain the reasons for the same. In case the non-operation in the account is due to shifting of the customers from the locality, they may be asked to provide the details of the new bank accounts to which the balance in the existing account could be transferred. If the letters are returned undelivered, they may immediately be put on enquiry to find out the whereabouts of customers or their legal heirs in case they are deceased.
3. In case the whereabouts of the customers are not traceable, bank shall consider contacting the persons who had introduced the account holder. Bank could also consider contacting the employer / or any other person whose details are available with them. Bank could also consider contacting the account holder telephonically in case his telephone number has been furnished to the bank. In case of Non Resident accounts, bank may also contact the account holders through e-mail if available and obtain their confirmation of the details of the account.
4. In case any reply is given by the account holder giving the reasons for not operating the account, bank shall continue classifying the same as an operative account for one more year within which period the account holder may be requested to operate the account. However, in case the account holder still does not operate the same during the extended period, bank shall classify the same as dormant account after the expiry of the extended period.

11.2 Revival of Dormant accounts

1. Operation in dormant accounts shall only be allowed after due diligence as per risk category of the customer. Due diligence means ensuring the identity of the payee/customer based on latest KYC documents (branches shall obtain latest address proof, id proof, passport size photograph and profile), verification of the signature, genuineness of the transaction etc.
2. Customer needs to approach the base branch and submit application, latest KYC documents and passport size photograph for reactivation of accounts.
3. Bank shall ensure that the customer is not inconvenienced as a result of extra care taken by the bank.
4. No charges shall be levied to the customer for re-activation of the dormant account.
5. When a financial transaction is sought to be carried out in a Dormant account, due diligence of the account as per the risk category of the customer shall be first carried out by the branch. Due diligence means ensuring the identity of the payee/customer based on latest KYC documents (bank shall obtain latest address proof, id proof, passport size photograph and profile), verification of the signature, genuineness of the transaction etc. The Assistant Branch Manager/Authorised Officer of the branch where account is held shall then approve the transaction for reactivating the account. Transactions through Alternate delivery channels other than branch, like ATM, Internet Banking and Mobile banking etc shall not be possible in a dormant account, unless the account is reactivated as explained above.

12.0 FROZEN ACCOUNTS

12.1 In case of term deposits where accounts were frozen, a request letter may be obtained from the depositor on maturity. While obtaining the request letter from the depositor for renewal, banks shall also advise him to indicate the term for which the deposit is to be renewed. In case the depositor does not exercise his option of choosing the term for renewal, banks shall renew the same for a period equal to the original period.

12.2 In case of savings bank accounts, prevailing practice of crediting the interest to the account on regular basis will be continued.

12.3. Exit of Customer - Closure /Freezing of Accounts

12.3.1 The Bank reserves the right to close or freeze the accounts of the depositor, after due intimation to the customers for reasons which may include, but not limited to the following:

1. In case any of the documents furnished towards identity and address proof are found to be fake/forged/defective,
2. The Account opening cheque is returned unpaid for financial reasons/signature not matching.
3. In case fraudulent /forged / fake cheques / bank drafts or any such instruments are attempted to be cleared / cleared through the accounts.
4. In case of frequent return of inward / outward cheques in the account.
5. Any false / misleading information given or suppression of any material fact.
6. Detection of the name of the account holder in prohibitory lists.
7. Unsatisfactory conduct of the account in terms of volume/type of transactions, non-maintenance of minimum balance etc. Non intimation of change in communication address leading to customer's whereabouts being unknown.
8. In case a debit balance for reasons, including but not limited to, non-repayment in case of facilities offered by the Bank, where repayment is to be made through customer's account, reversal of wrong credit, any temporary overdraft granted to the customers by the bank in relation to any facility or otherwise, etc. is allowed to continue for more than 90 days in the Account.
9. In terms of the provisions of Prevention of Money-laundering (Maintenance of Records) Second Amendment Rules, 2017 published vide extraordinary official gazette Notification No. 439 dated June 01, 2017 for all the customers who are eligible to be enrolled for Aadhaar and for obtaining a PAN, would be required to submit Aadhaar & PAN within 6 (six) months from the date of opening of the account.
10. In case the customer fails to submit the Aadhaar number and PAN within the aforesaid six months period, the said account shall cease to be operational till the time the Aadhaar and PAN is submitted. In case of non-compliance of KYC requirements by the customers despite repeated reminders by the banks, bank may impose "partial freezing" on such KYC non-compliant account.

11. During the course of such partial freezing, the account holders can revive their accounts by submitting the KYC documents as per instructions in force. If the accounts are still KYC non-compliant after six months of imposing initial “partial freezing”, bank may disallow all debits and credits from/to the accounts, rendering them inoperative.

12.3.2 Further, it is open to the bank to close the account of such customers after issuing due notice to the customer explaining the reasons for taking such a decision.

12.3.3 While the focus of Bank’s officials is always to resolve customer issues, in exceptional situations, the Bank may not be able to resolve such issues to the satisfaction of the customer, despite the best efforts. This could be due to issues related to systems and connectivity failure, various policies, compliance or even factors beyond Banks’ control, like the COVID-19 pandemic being a recent example.

While most customers understand Banks compulsion during such situation, a few resort to provocative and bad language or rude and disruptive behavior or communication degrading the management and officials of the Bank. The distress and trauma caused by such behaviour adversely impacts the morale, dignity and efficiency of the concerned officials who are doing the best in the circumstances, which in turn may compromise the level of service rendered to other customers.

Therefore, despite the acknowledged primacy that a customer in the service industry commands, if such instances by customers is found, the Bank retains the right to terminate the customer relationship and close the products and services availed. In such cases, if there is any amount receivable from the customer, he/she would be under an obligation to make payments immediately or within such time frame as may be permitted by the Bank.

12.3.4. In case the resolution to the query is not to the satisfaction of the customer, Bank encourages its customers to exercise every option to escalate the matter through the Banks Grievance Redressal Mechanism which provides for internal escalation to Nodal Officer as also external forum i.e. Banking Ombudsman of the RBI.

12.3.5 Closure of the account requested by the customer.

When the customer desires to close the account, a written request under the recorded signature of the customer, addressed to the base branch should be sent by the customer accompanied with the Passbook (if issued) and all unused cheque leaves. The debit card/ATM card issued in the account also should be surrendered. In case of partnership firm and joint account, the letter of request should be signed by all the partners and all the account holders, respectively. In case of limited companies, a board resolution authorizing closure of the account is required. If the customer so desires, the Passbook (if issued) amply branded as "Account Closed" may be retained by the customer. The balance standing to the credit of such account with interest will be paid to the customer, subject to the provisions of Income Tax Act.

13. EXTENSION OF ALTERNATE DELIVERY CHANNELS TO SAVINGS BANK & CURRENT DEPOSIT ACCOUNT HOLDERS

The Bank offers choice of electronic channels to customers for conducting their banking transactions. The choice of electronic channels includes ATM, Internet banking and mobile banking inclusive of SMS banking facility and missed call banking. Wherever such electronic facilities are offered as a part of the basic account/product, Bank will obtain confirmation from the customer for availing the facility by way of acceptance of terms and conditions for online platforms offered. Only KYC compliant, active accounts shall be considered for such online facility.

Customer also can avail other banking product and/or services offered by bank from time to time like-

- **Debit card**- Bank may issue Debit cards to customers having Saving Bank / Current Accounts. Bank may charge on debit card transactions within stipulated benchmark as per regulatory guidelines.
- **Mobile and Internet banking**- Bank has formulated suitable registration process for offering such services to customers. Bank may place per transaction limits based on the risk perception of customers. Use of mobile banking services for cross border inward and outward transfers may also be considered.

14. DIRECTIVES ON INTEREST PAYMENT AND TERM DEPOSITS

14.1 Interest Payments

- 14.1.1 Interest shall be paid on Domestic, NRE & NRO Savings Bank accounts and “Bulk Deposits” as decided by the Bank from time to time. Interest on Savings Bank accounts shall be calculated on a daily product basis and interest will be credited at quarterly intervals i.e. March, June, September and December.
- 14.1.2 Term deposit interest rates are decided by the Bank within the general guidelines issued by the Reserve Bank of India from time to time. In terms of Reserve Bank of India directive, interest shall be calculated at quarterly intervals on term deposits and paid at the rate decided by the Bank depending upon the period of deposit. Interest at monthly interval is also offered at discounted rate.
- In case of monthly deposit scheme like recurring deposit, the interest shall be calculated for the quarter and paid at monthly discounted value. Senior citizen benefits will be extended to recurring deposit account.
- Bank will adopt the “Code for Banking Practice” issued by the Indian Banks Association for the purpose of calculation of interest on domestic term deposits. Interest on term deposits shall be paid on the basis of 365 days in a year, irrespective of whether it is a leap year or not.
- 14.1.3 The rates of interest on term deposits/Schedule of interest rates will be prominently displayed in the branch premises. Changes, if any, with regard to the deposit schemes and other related services shall also be communicated upfront by prominently displaying it at branch premises and on the website.
- 14.1.4 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. The depositor, if entitled to exemption from TDS can submit declaration in the prescribed format at the beginning of every financial year. Provision is made to issue the TDS certificate electronically to the registered mail accounts on regular basis.

14.1.5 In case of term deposits maturing on or after 22.08.2008 (i.e., the date of issue of RBI circular) simple interest applicable to savings bank accounts will be paid from the date of maturity up to the date of settlement/ payment of the deposit.

14.1.6 Payment of aggregate deposit and interest of ₹ 20,000/- and above shall be routed through the operative account of the depositor as per the provisions of Sec.269 T of the Income Tax Act 1961. The limit of aggregate deposit amount and interest as communicated from Income Tax dept / RBI / Govt., will be adopted for the purpose of payment through operative account.

14.2 Premature Withdrawal of Term Deposit

The Bank on request from the depositor, at its discretion may allow withdrawal of term deposit before completion of the period of the deposit agreed upon at the time of placing the deposit. All term deposits will have premature withdrawal facility, subject to penalty. Asset Liability Management Committee [ALCO] will decide the penalty (rate) to be levied on premature withdrawal, and such rate would be applicable, till the rate is subsequently revised by ALCO. For the purpose, applicable rate means interest rate applicable for the period the deposit has remained with the Bank or contracted rate, whichever is less.

The Bank shall declare the penal interest rates for premature withdrawal of such term deposit. The Bank shall make depositors aware of the applicable rate along with the deposit rate.

14.3 Premature Renewal of Term Deposit /Conversion of term deposits, daily deposits or recurring deposits for reinvestment in term deposits

In case the depositor desires to renew/convert the term deposit, daily deposit or cumulative deposit by seeking premature closure of an existing term deposit account, the bank will permit the renewal / conversion at the applicable rate on the date of renewal, provided the deposit is renewed for a period longer than the balance period of the original deposit. While prematurely closing a deposit for the purpose of renewal, interest on the deposit for the period it has remained with the bank will be

paid at the rate applicable to the period for which the deposit remained with the bank and not at the contracted rate.

Further no penal interest will be charged for pre-mature closure/renewal provided the deposit is renewed for a period longer than the balance period of the original deposit. However, no interest is payable, where premature withdrawal of deposit takes place before completion of the minimum period prescribed.

In the case of premature withdrawal of NRE term deposits for conversion into Resident Foreign Currency (RFC) Account, the bank shall not levy any penalty for premature withdrawal. If such a deposit has not run for a minimum period of 1 year, the bank shall pay interest at a rate not exceeding the rate payable on savings deposits held in RFC accounts, provided the request for such a conversion is made by the NRE account holder immediately on return to India.

Premature withdrawal of NRE/FCNR deposits shall not be available where loans against such deposits are availed of and customer shall be advised in this regard.

14.3.1 Penalty clauses on FCNR Term Deposits:

- Interest shall not be paid if the FCNR (B) deposits are withdrawn before the completion of the minimum stipulated period of one year.
- Penalty will not be levied if the premature closure of FCNR (B) Deposit is for renewal of deposit for a period longer than the balance period of the original deposit. Interest to be paid at the rate applicable to the period for which the deposit remained with the bank and not at the contracted rate. If the deposit has not run for the minimum maturity period, then such a deposit will not earn interest.

In the event of the death of a FCNR (B) deposit holder:-

- If paid on the maturity of the deposit, interest shall be paid at the contracted rate.
- If the deposit is claimed before the maturity date, interest shall be paid not at the contracted rate but at the rate applicable to the period for which the deposit has remained with the bank and without charging penalty for pre-payment.
- In case the depositor dies before the date of maturity of the deposit but the amount of the deposit is claimed after the date of maturity, interest shall be paid at the contracted rate till the date of maturity and simple interest at the applicable rate

operative on the date of maturity for the period for which the deposit remained with the bank beyond the date of maturity.

- In case of death of the depositor after the date of maturity of the deposit, the interest rate operative on the date of maturity in respect of savings deposits held under Resident Foreign Currency (RFC) Account Scheme shall be paid from the date of maturity till the date of payment.
- In case the claimants are residents, the maturity proceeds shall be converted into Indian Rupees on the date of maturity and interest shall be paid for the subsequent period at the rate applicable to a domestic term deposit of similar maturity.

In the scenario of permanent return to India by the NRIs:

- The FCNR deposits can be allowed to continue at the contracted rate of interest until maturity. However, the accounts have to be re-designated to resident status.
- Penalty shall not be levied in the case of premature conversion of balances held in FCNR (B) deposits into RFC accounts. The rate of interest on the new deposit (rupee account or RFC account) shall be the relevant rate applicable for such deposit account. Bank will pay interest at its discretion at the time of conversion of FCNR (B) Account into RFC / Resident Rupee Account, even if the same has not run for a minimum maturity period, subject to the condition that the rate of interest is not exceeding the rate payable on savings bank deposit held under RFC Account Scheme. However premature of such RFC deposit accounts will attract premature closure interest penalty as per prevailing guidelines of RFC deposit accounts.
- Penalty shall not be levied for premature withdrawal of FCNR(B) Deposits where the depositors of the branch in rural and semi-urban areas desires premature withdrawal of deposit consequent to the transfer of business to another bank.
- All term deposits will have premature withdrawal facility. Asset Liability Management Committee [ALCO] will decide the penalty (rate) to be levied on premature withdrawal.
- Under all other circumstances other than mentioned above, for premature withdrawal of FCNR(B)/RFC deposit, penalty as approved by Asset Liability Management Committee[ALCO] on applicable rate shall be levied. Interest rate prevailing as on the

date of deposit as applicable to the period for which the deposit remained with the bank or contracted rate whichever is less shall be applied including in the case of conversion of NRE deposit into FCNR(B) deposit or vice versa.

14.4 Renewal of Overdue Term Deposits

On due date of Term Deposits opened on or prior to 31.01.2016, the amount would automatically get transferred to Overdue Deposit account, in the absence of instructions for Auto-renewal. If a request for renewal is received subsequently, but within 30 days from the date of maturity, such overdue term deposits will be renewed with effect from the date of maturity at interest rate applicable as on the due date. In respect of request for renewal of overdue deposit/s after 30 days from the date of maturity, simple interest for the overdue period will be paid at Saving Bank rate of interest prevailing on due date of deposit or applicable term deposit rates on the date of renewal, whichever is less and the Term Deposit will be renewed from the date of such request.

In the case of FCNR (B) Deposits, Bank may, at its discretion, renew an overdue deposit or a portion thereof provided the overdue period from the date of maturity till the date of renewal (both days inclusive) does not exceed 14 days. The rate of interest payable on the amount of the deposit so renewed will be the appropriate rate of interest for the period of renewal as prevailing on the date of maturity or on the date when the depositor seeks renewal, whichever is lower. In the case of overdue deposits where the overdue period exceeds 14 days and if the depositor places the entire amount of overdue deposit or a portion thereof as a fresh FCNR(B) deposit, bank shall fix its interest rates for the overdue period on the amount so placed as a fresh term deposit. Bank shall also have the freedom to recover the interest so paid for the overdue period if the deposit is withdrawn before completion of the minimum stipulated period under the Scheme, after renewal.

In the case of Term deposits opened online (Mobile or Internet banking platform), on maturity, the deposit shall be Auto-renewed for the original tenor of the deposit. Customer shall be given the choice of selecting Auto-renewal facility while opening the Term Deposit account, except Recurring deposit account. In case Auto-renewal is

not selected by the customer while opening the term deposit on Mobile or Internet banking platform, the maturity proceeds of the term deposit shall be credited to the operative account of the customer.

14.5. Advances against Deposits

The Bank may consider request of the depositor/s for loan/ overdraft facility against term deposits duly discharged by the depositor/s on execution of necessary security documents. The Bank may also consider loan against deposit standing in the name of minor for the benefit / necessity of the minor only, on submission of undertaking letter/ affidavit by the guardian.

The customer can avail Loan against Term Deposit where Term Deposit has been opened online (Mobile or Internet banking).

14.6 Payment of interest on term deposit maturing on Sunday/holiday/non-business working day

In respect of a term deposit maturing for payment on a Sunday or a holiday or a non-business working day (or Saturday in case of NRE deposits), the bank should pay interest at the originally contracted rate on the deposit amount for the Sunday/holiday/non-business working day (as also Saturday in case of NRE deposits) intervening between the date of the expiry of the specified term of the deposit and the date of payment of the proceeds of the deposit on the succeeding working day.

14.7. Pricing of Deposits, Bulk Deposits-Interest rates & Premature withdrawal of bulk deposits

14.7.1 The bank does not discriminate in the matter of interest rate paid on deposits. As per RBI, the Bulk deposits implies single rupee term deposit of ₹ 2 crore & above. Based on requirement of Asset Liability Management, Bank may offer differential interest rate for bulk deposits and bank will publish the rates in its website which it decides to offer to the customer. All term deposits will have premature withdrawal facility. Asset Liability Management Committee [ALCO] will decide the penalty (rate) to be levied on premature withdrawal, and such rate would be applicable, till the rate is

subsequently revised by ALCO. Rupee term deposits include domestic term deposits as well as term deposits under NRO and NRE accounts.

14.7.2 Premature withdrawal of bulk deposits will be allowed after charging a penalty as decided by the bank from time to time. However, bank may disallow premature withdrawal of a term deposit in respect of bulk deposits of ₹ 2 Crore and above of all depositors, including deposits of individuals and HUFs. In all such cases bank shall notify depositors of its policy of disallowing premature withdrawal, at the time of accepting such deposits.

15. CHEQUE COLLECTION FACILITY

Cheque Collection facility to the depositors / account holders will be provided and the charges / interest will be levied / paid in accordance with the guidelines of the Cheque Collection Policy of the Bank.

16. DECEASED DEPOSITORS' ACCOUNT

16.1. Interest Payable on Term Deposit in Deceased Depositors' Account

16.1.1. In case of premature closure of a term deposit of a deceased depositor the bank will pay interest at the applicable rate (not contracted rate) for the actual period for which the deposit remained with the Bank without penalty.

In case of death of a depositor, interest will be paid at the contracted rate up to the maturity of the deposit. In case of senior citizens' deposits, if the depositor dies, before the maturity of the deposit, interest at the contracted rate will be paid up to the date of maturity, even if the joint depositor / nominee / legal heir, is not a senior citizen, provided no changes are made to the terms of the deposit. From the date of maturity up to the date of settlement/payment, simple interest applicable to savings bank accounts will be paid to the term deposit.

16.1.2. In the case of balances lying in current account standing in the name of a deceased individual depositor/sole proprietorship concern, interest should be paid only from 1st May, 1983, or from the date of death of the depositor, whichever is later, till the date of repayment to the claimant/s at the simple rate of interest applicable to savings deposit as on the date of payment.

16.2. Settlement of Dues in Deceased Depositors' Account

- 16.2.1. If the depositor has registered nomination with the Bank, the balance outstanding in the account of the deceased depositor will be transferred to the account of/ paid to the nominee after the Bank satisfies about the identity of the nominee, etc.
- 16.2.2. The above procedure will be followed even in respect of a joint account where nomination is registered with the Bank.
- 16.2.3. In a joint deposit account, where mode of operation is "jointly" and when one of the joint account holders dies, the Bank is required to make payment jointly to the legal heirs of the deceased person and the surviving depositor(s). However, if the joint account holders had given mandate for disposal of the balance in the account in the forms such as "either or survivor, former/ latter or survivor, anyone of survivors or survivor; etc., the payment will be made as per the mandate to avoid delays in production of legal papers by the heirs of the deceased.
- 16.2.4 In case there is no nomination or clause like "Either or Survivor" or "Former or Survivor" the amount outstanding in the account will be paid to the persons entitled as per the applicable law of Succession on production of prescribed documents. Necessary machinery for the purpose is in place.
- Amount upto limits specified by the Bank from time to time will be paid to the surviving legal representatives on the basis of Death Certificate and Declaration only. The above process is also applicable for deposits opened through digital channels like Internet & Mobile banking.

17.0 SETTLEMENT OF CLAIMS IN RESPECT OF MISSING PERSONS

Considering that there is inherent risk in settling the claims of Missing persons without the Court raising presumption of death, insistence on such raising of presumption by the Court will be general policy. However, with a view to avoid inconvenience and undue hardship to the common person claims upto ₹ 50,000/- in respect of missing persons (irrespective of the period of the missing) would be settled as per the existing settlement machinery on production of (i) FIR and the non-traceable report issued by Police Authorities, (ii) Letter of Indemnity (by claimants).

Further, Managing Director is authorised to settle claims of missing person (irrespective of the period of the missing) upto total sum of ₹ 2.00 lakh taking into account facts and circumstances of each case on production of:

- FIR and the non-traceable report issued by Police Authorities.
- Letter of Indemnity by claimants and from creditworthy third persons (if need be)

18.0 SAFEGUARDING CUSTOMER INTERESTS

18.1. Customer Information

The customer information collected from the customers shall not be used for cross selling of services or products by the Bank, their subsidiaries and affiliates. If the Bank proposes to use such information, it will be strictly with the consent of the account holder, obtained at the time of account opening or subsequently.

18.2. Secrecy of Customer's Accounts

The Bank shall not disclose details/ particulars of the customer's account 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 to public to disclose and where interest of the Bank requires disclosure.

18.3. Insurance Cover for Deposits

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

19.0 ROUNDING OFF OF TRANSACTIONS

All transactions, including payment of interest on deposits/charging of interest on advances, should be rounded off to the nearest rupee; i.e., fractions of 50 paise and above shall be rounded off to the next higher rupee and fraction of less than 50 paise shall be ignored. Issue prices of cash certificates should also be rounded off in the same manner.

20.0 REDRESSAL OF COMPLAINTS AND GRIEVANCES

Depositors' having any complaint / grievance with regard to services rendered by the Bank has a right to approach concerned Branch Head first. If the complaint is not redressed to the satisfaction of the customer, the matter may be taken up with the internal set up for redressal of complaints/ grievances as displayed in the branch premises and Code of Bank's Commitment to Customers. The branch officials shall provide all required information regarding procedure for lodging the complaint. In case the depositor does not get response from the Bank within one month from date of complaint or he is not satisfied with the response received from the Bank, he has a right to approach Banking Ombudsman appointed by the Reserve Bank of India.

21.0 ANNUAL SURVEY OF DEPOSITOR SATISFACTION

Annual survey with regard to the depositor satisfaction will be carried out on annual basis.

22.0 POLICY REVISION

This policy will be reviewed annually and subject to revision based on the extant RBI/IBA/BCSBI guidelines from time to time.
