

Deposit Policy – 2023-24.

Preamble:

Bank 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 / advice 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.

Introduction:

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 regarding 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.

1.Purpose of Policy

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. This document is a broad framework under which the rights of common depositors are recognized.

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- c) "Term deposit" means a deposit received by the Bank for a fixed period and can be withdrawn only after the expiry of a fixed period and includes deposits such as Recurring/Cash Certificates /Short Term Fixed Deposits/Long Term Fixed Deposits/Flexi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

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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 categories 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 fulfil 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 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 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 passbook, 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 25,000.00 per day. After considering the need and requirement of customer, Branch Manager should take decision regarding the withdrawal of amount greater than Rs.25,000/-. He is also supposed to take utmost care of customer as well as fund management of the Branch.

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. 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.

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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 Minors 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.

L) 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. M) 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 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 account holder 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.

N) 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.

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O) 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 can be made in favour 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. P) 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. Periodic review of interest rates on Savings Accounts and Domestic, NRE and NRO term deposits in Rupees is done by the Asset Liability Committee (ALCO). Chief Executive Officer is the Chairman of the ALCO committee. The other members include Head - Treasury, Head – Accounts Head - MIS, Head – Planning and other executives. The ALCO committee meets periodically, at least once in a month. Among other activities, ALCO Committee reviews the cost of deposits, yield on advances and business projections. Views on interest rate movements and deposit rates offered by other banks are discussed. After considering all the relevant aspects, ALCO Committee decides whether to change or not to change the interest rates on liability products. If ALCO Committee decides to recommend changes in the rates offered on Savings Accounts and/or deposit products, a note with the recommendations from ALCO Committee with reasons for changes and details of slab wise changes is placed to the Board for approval. On receipt of approval from the Board, internal circular with regards to revised interest rates is released and the same is then published on Bank's website and notice boards of all branches. Necessary changes at system level are also made. At times, when the changes in interest rates are to be effected immediately, the rates are changed after the recommendations of ALCO Committee and ratification from the Board is obtained in the next Board meeting. The Board has delegated the powers to review the interest rates on Foreign Currency Non-Resident (FCNR) and Resident Foreign Currency (RFC) deposits denominated in foreign currencies to the Head – Treasury. . Interest on SB accounts is paid on daily product basis. Interest rate on None

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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% wherever 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 the date of death of the Individual holder/ Proprietor, 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. (As Per RBI Master Direction DCBR.Dir.No.1/13.01.000/2015-16 Dt. 12.05.2016)

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. Staff

b. Senior Citizen

vii) Differential interest rate shall be offered only on bulk deposit. (As Per Reserve Bank of India Circular Dt. 03rd March 2016 & updated on 11th November 2021 point no.7 (ii),)

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 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.

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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 another person(s). No cheque book/debit card/net banking facilities will be issued to such accounts. The mode of operations for such joint accounts would be as follows:

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.

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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. 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.

12. 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.

13. 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.

14. 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 savings rate or contracted rate of the matured Term Deposit whichever is lower till the date of renewal. In case of withdrawal of the Term Deposit, prevalent savings rate or contracted rate of the matured Term Deposit whichever is lower will be paid from the date of maturity to date of closure of the account.

15. 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.

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16. 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.

v) If there is loan(s) in the name of deceased depositor, Bank have right to recover the loan amount first through his/her deposits. Only after completion of loan, balance amount / proceeds of deposit should be handover to the legal heirs of the deceased Deposit holder.

17. 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 Banks 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.

18. 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 favouring 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.

19. 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.

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20. 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.

21. 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.

22. 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.

23. RBI Circulars – Master Directions for reference: -

Vide RBI Circular No. / DCBR / 2015-16 / 2, as per Master Direction DCBR.Dir.No.1 / 13.01.000 / 2015-16, dated - May 12, 2016, important provisions are as follows:

1) Interest is paid on all deposits except current deposit account. (Exception - In the event of death of the sole 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. In current accounts, where Swadhan Scheme was linked, interest shall be given to such current accounts as per prevailing deposit scheme.

2) The interest rates are the same for all the branches of the bank and there is no difference / discretion in the interest rates and same are declared in advance. There is no difference in interest rates between depositors and banks.

3) If the amount of interest being paid by the bank is in paise, it should be converted in nearest rupee and paid the same.

4) If the deposit receipt expires on the holiday, holiday interest will be paid to the customer at the interest rate of the deposit receipt.

5) All savings account holders with a balance of up to Rs 3 lakh have a uniform interest rate; separate interest rate will be paid to the savings account holders who maintain balance on it, i.e. above Rs.3 Lakh.

6) The interest rate on the deposit is related to the amount and duration and interest is not paid only at the contracted rate. If the deposit is closed prematurely within at least 7 days, no interest will be paid on it.

7) Savings Deposit Account pays interest on quarterly basis. Even frozen or non-operating accounts pay interest at the savings deposit interest rate.

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8) Our bank has received AD Category II license. Accordingly, we can open NRE Saving Deposit (GL CODE 2203), NRO Saving Deposit (GL CODE 2204). The Department of Foreign Exchange has given detailed information in this regard and same is conveyed to all branches as per Branch Circular No. 56/18 dated 14/01/2013. A copy of this circular is also available on the banks intra mail. The bank cannot record any direct or indirect lien on NRE Saving Account.

9) The bank has to decide on the penalty to be levied at the time of early closure of the deposit. The Bank reserves the right to change it. However, it is important for the bank / branch to inform the customer about the penal interest as well as the interest rate on term deposits. On the back of the receipt, the penalty to be levied at the time of early closure of the deposit will be mentioned.

10) Excluding bulk deposits of individuals and Hindu Undivided Family, bank may close and repay all other large deposits before due date. The bank only needs to clarify the matter while accepting the deposit.

11) In order to renew the deposit receipt, the customer needs to give clear instructions on the back of the receipt. In it the customer is required to specify the deposit period. If such period is not specified, the receipt should be renewed for the same period as the original receipt.

Vide Reserve Banks Master Circular no. RBI / 2015-16 / 5 DCBR.BPD. (PCB) MC. No: 6 / 13.01.000 / 2015-16 Dated - July 1, 2015, following action work mentioned specifically.

Sick account holders or account holders undergoing treatment at the hospital or account holders who are unable to come to the bank and withdraw money due to old age, for these customers, according to the current practice, a staff of the branch goes to the concerned account holder by signing the withdrawal slip / cheque, handing over the amount to the relatives of the concerned account holder. If the account holder is not able to sign at such time, then signature of doctor will be taken on the back of the withdrawal slip / cheque, or the money is withdrawn from the account holders account by taking a medical certificate from them separately. A responsible staff / officer of the bank will be present at the time / transaction. Such staff should be present at that time and sees the situation and takes action accordingly.

Accordingly, those account holders who cannot sign due to illness, cant come to the bank due to old age, or hospitalized due to illness, demands are made from such account holders or their relatives to the

branches for the amount held with accountholder. While taking signatures from account holders, two witnesses are required. One of the witnesses should be the responsible bank officer of the bank. However, when the account holder cannot sign / thumb on withdrawal slip / cheque, also at a time when account holders cannot come to the bank, in such a case, the responsible officer of the bank has to go to the account holder and take a mark on the withdrawal slip / cheque. This mark will be able to continue in any way. But even then, two witnesses are required to take the mark from the account holder. One of the witnesses must be the responsible bank officer of the bank.

While proceeding as mentioned above, the amount in the account holders account should be handed over to whom exactly, it should be need to ask this from the bank officer to accountholder. Accordingly, the signature of the said person should be taken on the back of the withdrawal slip / cheque after completing the identification of the said person. 2 witnesses are also required for this proceeding. One of the witnesses must be the responsible bank officer of the bank.

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In addition to customers who can't sign because they don't have both hands, in this regard The Reserve Bank has given guidance on opening accounts of such persons in their Master Circular 5.8.4. Accordingly, the mark made by such a person in any way (e.g., mark of toe or heel or mark of any part of the body) should be treated his / her signature. However, it is necessary and mandatory for the person with disability to make any mark on the withdrawal slip.

Reserve Bank of India through their Master Circular. 5.8.1 to 5.8.4 convey the same to all banks and the same matter will also be included in the "Deposit Policy" for the year 2022-2023. All the above matters are being reported to the branches so that there should be co-ordination in all the branches in this regard. However, all the employees will be informed about this, and the work will be done as per the instructions of the Reserve Bank. (Reference: Reserve Banks Master Circular No. RBI / 2015-16 / 5 DCBR.BPD. (PCB) MC. No: 6 / 13.01.000 / 2015-16 dated July 1, 2015.)

5.8.1. To facilitate old / sick / incapacitated bank customers to operate their bank accounts, procedure as laid down in paragraph 5.8.2 below may be followed. The cases of sick / old / incapacitated account holders fall into the following categories:

(I) an account holder who is too ill to sign a cheque / cannot be physically present in the bank to withdraw money from his bank account but can put his / her thumb impression on the cheque / withdrawal form, and

(ii) an account holder who is not only unable to be physically present in the bank but is also not even able to put his / her thumb impression on the cheque / withdrawal form due to certain physical defect / incapacity.

5.8.2 (I) Wherever 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.

(ii) Where the customer cannot even put his / her thumb impression and would not be able to be physically present in the bank, a mark obtained on the cheque / withdrawal form which should be identified by two independent witnesses, one of whom should be a responsible bank official.

5.8.3 In such cases, the customer may be asked to indicate to the bank as to who would withdraw the amount from the bank on the basis of cheque / withdrawal form as obtained above and that person should be identified by two independent witnesses. The person who would be drawing the money from the bank should be asked to furnish his signature to the bank.

5.8.4 In this context, according to an opinion obtained by the IBA from their consultant on the question of opening of a bank account of a person who had lost both his hands and could not sign the cheque / withdrawal form, there must be physical contact between the person who is to sign and the signature or the mark put on the documents. Therefore, in the case of the person who has lost both his hands, the signature can be by means of a mark. This mark can be placed by the person in any manner. It could be the toe impression, as suggested. It can be by means of mark which anybody can put on behalf of the person who has to sign, the mark being put by an instrument which has had a physical contact with the person who has to sign.

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As per RBI Circular No. /DCBR.BPD. (PCB)M.C.No.6/13.01.000/2015-16 dated - 1st July 2015, following information / matters are included in the said policy.

1) No signature / identity of old account holder is required on account opening form while opening a savings / current deposit account. It is also not compulsory / obligatory as per PML Act & Rules thereunder. However, according to the KYC policy, it is necessary to take the complete KYC documents of these account holders.

2) The right to open an account in the name of an minor, regardless of his age, the right to open an account and transactions done in his/her account, these rights will be granted only to the natural parents or legal guardians of the minor account holder. Also, ATM / Debit Card, Net Banking, Cheque Book, etc. can be availed by legal parents on behalf of the minor account holder. However, while opening accounts under the Banks Sukumar and Chiranjeev schemes, it does not require the signature of the account holders natural or legal parent. Account transactions can only be done in the name of minors but while opening an account, parental consent is required on this form.

3) Minor Account holder after completing his / her 18 years of age should close his / her account under Banks Sukumar and Chiranjeev schemes and open a new savings account. At the same time it will be necessary to submit the confirmation of the balance in the old account to the bank. It will be also mandatory for him to submit complete latest KYC documents.

4) Nomination facility has been made available by the bank to all customers. Customers should be informed about that and urged to register nomination. If the customer does not want to be nominated, such should mention, and signature of depositor should be taken on record. If the customer is not ready for registering nomination, the bank official should take it on record (mentioned the same on account opening form).

5) At the time of opening of Current Account, Declaration of having no any Cash Credit Account in any other Banks should be taken on record. It is compulsory. If there is Cash Credit Account in any other Bank, our Bank should communicate the same to the concerned Bank and NOC of such other Bank should be taken on record.

6) If the minimum amount prescribed by the bank is not kept in the account, minimum balance charges will be levied on it.

24. For day-to-day Banking activity due attention should be given on: -

1) While accepting any type of deposit, it is mandatory for the customer to fulfil KYC first as per the KYC policy.

2) The Banks policy is to increase low-cost deposits / CASA; hence emphasis should also be placed on increasing the number of customers and small depositors accordingly.

3) While accepting deposits at different times, the bank is required to follow the rules laid down for the scheme.

4) While accepting new bulk personal deposits (Bulk Deposit), proper verification of Sources of Funds is required as per the provisions of Prevention of Money Laundering Act.

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5) As per approval of Hon. Board of Director's meeting dated 27th November 2017, all existing deposits in the bank will be renewed permanently from 01 January 2018. (Excluding to deposits held by depositors under income tax relief scheme)

6) Expired deposit schemes declared before 01 January 2018 or under special scheme, expired but not demanded term deposits will be renewed from the expiration date. If the term deposit is to be renewed from the date of expiry of the term deposit, Savings deposit interest rate on it or interest rate applicable as per contract at maturity of term deposit, whichever is lower, the interest rate will continue to apply. (As per RBI Circular No. RBI / 2021-22 / 66 DoR. SPE.REC.29 / 13.03.00 / 2021-22 dated 02.07.2021)

If Term Deposit Receipt auto-renewed and if the concerned account holder does not want to renew the deposit receipt, and if the account holder demands within 07 days from the date of renewal of the deposit receipt, there is no need to take Before Maturity Application and should not charge interest, maturity amount (TDS deducted) should be paid at the time of Auto Renewal of Fixed Deposit Receipt. In case of such demand is within a period of 07 to 14 days, before Maturity Application must be taken on record, interest should be charged as per rules without levying penalty. Also, if such demand arises after 14 days, action should be taken as per prevailing method by taking Before Maturity Application.

7) Deposits accepted at the proposed interest rate for a period of 7 to 180 days, penalty interest should not be charged for early closure. (E.g. deposit for 180 days and closing prematurely on 50th day, it should pay interest at the rate for the corresponding period. Also, if it is closed prematurely on the 95th day, interest should be paid at the rate for that period).

8) If Deposits held for a period from 181 days onwards are closed prematurely for any reason, as per prevailing rules, 1% penalty interest will be applicable for all.

9) Penalty interest will be charged for overdue instalments on the Recurring deposit account. Up to 60 overdue instalments for per Rs.100/- Rs.1.50 will be charged and if there is more than 60 overdue

instalments for per Rs.100/- Rs.2.00 will be charged. Accordingly, penalty interest will be deducted from the amount due at the end of the maturity of the recurring account.

10) At the request of the apprentice, probationary or contracted staff, 1% extra interest rate will be available on their term deposit during the service period of their bank, but if the service of apprentice, probationary and contracted staff is terminated for any reason, (due to expiration of contract period or before contract period), or if his/her service is interrupted for some reason, excess interest rate concessions available to such staff during their service period will not be available after their service period to such apprentices, probationary or contracted staffs, current 1% extra interest rate will be applicable till the expiry of their current term deposit. Subsequent renewals and new deposits will not be entertained for 1% extra interest rate.

11) Staffs whose regular service tenure is finished (55 or 58 years of age as per existing rules) and retired as per bank rules, such retired employees will be eligible for additional 1% interest rate. This means that the concession will not be available to the staffs for any reason, who do not fulfil this criterion. Also, those staff who have retired from the age group of 55 to 58 years by taking 1 or 2 extensions, or staff who resigned the service after completion of 20 years, that staff are eligible for getting extra 1% interest rate on their deposits.

12) Staff Society / Welfare Association of Staff are also eligible for 1% extra interest rate.

13) Any changes to be made in above stated No.(6) (7) & (8) or to sanction extra interest rate for bulk deposits (deposits above Rs.15 Lacs) powers will be delegated to Joint GM, Treasury & Joint GM, Planning Jointly.

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14) Former employees of the bank as well as senior citizens who have retired from permanent service of the Bank (Age limit 60 years completed), interest rate paid to senior citizens and employees of bank considering both such interest rate concessions together, there is a rule that interest rates up to 1.50% higher than the interest rate applicable to ordinary deposits can be paid. Right to accept / reject concessions / changes in this rule will remain with Hon'ble board of directors. (As per bank circular No. Ho/Admin/23/4188 Dt. 31.01.2019)

15) Spouses of deceased (current / ex) employees of the bank will be given 1% extra interest rate for the employees. But while giving 1% extra interest rate to Spouses of deceased, declaration should be taken on record that, the amount deposited in such deposit is of that of deceased staff.

16) No individual or entity (E.g., Senior Citizen, Current Staff / Ex-Staff) can take advantage of two interest rates at the same time.

17) Income tax deduction will be applicable as per Income Tax Act for interest on all types of deposits.

18) According to the Income Tax Act, after deducting income tax on the interest on the deposit, bank transfer said income tax amount to income tax department. Therefore, the interest cannot be paid to the depositor on the said amount. Hence, as proportionate with TDS deducted, at the time of due date, after deducting such interest on TDS due amount should be pay accordingly.

19) The prevailing interest rates will be applicable to new deposits or renewals in the bank from time to time.

20) To take advantage of interest rate hikes, depositors who have closed their term deposits prematurely and reinvest the amount after premature deposit closure, interest rate are applicable for the term of the term deposit (at the time of deposit) or interest will be charged at a lower rate than the Contractual Rate of the original deposit. However, the deposit period to be reinvested is more than current deposit tenure (deposit, which will be closed before maturity) then at that time penal interest should not be applied for before maturity.

21) If a person in the joint account is a senior citizen and If they have demanded to pay interest rate to them as per senior citizens rate, such deposits will be charged interest rate accordingly.

22) To take advantage of the extra interest rates that apply to employees, concession should be given to the staff, regardless of the order in which the deposit is in joint name. However, it should include only the staff and staff's family (husband / wife, son, daughter, and parents). But written confirmation should be taken on record from the concerned staff (Current Staff / Ex-staff, Senior Citizen having completed age of 60) that such deposit is of his own.

23) Cases regarding deceased depositors will be handled as per the prevailing procedure set by Legal Department, Head Office.

24) Bank should accept deposits from customers under Income Tax Deposit Scheme in Monthly as well as Quarterly Interest Deposit.

25) Minimum Balance Charges to be levied by the bank on the minimum balance amount as per prevailing rules. (Information about these charges will be displayed on the banks website as well as in the visible areas of the branch).

26) Prior notice should be given to the concerned account holder at least 3 months before marking account as inoperative / dormant.

27) As the account is inoperative / dormant, the bank will not charge any charges for it. However, to make this account operational again, the concerned account holder has to update KYC.

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28) Witnesses are not required to register the name of the nominee, where account holder/s is /are literate and in a position to sign on the form. But for thumb bearing account holders, two witnesses are required.

29) Savings Deposit Account should be considered as BASE ACCOUNT of the customer in the bank. Therefore, the above account information should be constantly updated, Necessary changes should be made in the system from time to time. (E.g., name, address, phone number, age, change of job, death etc.)

30) As per the circular of the Reserve Bank, it has been made mandatory to shift / convert existing zero balance accounts with Basic Savings Bank Deposit Account (BSBDA) account.

31) The bank will not open the following types of accounts: -

1) Accounts of Government Departments

2) Municipal Corporation / Municipal Committee / Panchayat Samiti / State Housing Board / Textbook Corporation / Metropolitan Development Authority / State or District Level Housing Co-op. Soc. / Political parties

3) Unregistered organizations / companies.

32) Deposit Schemes announced by the bank from time to time are closed after the completion of the objective of the scheme / after a certain period. Also, some schemes are announced as per the urgent need. Such maturity deposits are followed up by the branch / data centre with the planning department for prior approval of changes. Such process of changes (e.g., Name addition or deletion, etc.) in closed schemes should be completed through the powers of Branch Manager. So necessary request to be sent to Data Centre by Branch Manager for such changes. There is no requirement of sanction of Planning Department.

33) There is no requirement of sanction of Planning Department regarding reversal of TDS amount. Branches should contact Data Centre and complete the work.

34) Starting or closing a new deposit scheme, changing it from time to time, taking a strategic decision in this regard and informing all the branches, changes in interest rates, service charges, etc. work in respect of deposits will be done by the planning department. Also, advertisement of various deposit schemes of the bank through leaflets, Flex / Banners etc. will be done through the advertisement department.

35) For deposits up to Rs. 5 lakhs per account holder is covered by D.I.C.G.C. It should be properly publicized in the branch.

36) The bank management reserves the right to make changes in this policy.

37) Home Saving (Pigmy)-Bank is having Separate Home Saving (Pigmy) Policy and all information about the scheme is available in it.

25. 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.

26. Redressal of complaints and grievances

Depositors having any complaint / grievance regarding 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:

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(i) A standardized complaint registers are 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.

27. LEGAL AND FINANCIAL RISKS: -

Bank accept deposits from public for the purpose of lending. Depositors are the major stakeholders of the Banking System. Depositors and their interests form the key area of the regulatory framework for banking in India and this has been enshrined in the Banking Regulation Act, 1949. The Reserve Bank of India is empowered to issue directives / advice on interest rates on deposits and other aspects regarding conduct of deposit. Hence, petty negligence of the bank also attracts legal as well as financial risks on the Bank, so it is expected from the Bank to work in accordance with Bank policy as well as directions of Reserve Bank of India.
