



Deposit Policy

1. Introduction

Traditionally, banking is defined as acceptance of deposits from the public for the purpose of lending. The depositors and their interests form the key area of the regulatory framework for banking in India as stated 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 their own Policy on Deposits and to offer 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 deposit accounts. 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 has to get services they are rightfully entitled to receive without demand.

While adopting this policy, the bank reiterates its commitments to individual customers outlined in Code of Bank's 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 to branches from time to time.

2. CATEGORIES OF ACCOUNTS

The deposit products/services offered by the Bank, can be categorized broadly into the following types:

- a) "Demand deposits" means a deposit received by the Bank, which is withdrawable on demand; "Current Account" is 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
- b) "Savings deposits" means a form of demand deposit, which is subject to restrictions as to the number and amount of withdrawals permitted by the Bank during any specified period as also restrictions on the eligibility to open such accounts.
- c) "Recurring Deposits" means a form of deposit, which stipulates remittance of regular installments for a pre-fixed period at pre-fixed intervals by the customer. It forms part of term deposits.

- d) "Term deposit" means a deposit received by the Bank for a fixed period withdrawable only after the expiry of the fixed period and includes deposits in which interest is reinvested.

3. ACCOUNT OPENING

- a) 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)

Current Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies / Trusts, etc.

Term Deposits Accounts including recurring deposits can be opened by individuals / Partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates / Societies / Trusts, etc.

- b) The Bank before opening any deposit account will carry out due diligence as required under the KYC/AML policy of the Bank and under various guidelines issued by RBI and Government. 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
- c) The due diligence process, while opening a deposit account will involve satisfying about the identity of the person, verification of address, satisfying about his occupation and source of income. Bank will call for necessary documents for verifying these details.
- d) At the time of opening an account, usual KYC norms are observed which establish the identity and address of the prospective customer. Introduction of a prospective customer by another reliable existing customer is not dispensed with. Introduction is not a mere formality, but should be properly obtained to ensure prospective customer's identity and to get protection under sec.131 of Negotiable Instrument Act. Customers should be educated to realise the implications of introducing an account without knowing the new parties. However the Bank shall use its discretion to waive the requirement of introduction in cases where it is fully satisfied with the KYC compliance of the applicant.
- e) The bank shall obtain photographs of the depositors/account holders and those who are authorised to operate the accounts at the time of opening of all new accounts. The photographs should be recent. Bank may not insist for photographs in case of accounts of staff members (Single/Joint).
- f) In the Core Banking platform, bank is allotting a customer ID for each individual customer on the basis of Customer Information Form.
- g) In addition to the due diligence requirements, under KYC norms the Bank is required by law to obtain Permanent Account Number (PAN) or General Index Register (GIR) Number or alternatively declaration in Form No. 60 or 61 as specified under the Income Tax Act / Rules and as per the directives from time to time from IT authorities.
- h) While opening current accounts, Bank shall obtain a declaration from the prospective account-holder to the effect that he is not enjoying any credit facility with any other bank or obtain a declaration giving particulars of credit facilities enjoyed by him with any other bank(s). The bank shall also seek No-objection certificate from such banks. However, in

case no response is received from the existing bankers after a minimum period of a fortnight, bank may open current accounts of prospective customers. Further, where the due diligence is carried out on the request of a prospective customer who is a corporate customer or a large borrower enjoying credit facilities from more than one bank, the bank may inform the consortium leader, if under Consortium, and the concerned banks, if under multiple banking arrangement.

- i) 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; it is expected of the Bank official opening the account, to explain the procedural formalities and provide necessary clarifications sought by the prospective depositor when he approaches for opening a deposit account.
- j) For deposit products like Savings Bank Account and Current 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 Saving 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 cheques 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, which are in force, will be communicated to the prospective depositor while opening the account
- k) **Senior Citizen Deposit scheme** - The Bank offers a higher rate of interest on Fixed Deposits within the Minimum and Maximum range of as stipulated by the RBI from time to time. The Bank would also be guided by all applicable income tax rules pertaining to fixed deposits held by Senior Citizens
- l) **Minors** - Minors, having attained the age of 12 years and able to read and write, are allowed to open account singly, but no cheque-book will be issued against such account.

In case of minor's account operated by the guardian, the right of the guardian to operate the account will cease upon the minor attaining majority. Any balance in the account will be deemed to be the exclusive property of the minor who has attained majority; and further withdrawals from the account will be allowed to the erstwhile minor alone after completing procedural formalities.

- m) **Right of closure of account:** Bank reserves the right to close any account with prior intimation if it is not operated satisfactorily. The Bank's decision in such matter will be final.
- n) 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 should 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.

- n. In order to facilitate access to banking facilities by visually challenged persons, bank shall offer banking facilities including cheque book facility / operation of ATM/ locker etc., to the visually challenged as they are legally competent to enter into contracts. Bank shall offer all the banking facilities such as cheque book facility including third party cheques, ATM facility, Net Banking facility, locker facility, retail loans, credit cards etc., to the visually challenged without any discrimination, if they agree to take the risks associated with availing these facilities and assumes full responsibility for the losses, if any suffered by him/her as well as the bank on account of his/her availing such facilities. Opening and operation of such accounts shall be subject to special rules framed by the bank to protect the interests of the visually challenged customers.
- o. The opening of new accounts should be authorised only by the Branch Manager or by the Officer-in-Charge of the concerned deposit accounts section at bigger branches.
- p. The bank will ensure that all account opening formalities are undertaken at the bank's premises and no document is allowed to be taken out for execution. Where it is necessary to make exception of the above rule, bank may depute a duly authorized official (of the branch, marketing wing, admin. office etc) to verify the particulars and to obtain the account opening forms duly completed along with photograph and other documents.
- q. 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 favour of one individual only. Nomination so made can be cancelled or changed by the account holder/s any time.
- r. To enable the lowest strata of the society to have access to banking services, as part of Bank's programme for financial inclusion and to provide them hassle free account opening and operating process, bank has designed 'No-Frills Savings Account' scheme. Details can be had from the branches.

4. OPERATION OF ACCOUNTS

- a) Accounts can be opened in single names or joint names; they can also be operated singly or jointly as per the instructions given at the time of opening the account or given/amended thereafter from time to time.
- b) The Joint Account opened by more than one individual can be operated by any single individual or jointly by more than one individual. 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.
- c) 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 along with interest, if applicable, will be paid to survivor on death of anyone of the account holders. (ii) Anyone or Survivor/s : 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 the survivor on death of any two accountholders. Similarly operation by 'former or survivor', 'Latter or survivor' etc. are also permitted. In the case of term deposits, such 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.

- d) 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.
- e) At the request of the depositor, the Bank may register mandate / power of attorney given by him authorizing another person to operate the account on his behalf.
- f) A statement of account will be provided by the Bank to Savings Bank as well as Current Deposit Account Holders periodically as per terms agreed upon mutually.
- g) Term deposit accounts may be transferred to any other branch of the Bank at the request of the depositor. Customers can also transfer SB and CA accounts from one branch to another branch. However, since the account number is created based on the sole ID of the respective base branch, bank will close the existing account and allot a new account number.

5. PAYMENT OF INTEREST

- a) Interest shall be paid on savings account at the rate specified by Reserve Bank of India from time to time. Term deposit interest rates are decided by the Bank within the general guidelines issued by the Reserve Bank of India from time to time.
- b) 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 interest payment scheme, 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, details of which can be had from the branches.
- c) 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 communicated upfront and shall be prominently displayed. All these details will be available in the Bank's website also.
- d) When a term deposit is renewed on maturity, interest rate on renewed deposit for the period specified by the depositor as applicable on the date of maturity would be applied. Auto renewed concept is introduced in the bank to facilitate the customers and to avoid interest loss. Such deposits are renewed / closed based on the customer's instruction and as per policy decided upon from time to time, as per directives received from RBI / IBA or such appropriate authorities. Such policy will be explained to depositors at the time of opening of account.
- e) Every person whose interest receipts are subject to deduction of tax at source (i.e. deductee) shall compulsorily furnish his PAN to deductor, failing which tax on interest on resident deposit shall be deducted at a source at higher rate of 20% instead of 10%. Declaration in Form 15G/15H, if submitted, shall be invalid unless the correct PAN is furnished in the declaration and consequently interest payable to such Customer shall be liable for deduction of tax at source at higher rate of 20%. Where the PAN provided to the deductor is invalid or does not belong to the customer, it will be ignored and the higher rate of TDS (20%) shall be applicable.
- f) 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, at a penalty prescribed by the Bank from time to time, which will be disclosed to the customer at the time of opening the deposit. As per the present policy, bank will pay the rate applicable for the period the deposit remained, after deducting 1%.

- g) In case the depositor desires to renew the deposit by seeking premature closure of an existing term deposit account, the bank will permit the renewal as per policy decided upon from time to time, as per directives received from RBI / IBA or such appropriate authorities. Such policy will be explained to depositors at the time of opening of account.

6. LOAN 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, however, a suitable declaration stating that loan is for the benefit of the minor, is to be furnished by the depositor – applicant and bank is convinced of the bonafides of the request.

7. SETTLEMENT OF DUES IN DECEASED DEPOSIT ACCOUNT

- a) 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. The above procedure will be followed even in respect of a joint account where nomination is registered with the Bank.
- b) 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 to avoid delays in production of legal papers by the heirs of the deceased.
- c) 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 against joint application and indemnity by all legal heirs or the person mandated by the legal heirs to receive the payment on their behalf without insisting on legal documents up to the limit approved by the banks board. To ensure that the common depositors are not put hardship on account of delays in completing legal formalities, Bank has framed a policy for settlement of claims, details of which can be had from the branches.
- d) 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 maturing to till date of actual payment, at the rate ruling on the date of maturity.
- e) However, 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 obtaining on the date of maturity from the date of maturity till the date of payment.

8. OTHER MATTERS

- a) **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.
- b) **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.
- c) **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.
- d) **Stop Payment Facility:** The Bank will accept stop payment instruction from the depositors in respect of cheques issued by them. Charges, as specified, will be recovered.
- e) **Dormant/Inoperative Accounts:** A savings as well as current account shall be treated as inoperative if there are no transactions in the account for over a period of two years. The bank shall strive to contact the customer to inform the inoperative/dormant status of the account. In case any reply is given by the account holder giving the reasons for not operating the account, the 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, the Banks shall classify the same as inoperative account after the expiry of the extended period. For the purpose of classifying an account as 'inoperative' both the type of transactions i.e. debit as well as credit transactions induced at the instance of customers as well as third party should be considered. However, the service charges levied by the bank shall not be considered. Further, the segregation of the inoperative accounts is from the point of view of reducing risk of frauds etc. However, the customer shall not be inconvenienced in any way, just because his account has been rendered inoperative, except for operation through ATM/internet banking channel. The classification is mainly to bring to the attention of dealing staff, the increased risk in the account. The transaction may be monitored at a higher level both from the point of view of preventing fraud and making a Suspicious Transactions Report. However, the entire process shall remain un-noticeable by the customer, to the extent possible. Operation in such accounts will be allowed after due diligence as per risk

9. REDRESSAL OF COMPLAINTS AND GREIVANCES

Depositors' having any complaint / grievance with regard to services rendered by the Bank has a right to approach authority designated by the Bank for handling customer complaint / grievances. The bank has got a grievance redressal policy, which is published in the website. The details of the internal set up for redressal of complaints/grievances will be available at the branches. 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 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.

Force Majeure:

Bank shall not be liable if any transaction does not fructify or may not be completed or for any failure on part of the bank to perform any of its obligations contemplated hereunder if performance is prevented, hindered or delayed by a force majeure event (defined below), and in such case its obligations shall be suspended for so long as the Force Majeure. "Force Majeure Event" means any event due to any cause beyond the reasonable control of the Bank, including without limitations, unavailability of any communication systems, breach, or virus in the processes or payment or delivery mechanism, sabotage, fire, flood, explosion, natural disasters or other "Acts of God", war, damage to the bank's facilities or of its correspondent bank(s), civil commotion, strikes or industrial action of any kind, riots, insurrection, war, acts of government, computer hacking, unauthorized access to computer data and storage devices, computer crashes, malfunctioning in the computer terminal or the systems getting affected by any malicious, destructive or corruptive code or program, mechanical or technical errors/failures or power shut down, faults or failures in telecommunication etc., which prevents it from performing its obligations within the specified service delivery parameters.

Right to alter or add Rules:

The Bank reserves the right to alter or add to these rules and such alteration and additions shall be binding on the account holder. Such alteration will be made known to the account holder through website.