

Bank Deposits Policy - 2020

1. Preamble

Banks accept deposits from public for the purpose of lending. This is one of the most important functions of a Bank. In fact, 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. 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.

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 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 deposits 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 of their rights. 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 outlined in the code of Banks Commitment to Customer adopted by the banks. 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. Types of Deposit Accounts :

The Bank offers various deposit products under various names. All these can be categorized broadly in to the following types :-

- a) "Savings deposits" 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.
- b) "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.
- c) "Term deposit" means a deposit received by the Bank for a fixed period and can be withdrawn only after the expiry of a fixed period and includes deposits such as Recurring/Cash Certificates /Short Term Fixed Deposits/Long Term Fixed Deposits/Flexi Fixed, etc.

3. Account Opening and Operation of Deposit Accounts:

A) The Bank before opening any deposit account will carry out due diligence as required under "**Know Your Customer**" (KYC) guidelines issued by RBI and or such other norms or procedures adopted by the Bank. Branch Managers are authorized to take a decision with regard to opening an account. 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 him and the final decision of the Bank will be conveyed at the earliest to him.

B) The bank is committed to provide basic banking services to disadvantaged sections of the society. Banking services will be offered to them through Basic Savings Bank Deposit Accounts (BSBDA) and Small Savings accounts will be opened with relaxed customer acceptance norms as per regulatory guidelines.

C) Customer also can avail other banking product services offered by bank from time to time like-

- i. Debit card- Bank will issue Debit cards to customers having Saving Bank/Current Accounts. Charges are levied on debit card transactions within stipulated benchmark as per regulatory guidelines.
- ii. Mobile and Internet banking- Bank offers facilities of Internet Banking – both personal and Corporate for its Savings / Current Accounts. Bank offers Mobile Banking facility to its customers. Use of mobile banking services for cross border inward and outward transfers is strictly prohibited.

D) 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 Bank official opening the account, will explain the procedural formalities and provide necessary clarifications sought by the prospective depositor when he approaches for opening a deposit account.

E) The regulatory guidelines require banks to categorise customers based on risk perception and prepare profiles of customers for the purpose of transaction monitoring. Inability or unwillingness of a prospective customer to provide necessary information/details could result in the bank not opening an account.

F) Inability of an existing customer to furnish details required by the bank to fulfill statutory obligations could also result in closure of the account after due notice(s) is provided to the customer.

G) For deposit products like Savings Bank Account and

Deposit Account, 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 from time to time. For Savings Bank Account, the Bank may also place restrictions on number of transactions, cash withdrawals, etc., for given period. 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 and schedule of charges for various services provided will be communicated to the prospective depositor while opening the account.

However, amount in withdrawal slip and cheque for cash withdrawal should be in round rupees. Also amount of cash withdrawal done through withdrawal slip cannot be more than Rs 20,000.00 per day, with the exception of Customers falling into the category of Blind/illiterate person.

H) Savings Bank Accounts can be opened for eligible person / persons and certain organizations / agencies (as advised by Reserve Bank of India (RBI) from time to time. Current Accounts can be opened by individuals /proprietary concerns/ partnership firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies / Trusts, Limited Liability Partnership etc. Term Deposits Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates / Societies / Trusts, Limited Liability Partnership etc.

I) The due diligence process, while opening a deposit account will involve verification of the person's identity and address, satisfying about his occupation and source of income. Obtaining recent photograph of the person/(s) opening / operating the account is part of due diligence process. While opening a business account due diligence will involve obtaining information on the purpose and intended nature of the business. It also involves determining whether a client is acting on behalf of a beneficial owner, and identify the beneficial owner and take all steps to verify the identity of the beneficial owner.

J) In addition to the due diligence requirements, under KYC norms the Bank is required by law to obtain Aadhaar Number, Permanent Account Number (PAN) or alternatively declaration in Form No. 60 or 61 as specified under the Income Tax Act / Rules and PMLA Rules amended vide notification dated 1st June 2017 and subsequent amendments (and thereafter subject to the final judgment of the Hon'ble Supreme Court).

K) Deposit accounts can be opened by an individual in his own name (known as account in single name) or by more than one individual in their own names (known as Joint Account). Savings Bank Account can also be opened by a minor jointly with natural guardian (Father or Mother) (known as Minor's Account). Minors above the age of 10 will also be allowed to open and operate Savings Bank account independently. Deposits in the account of minors/minors with Natural Guardian will have restrictions as per Govt./RBI guidelines.

I) 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. The mandate for operating the account can be modified with the consent of all account holders. The Savings Bank Account opened by minor jointly with natural guardian / guardian can be operated by natural guardian / guardian only.

J) The joint account holders can give any of the following mandates for the disposal of balance in the above accounts:

i. Either or Survivor : If the account is held by two individuals say, A & B, the final balance alongwith interest, if applicable, will be paid to either of the account holders i.e. A or B, on date of maturity or to the survivor on death of anyone of the account holders.

ii. Former or Survivor. If the account is held by two individuals say, A & B, the final balance along with interest, if applicable, will be paid to former only i.e. A on date of maturity and to the survivor on death of any one of the account holders.

iii. Anyone or Survivor : If the account is held by more than two individuals say, A, B and C, the final balance along with interest, if applicable, will be paid to any of the accountholders i.e. A or B or C , on date of maturity.

On the death of any one of account holder say A, the final balance along with interest if applicable, will be paid to any two of the surviving accountholders i.e. B or C. On the death of any two of account holder say A and B, the final balance along with interest if applicable, will be paid to surviving accountholder i.e. C.

iv. Jointly by all : If the account is held by more than two individuals say, A, B and C, the final balance along with interest, if applicable, will be paid to all jointly on maturity or the survivors jointly on death of any one account holder or to the last survivor.

The above mandate for opening joint accounts/disposal of balances become operational from the date deposit account is activated. This mandate can be modified by the consent of all the account holders.

In the normal circumstances premature closure of a joint deposit shall be permitted only if all the deposit holders sign a request to that effect.

However if the joint depositors prefer premature withdrawal of deposits in accordance with the mandate of 'Either or Survivor', 'Anyone or Survivor' or 'Former or Survivor', bank may allow premature withdrawal of term deposits to the surviving depositor/s without seeking concurrence of legal heirs of the deceased deposit holder, provided all the depositors have given a specific joint mandate for the said purpose at the time of opening the account or any time subsequently during the tenure of the deposit.

K) 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.

L) Nomination facility is available on all deposit accounts opened by the individuals. Nomination is also available to a sole proprietary concern account. Nomination can be made in favor of one individual only. Nomination can be made in favor of a minor also, and in such case, the depositor/s will have to appoint another person who is not a minor to receive the amount on behalf of the minor.

Nomination so made can be cancelled or changed by the account holder/(s) any time. While making nomination, cancellation or change thereof, it is required to be witnessed by a third party if the account holder is illiterate. In case of Joint Accounts, Nomination can be modified by the consent of all account holders.

When the customer opts for nomination facility for any account, the phrase "nomination registered" is printed in the Passbook/Term Deposit Receipt.

Bank recommends that all depositors avail nomination facility. Unless the customer prefers not to nominate, (this may be recorded, without giving scope for conjecture of non-compliance) nomination should be a rule, to cover all existing and new accounts.

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

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

4. 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, mobile banking including SMS banking facility and phone banking. Wherever such electronic facilities are offered as a part of the basic account/product, bank will obtain specific consent of the customers after explaining the risk associated for availing the facility.

5. Interest Payments

i) Interest shall be paid on Savings Bank/Term Deposit accounts of residents Indians at the rate decided by the Bank within the general guidelines issued by the Reserve Bank of India from time to time. Interest on SB accounts is paid on daily product basis. Interest rate on Non Resident (External) Accounts Scheme and Ordinary Non-Residents Deposit under savings account is currently regulated by RBI. Interest earned on Non-Resident (Ordinary) SB accounts are subject to Income Tax which will be deducted at source.

ii) In terms of Reserve Bank of India directives, 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. In case of monthly payment, the interest shall be calculated for the quarter and paid monthly at discounted value. The interest on term deposits is calculated by the Bank in accordance with the formulae and conventions advised by Indian Banks' Association.

iii) The rate of interest on deposits will be prominently displayed in the branch premises. Changes, if any, with regard to the deposit schemes and other related services shall also be prominently displayed. These will also be displayed on the Bank's website.

iv) 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. Tax is deducted at the rate mentioned in the relevant provisions of the IT Act. Tax is deducted at 20% where ever PAN is not furnished.

v) Interest Rate on domestic Current account

No interest rate is paid on Current account, provided the balance lying in current account standing in the name of the deceased individual or a sole proprietorship concern , interest shall be paid only from 1 August 1983 or the date of death of the Individual holder/ Proprietor , whichever is later, till the date of repayment to the legal heir(s)/representative(s)/nominee(s) at the rate of interest operative in respect of savings deposit applicable as on the date of payment.

vi) Additional interest on Domestic deposit

Bank shall at its discretion allow additional interest rate over and above the rate of interest mentioned in the schedule of interest rate on Savings/ Term deposits.

a. For Staff : Staff Policy dated January 2021 is in place

- b. For Bulk deposit : Single deposit of Rupees fifteen lakh and above accepted from Individual / Institution

Additional rate of interest will be discretionally decided by the Bank as per prevailing schedule of rate of interest of term Deposit

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. This declaration filed in Form 15G and 15H u/s 197A of the I.T. Act shall not be valid unless the person filing the declaration furnishes his PAN in such declaration.

6. Minors' Accounts

i) Saving Bank account and Term Deposit Accounts including Recurring Deposits can be opened in the name of minor (known as Minor's Account) by natural guardian or guardian appointed by court (legal guardian). Savings Bank Account or Term Deposit Account can also be opened in the name of a minor jointly with natural guardian or with mother as the guardian (known as Minor's Account) or jointly with a major, where minor is represented by natural guardian.

ii) Minors above the age of 10 years- Bank may allow to open and operate savings bank account independently. KYC norms & due diligence of minor should be ensured while opening and operating these accounts. Additional banking facility of an ATM/ debit card is given to a self-operating Minor Account, subject to the safeguard that minor accounts are not allowed to be overdrawn and that these always remain in credit.

iii) On attaining majority on the same day account should be inoperative till the time customer converts the minor account to major with required KYC documents. Thus, banks should initiate the prior communication to Minor accounts that would attain to majority. On attaining majority, the erstwhile minor should confirm the balance in his/her account and if the account is operated by the natural guardian / guardian, fresh specimen signature of erstwhile minor duly verified by the natural guardian, fresh set of KYC Documents of the erstwhile minor, would be obtained and kept on record for all operational purposes.

7. Accounts Of Illiterate Person

An illiterate person (thumb impression) person may open an Ordinary Savings Bank account in his sole name. The Bank may at its discretion open other 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 person. No debit cards will be issued to such accounts.

An Illiterate person (thumb impression)/ Blind person may open an account jointly with other person(s). No cheque book/debit card/netbanking facilities will be issued to such accounts. The mode of operations for such joint accounts would be as follows :

Type of Account	Mode of Operations	E Services/Cheque Book
Account opened by person Thumb impression –first holder Literate –second holder	Former or Survivor OR Jointly only	No Cheque Book/Debit card/Net Banking
Account opened by person with Literate –first holder Thumb Impression –second holder	Jointly	No Cheque Book/Debit card/Net Banking
Joint account in which both the a/c holders are with thumb impression	Jointly	No Cheque Book/Debit card/Net Banking
More than two names and one of them with thumb impression and other two literates	Jointly only	No Cheque Book/Debit card/Net Banking

A literate person who opens an account and subsequently loses the ability to affix his signature due to an accident / old age and other health related issues does not fall in the category of an illiterate person with a thumb impression. Cheque Book/ Debit Card /Net Banking facilities provided to such accounts will continue despite the thumb impression that the customer may affix for Banking transactions.

8. Account of Visually Challenged Persons

Bank will facilitate opening of Saving Bank accounts as well as Term Deposit accounts of persons with visual impairment. Such accounts will be operated by the accountholder personally. Cheque book facility will be made available. Such accountholders will have to be present before the branch official and affix thumb impression and they will be identified through their photograph to facilitate operations. Bank is also committed in introducing technology banking facilities progressively via ATM & Internet banking in keeping with the availability of supporting technology which will enable visually challenged persons to operate their own accounts.

9. Account of persons with autism, cerebral palsy, mental retardation & multiple disabilities

Savings bank and term deposits can also be opened in the name of persons with autism, cerebral palsy, mental retardation and multiple disabilities by the legal guardian appointed by the District Court under Mental Health Act, 1987 or by the Local Level Committees set up under the National Trust for welfare of persons with autism, cerebral palsy, mental retardation and multiple disabilities under Disabilities Act, 1999. Legal guardian, so appointed, will furnish an indemnity-cum-undertaking bond duly stamped as per the local law in force along with Guardianship Certificate.

10. 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.

11. 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 should be strictly with the consent of the account holder.

12. Secrecy Of Customers' 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.

13. Premature Withdrawal of Term Deposit

The Bank on request from the depositor/all depositors, 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. The Bank shall declare their penal interest rates policy for premature withdrawal of term deposit. The Bank shall make depositors aware of the applicable rate along with the deposit rate.

14. Premature Renewal of Term Deposit

In case the depositor desires to renew the deposit by seeking premature closure of an existing term deposit account, the Bank will permit renewal 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 on the date of deposit to the period for which the deposit remained with the bank and not at the contracted rate. Further, the bank may levy penalty for pre-mature closure of an existing deposit at such rates as may be decided by the bank from time to time.

15. Renewal of Overdue Term Deposits

When a term deposit is renewed on maturity, interest rate for the period specified by the depositor as applicable on the date of maturity would be applied on the renewed deposit. If request for renewal is received after the date of maturity, such overdue deposits will be renewed with effect from the date of maturity at interest rate applicable as on the due date, provided such request is received within 14 days from the date of maturity. In respect of overdue deposits renewed after 14 days from the date of maturity, interest for the overdue period will be paid at the prevalent SB rate till the date of renewal. In case of withdrawal of the Term Deposit, prevalent SB rate of interest will be paid from the date of maturity to date of closure of the account.

16. Advances Against Deposits

The Bank may consider request of the depositor/s for loan / overdraft facility against term deposits on execution of necessary security documents. The Bank may also consider loan against deposit standing in the name of minor. However, a suitable declaration stating that loan sought is for benefit of the minor, is to be furnished by the depositor/applicant.

17. Settlement Of Dues In Deceased Deposit Account

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

ii) The above procedure will be followed even in respect of a joint account where nomination is registered with the Bank. In the case of joint accounts, the nominee's right arises only after the death of all the depositors.

iii) In a joint deposit account, 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.

iv) In the absence of nomination and when there are no disputes among the claimants, the Bank will pay the amount outstanding in the account of deceased person as per the procedure prescribed by the Bank for Settlement of dues of Deceased Holders.

18. Interest Payable On Term Deposit In Deceased Account

(i) In the event of death of the depositor before the date of maturity of deposit and 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 to the date of payment, the Bank shall pay interest at Savings Deposit rate for the period for which the deposit remained with the Bank beyond the date of maturity; as per the Bank's policy in this regard.

(ii) If the amount of deposit is claimed before the date of maturity, interest at the rate applicable to the period for which the deposit has remained with the bank will be paid.

(iii) In the case of death of the depositor after the date of maturity of the deposit, the Bank shall pay interest at savings deposit rate operative on the date of maturity from the date of maturity till the date of payment.

19. Repayment of Term Deposits

On maturity Term Deposits may be renewed or closed. Maturity proceeds will be credited to the Account of the Deposit holder with the Bank. In case the deposit holder does not have an account with the Bank, the maturity proceeds will be paid by way of a Banker's Cheque / NEFT favoring the deposit holder. No third party payments are permitted. Maturity proceeds cannot be paid in cash. Cash payment is permitted only if the maturity value does not exceed Rs 20,000.00. Maturity proceeds cannot be paid in cash even when a depositor holds multiple deposits with varying maturity dates, and where the maturity proceeds of any or all of those multiple deposits shall be less than Rs. 20,000/- individually, since cumulative holding of the depositor is required to be taken into account, to determine whether cash payment can be made or not.

20. 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 either by way of a notice board or by displaying on the Bank's website.

21. Stop Payment Facility

The Bank will accept stop payment instruction from the depositors in respect of cheques issued by them. The acceptance will be in cases where the Cheque in question has not been paid by the Bank. Charges, as specified, will be recovered.

22. Dormant Accounts / Inoperative Accounts

Accounts which are not operated for a period of 2 years the status of the Account will be marked as a dormant account. No charges will be levied on dormant accounts. The depositor can request the Bank to activate the account for operating it after completing certain formalities.

At present Savings Bank and Current accounts are treated as 'inoperative/dormant' if there are no debit as well as credit transactions induced at the instance of customers in the account for a period of over two years. Customer mandated transactions are treated as customer induced transactions and the accounts are treated as operative.

23. Accounts of Transgender persons

In case of a person claiming to be transgender and needs to open account or to do any banking transaction, the person will be recognized as "Third Gender" and the details shall be accepted in the AOFs/ or other applicable forms as such. The salutation of such person shall be "Mx" All transgender customers shall be treated equally to other male/ female customers without any discrimination.

24. Depositors Education & Awareness Fund (D.E.A.F.)

Any account which has not been operated upon for a period of ten years or any deposit remaining unclaimed for more than ten years is transferred to D.E.A.F. with RBI, within a period of three months from the expiry of the said period of ten years.

The customer /depositor can claim from the bank his/her deposit or operate his/her account anytime even though the amount in the account/the deposit has been transferred to RBI, provided the prescribed procedure is followed.

25. Redressal of complaints and grievances

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 process set in place is as under:

(i) A standardized complaint registers is available at branches and kept at prominent place in the branches which would make it possible for the customers to enter their complaints.

(ii) A system of acknowledging the complaints is available, where the complaints are received through website.

(iii) The names of the officials who can be contacted for redressal of complaints, together with their direct telephone number, fax number, complete address and e-mail address etc. for proper and timely contact by the customers and for enhancing the effectiveness of the redressal mechanism is prominently displayed at our website.

In case the depositor does not get response from the Bank within 30 days 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.