

DEPOSIT POLICY

(Revised on June 2019)

Version:1.0

CSB Bank Ltd
Head Office
Branch Service

DEPOSIT POLICY

Gist of Amendments Made in 2019

SI No	Para Ref	Existing Clause	Modifications/ Additions
1	3. (b) (iv)	<u>Bulk Deposits:</u> All single rupee term deposits of Rs 1.00 crore and above which are considered as bulk deposits	Modified: All single rupee term deposits of Rs 2.00 crore and above which are considered as bulk deposits
2	4	<u>Account Opening and Operation of Deposit Accounts:</u> (g) Current Accounts can be opened by individuals/ partnership firms/ Private and Public Limited Companies/ HUFs/ Specified Associates/ Societies/ Trusts, Departments of Authority created by Government (Central or State) Limited Liability Partnership, etc. (h) Term Deposits Accounts can be opened by individuals/ sole proprietorship concerns/ partnership firms/ Private and Public Limited Companies/ HUFs/ Specified Associates/ Societies/ Trusts, Departments of Authority created by Government (Central or State) Limited Liability Partnership, etc.	New Clause added: Proprietorship concerns' to be added under (g) Current Accounts The following clause to be added under (g): At the time of opening current accounts, the bank shall insist on a declaration to the effect that the applicant is not enjoying any credit facility with any other bank. The bank shall not open current accounts of entities which enjoy credit facilities (fund based or non-fund based) from the banking system without specifically obtaining a No- Objection Certificate from the lending bank(s). 'Sole Proprietorship concerns' to be added under (h) Term Deposits
3	4. (i)	<u>Due Diligence Process:</u>	The following sentence added: Foreign remittances are not permitted to be routed through this account unless and until the identity of the account holder is fully established through production of officially valid KYC documents.
4	4. (j)	<u>(Obtaining of Permanent Account Number (PAN))</u>	Modified:

		In addition to the due diligence requirements, under KYC norms the Bank is required by law to obtain Permanent Account Number (PAN) or alternatively a declaration in Form No.60 or 61 as specified under the Income Tax Act / Rules from time to time.	In addition to the due diligence requirements, under KYC norms the Bank is required by law to obtain Permanent Account Number (PAN) or alternatively a declaration in Form No.60 as specified under the Income Tax Act / Rules from time to time.
5	4. (m)	(Mandates in Joint Accounts)	New provision added: iii. In the case of term deposits with “Either or Survivor” or “Former or Survivor” mandate, premature withdrawal of deposit by one of the joint depositors on the death of the other without seeking concurrence of the legal heirs of the deceased depositor shall be allowed provided the bank has taken a joint mandate specifying the said purpose at the time of opening the deposit.
6	5 (i)	Interest Payment – Savings Accounts Savings Interest is deregulated by Reserve Bank of India and paid as decided by Bank. Interest shall be calculated on daily closing balance and paid to Savings Bank account holders at the end of September & March every year. Term Deposit interest rates are also decided by the Bank within the policy frame work of Reserve Bank of India as revised from time to time.	Modified: Savings Interest is deregulated by Reserve Bank of India and paid as decided by Bank. Interest shall be calculated on daily closing balance and paid to Savings Bank account holders at the end of June , September, December & March every year. Term Deposit interest rates are also decided by the Bank within the policy frame work of Reserve Bank of India as revised from time to time.
7	10	<u>Secrecy of Customer's Accounts:</u> 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 10 compulsion of law, where there is a duty to public to disclose and where interest of the Bank requires disclosure.	Modified: 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. Bank shall be guided by the following principles and policies: a. Bank shall not reveal information or data relating to customer's accounts, whether provided by the customer or otherwise, to anyone, other than in the following exceptional cases: i. Providing information to the Credit Information Companies (CICs) as per Credit Information Companies (Regulation) Act (CICA) about the loans, unsecured loans, credit card, etc. ii. Giving the information required by law or by the banking regulator. iii. Fulfilling a duty towards the public to reveal the information. iv. Bank's interests require giving the information (for example, to

			<p>prevent fraud) but the bank shall not use this as a reason for giving information about the customer or customer's accounts (including customer's name and address) to anyone else.</p> <p>v. The customer authorises the bank to reveal the information.</p> <p>vi. When required to give a banker's reference about the customer, the bank shall need, unless provided earlier, the customer's written permission before the bank gives it.</p> <p>vii. b. The bank shall not use the customer's personal information for marketing purposes by anyone including the bank, unless the customer specifically authorises the bank to do so.</p> <p>viii. c. If the bank collects any information from the customer other than KYC requirement, the bank shall collect it separately and not as a part of account opening form. In case the bank collects any additional information, the bank shall explain the purpose and take the customer's specific consent for the same.</p>
8	20	<p><u>Facilities to Senior Citizens:</u></p> <p>Bank will pay additional interest at a predefined rate on term deposits of senior citizens i.e. any person who has completed the age of 60 years on the date of the deposit, over and above the normal rate of interest.</p>	<p>The following sentence added:</p> <p>Moreover, a fully KYC compliant account will automatically be converted into a 'Senior Citizen Account' based on the date of birth available in the bank's records.</p>

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DEPOSIT POLICY

1. Introduction:

One of the important functions of the Bank is to accept deposits from the public for the purpose of lending. In fact, depositors are the major stakeholders of the Banking System. The depositors and their interests form the key area of the regulatory framework for banking in India and this has been enshrined in the Banking Regulation Act, 1949. The Reserve Bank of India is empowered to issue directives/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.

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 right of depositors and aims at dissemination of information with regard to various aspects of acceptance of deposits from the members of the public, conduct and operations of various deposit accounts, payment of interest on various deposit accounts, closure of deposit accounts, method of disposal of deposits of deceased depositors, etc., for the benefit of customers. It is expected that this document will impart greater transparency in dealing with the individual customers and create awareness among customers 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 Bank's Commitment to Customers adopted by the bank. 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. Know Your Customer (KYC) Guidelines:

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

The Branches shall follow appropriate 'Know Your Customer' policies, procedures and internal control mechanism designed to:

- i) Establish and document the true identity and residential address of the customers who maintain/establish relationships, open accounts or conduct business transactions.
- ii) Obtain background information on existing and /or new customers.
- iii) Safeguard the Bank from the risks of doing business with any individual or entity whose identity cannot be determined.
- iv) Protect the Bank from the risks of having business relationships with any individual or entity who refuses to provide information, or who has provided information that contains significant inconsistencies which cannot be resolved after due examination.

Bank's KYC Policy may be amended from time to time as per the guidelines of Reserve Bank of India.

3. Types of deposit accounts:

While various deposit products offered by the Bank are assigned different names, the deposit products can be categorized broadly into the following types.

- a. "Demand deposits" means a deposit received by bank which is withdrawable on demand such as Savings Bank & Current Accounts.
 - i. Savings Bank Accounts are subject to restrictions as to the number of withdrawals permitted by the Bank during a specified period. A Savings bank account is the most common operating account for individuals and others ie; non-profit entities which conduct non-commercial transactions. Any person approved by the bank can open a savings bank account & any amount can be deposited in the savings bank account any number of times. A Savings Bank customer is provided with a passbook, which reflects his account transactions. Cheque book may also be provided on request, depending on the scheme & type of customer. Nomination facility is available
 - ii. Current Deposit Account is a form of demand deposit which helps people who especially businessmen who conduct commercial transactions, since there are no limitations to the number of withdrawals. Any person/entities approved by the bank can open a Current Deposit account & any amount can be deposited in the account any number of times. A Current Deposit Account holder is provided with a passbook, which reflects his account transactions. Cheque book may also be provided on request, depending on the scheme & type of customer. Nomination facility is available to individuals & Sole proprietary concerns.
- b. Time / Term deposit" means a deposit received by the bank for a fixed period withdrawable only after the expiry of the fixed period or under certain terms & conditions and include deposits such as Recurring / Fixed deposits / Family Welfare deposits etc.
 - i. Fixed deposits are term deposits where the simple interest component is paid to the customers on a monthly discounted rate or quarterly / half yearly / annual basis. Minimum period of deposit is 15 days for deposits below Rs.1 crore & 7 days for deposits of Rs. 1 crore & above. Minimum amount of deposit is Rs.100/-.
 - ii. Family Welfare deposits are term deposits of a minimum of Rs.100/- & multiples thereof where the interest component accrued every quarter in FWD is reinvested and ploughed back into the principal and as a result provides the depositor with a higher return on investment. They may be accepted for a minimum period of 6 months & thereafter in multiples of three months or in incomplete quarters. Where there is an

incomplete quarter on the date of maturity of the deposit, then only the simple interest shall be paid for that incomplete quarter.

- iii. A Recurring Deposit or CDA is opened on the distinct understanding that the depositor shall deposit month after month sums in denomination ranging from Rs. 100/- or in multiples thereof and that the instalments will be remitted within the due date ie; the date the account was opened which comes every month for the specified period. They may be accepted for a minimum period of 6 months & thereafter in multiples of three months each.
- iv. **Bulk Deposits:** All single rupee term deposits of Rs 2.00 crore and above which are considered as bulk deposits of the Bank will be offered variable interest rates based on daily quotes. This includes domestic, NRO & NRE deposits as well.

In the case of premature closure of such bulk deposits, the applicable interest rate would be the card rate prevalent on the date of the deposit for the period the deposit remained in the Bank less applicable penalty (currently 1%) for the premature withdrawal of the deposit.

- c. Demand Deposits & Time / Term Deposits should be opened either under the Resident category or under the Non-resident category as defined / implied in the FEMA Act 1999.

Accounts may be opened as individual or joint or in the name of a corporate.

4. **Account opening & 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, Anti-Money laundering rules and regulations and such other norms or procedures as per the Customer Acceptance & Identification Policy adopted by the Bank. If the decision to open an account of a prospective depositor requires clearance at a higher level, reasons for any delay in opening of the account will be informed to him and the final decision of the Bank will be conveyed at the earliest to him.
- b. For opening individual accounts, the prospective customer should produce documents for both identity and address proof. If the address on the document previously submitted as identity proof by the prospective customer is the same as that declared by him /her in the account opening form, the document may be accepted as a valid proof of both identity and address. Introduction is not mandatory but may be called for by the Bank if required.
- c. The bank is committed to providing basic banking services to disadvantaged sections of the society. Banking services will be offered to them through no-frill accounts and such accounts will be opened with relaxed customer acceptance norms as per regulatory guidelines. As part of its Financial Inclusion Plan, bank also engages Business Correspondents to extend basic banking services to the identified villages / locations.

- 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, it is expected of the Bank official opening the account, to explain the procedural formalities and provide necessary clarifications sought by the prospective depositor including information to prepare a profile for Risk categorization of the Customer into High /Medium /Low when he approaches for opening a deposit account. Inability or unwillingness of a prospective customer to provide necessary information/details could result in the bank not opening an account. 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.
- e. For deposit products like certain Savings Bank Account and Current Deposit account, the Bank will normally stipulate 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 statements of accounts, duplicate pass book, folio charges, etc. Cash levy will be charged for bulk remittances in Savings Bank and Current Accounts in excess of the limit stipulated by the bank from time to time in order to cover the hidden interest cost, transit cost, disposal cost 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 by way of public notice/ on Bank's Website while opening the account.
- f. 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).
- g. Current Accounts can be opened by individuals/ sole proprietorship concerns partnership firms/ Private and Public Limited Companies/ HUFs/ Specified Associates/ Societies/ Trusts, Departments of Authority created by Government (Central or State) Limited Liability Partnership, etc. At the time of opening current accounts, the bank shall insist on a declaration to the effect that the applicant is not enjoying any credit facility with any other bank. The bank shall not open current accounts of entities which enjoy credit facilities (fund based or non-fund based) from the banking system without specifically obtaining a No-Objection Certificate from the lending bank(s).
- h. Term Deposits Accounts can be opened by individuals/ sole proprietorship concerns/ partnership firms/ Private and Public Limited Companies/ HUFs/ Specified Associates/ Societies/ Trusts, Departments of Authority created by Government (Central or State) Limited Liability Partnership, etc.
- i. 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 by obtaining KYC documents as to the identity and address of the customer to the satisfaction of the bank. Persons who belong to low income group both in

urban and rural areas and are not able to produce documents to satisfy the bank about their identity and address and intend to keep balances not exceeding Rs.50000/- in all their accounts taken together and the total credit in all accounts taken together is not expected to exceed Rs.1,00,000/- in a year and the aggregate of all transfers and withdrawals should not exceed Rs 10,000/- in a month, in such cases, if a person who wants to open an account and is not able to produce documents as mentioned above bank will open an account for him on production of a self attested photograph and affixation of signature or thumbprint as the case may be on the opening form, subject to other conditions in operations of the account or also subject to introduction from another holder who has been subjected to full KYC procedure. The introducer's account with the Bank should be at least six months old and should show satisfactory transactions. Photograph of the customer who proposes to open the account and also his address, needs to be certified by the introducer.

Foreign remittances are not permitted to be routed through this account unless and until the identity of the account holder is fully established through production of officially valid KYC documents.

- j. In addition to the due diligence requirements, under KYC norms the Bank is required by law to obtain Permanent Account Number (PAN) or alternatively a declaration in Form No.60 as specified under the Income Tax Act / Rules from time to time.
- k. Deposit accounts can be opened by an individual in his own name (status: known as account in single name) or by more than one individual in their own names (status: known as Joint Account). Savings Bank Account can also be opened by a minor jointly with natural guardian/ legal guardian appointed by the Court or with mother as the guardian (Status: known as Minor's Account). Minors of the age of 12 years and above will also be allowed to open and operate savings bank account independently, subject to restrictions on transactions. Cheque books will not be provided in such accounts and no overdrafts will be granted to these minors. Bank also offers Students Support Savings Bank A/c with ATM card facility for students from Std.VII onwards being 12 years of age. Students from Std. I onwards represented by guardians will also be permitted to open accounts under the Student Support Scheme after complying with all formalities under KYC norms. The purpose of opening such accounts of minor students is mainly to remit the scholarship funds that they receive from various state governments.
- 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 / legal guardian can be operated by such 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 or Anyone or Survivor/s:** If the account is held by two or more individuals, the final balance on maturity, along with interest, if applicable, will be

paid to anyone of them when all are alive and to survivor/s on death of anyone of the account holders. If one of the depositors expires before the maturity, no pre-payment of the Fixed Deposit may be allowed without the concurrence of the legal heirs of the deceased joint holder. If the deposit is requested to be paid before maturity or if a loan on the deposit is requested the signatures of all depositors need to be taken.

- ii. **Former or Survivor:** In such a mandate the 'Former' alone can operate/ withdraw the matured amount of the Fixed Deposit, when both the depositors are alive. If the former expires before the maturity of the Fixed Deposit, the 'Survivor' can withdraw the deposit on maturity. The survivor can withdraw the deposit before maturity only with the consent of the legal heirs of the deceased. The signature of both the depositors may have to be obtained, in case the deposit is to be paid before maturity or if a loan on the deposit is requested.

The above mandates will be applicable to or become operational only on or after the date of maturity of term deposits. This mandate can be modified by the consent of all the account holders.

- i. At the request of the depositor/s, the Bank will register mandate/power of attorney given by him/them authorizing another person to operate the account on his/their behalf.
 - ii. The term deposit account holders at the time of placing their deposits can give instructions with regard to closure of deposit account or renewal of deposit for further period on the date of maturity.
 - iii. In the case of term deposits with "Either or Survivor" or "Former or Survivor" mandate, premature withdrawal of deposit by one of the joint depositors on the death of the other without seeking concurrence of the legal heirs of the deceased depositor shall be allowed provided the bank has taken a joint mandate specifying the said purpose at the time of opening the deposit.
- n. **Nomination facility** is available on all deposit accounts opened by the individuals singly or jointly. Intimation by customer that nomination is required or not is mandatory for individual & a sole proprietary concern and should be marked in the opening form. 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. The thumb impression of the account holder affixed on the nomination form is to be attested by two witnesses. Nomination can be modified by the consent of account holder/s. Nomination can be made in favour of a minor also provided a major is appointed to act on his behalf. Bank shall make payment of balance in the deceased depositor's account to the nominee against production of documentary evidence regarding death of the depositor / depositors, after establishing the identity of the nominee.
- Bank recommends that all depositors to avail nomination facility. The nominee, in the event of death of the depositor/s, would receive the balance outstanding in the account as a trustee of legal heirs. The depositor will be informed of the advantages of the nomination facility while opening a deposit account.

- o. A statement of account will be provided by the Bank to Savings Bank as well as Current Deposit Account holders periodically as per terms and conditions of opening of the account. Alternatively, the Bank may issue a Pass Book to these account holders.
- p. The deposit accounts may be transferred to any other branch of the Bank at the request of the depositor. The deposit receipt may be lodged with the branch where the deposit is kept along with request for transfer.

5. Interest payment:

- a. Savings Interest is deregulated by Reserve Bank of India and paid as decided by Bank. Interest shall be calculated on daily closing balance and paid to Savings Bank account holders at the end of June, September, December & March every year. Term Deposit interest rates are also decided by the Bank within the policy framework of Reserve Bank of India as revised 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 income 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 advised by Indian Banks' Association. Accordingly in all cases of domestic term deposits (period of deposit more than a year) where the terminal quarter is incomplete, interest should be calculated for the actual number of days, reckoning the year 365/366 days and the calculation of interest on such deposits should be in order of completed quarters, months and days.
- 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 by way of public notice and /or on Bank's website and shall be prominently displayed.
- d. **Tax Deducted at Source:** Presently in Banks, TDS is not applicable in the case of interest earned on Domestic Savings Bank Accounts & Recurring Deposits. TDS is applicable for Domestic Fixed Deposits /Family Welfare Deposits. The Bank has statutory obligation to deduct tax at source if the total interest paid/payable on all term deposits held by a person exceeds the amount specified under the Income Tax Act. The Bank will issue a tax deduction certificate (TDS certificate) for the amount of tax deducted. The depositor, if entitled to exemption from TDS / lower rate of TDS can submit declaration in the prescribed format at the beginning of every financial year along with the Permanent Account Number (PAN) issued by the Income Tax Department. There will be mismatch in the maturity value of cumulative term deposits (FWD), if TDS is applicable for such deposits. If the depositor has submitted in duplicate 15 G (for Individuals other than Senior Citizens), 15 H (For Senior Citizens i.e.; individuals who have attained the age 60 & above during the financial year), 15 AA (For Trusts) & the branch is satisfied with the depositors eligibility to submit the same, tax need not be deducted at source. In the case of deposits in the name of minors the form is to be signed by the guardian.

This provision is not applicable for Non-Residents, Companies, firms. If the PAN is not provided the rate of tax deducted will be 20% for domestic deposits and 30.9% for NRO deposits. In the case of NRE accounts, the rate of TDS applicable will be as per the DTA Agreement if TRC/Form 10 F is submitted to the Bank.

- e. When a deposit's due date of payment is a holiday or non-public business working day, interest will be paid at originally contracted rate for the intervening holiday or non-public business working day, irrespective of whether the depositor seeks repayment on succeeding working day except for automatic renewal FD's

6. Minors' accounts:

- a. A minor can open Savings Bank Account and the same can be operated by the natural guardian or by minor himself / herself, if he/she is of 12 years and above. Although, father is natural guardian of a minor, a savings bank account may be opened in the name of a minor with mother as guardian, if there is a request to that effect. In the case of a guardian appointed by court, the relative certificate of appointment should be called for and registered in the power of attorney register and the conditions laid down by the court observed fully. The account can also be opened jointly. A Savings account may be opened in the joint names of a minor and his natural guardian, under guardianship. The account opening form is signed jointly by both the minor and the guardian or where the minor does not sign personally, by the guardian both in his capacity as guardian and in his personal capacity. For every operation in such a joint account, the bank would obtain the signature of both of them or the signature of the guardian in his dual capacity. Minors who have attained the age of 14 can be issued cheque books after the branch has been satisfied of the age of the minor & that he can sign consistently. Accounts in the name of minors who are students, should be opened after proper identification, preferably by the Head of the Institution where the student is studying
- b. On attaining majority, the erstwhile minor should confirm the balance in his/her account and if the account is operated by the natural guardian / guardians, fresh specimen signature of erstwhile minor duly verified by the natural guardian would be obtained and kept on record for all operational purpose. He may alternatively open and operate a separate account for which a separate application form will be obtained. Fresh photograph of the minor should be submitted along with necessary KYC documents
- c. Term Deposit account may also be opened in the name of minors under guardianship. In case of premature closure of deposit or taking a loan against the deposit, a declaration to the effect that the amount is required for the benefit of the minor should be given.

7. Account of illiterate / visually challenged person:

The Bank may at its discretion open deposit accounts other than Current accounts of illiterate/visually challenged/blind persons. 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. Terms & conditions of the account may be explained to him under witness. 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 through the photograph affixed on the passbook which should be presented to the Bank at the time of every withdrawal. The Bank will explain the need for proper care and safe keeping of the pass book etc. given to the account holder. The Bank official shall explain the terms and conditions governing the account to the illiterate / visually challenged person.

8. 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.

9. 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.

10. 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. Bank shall be guided by the following principles and policies:

- a. Bank shall not reveal information or data relating to customer's accounts, whether provided by the customer or otherwise, to anyone, other than in the following exceptional cases:
 - i. Providing information to the Credit Information Companies (CICs) as per Credit Information Companies (Regulation) Act (CICA) about the loans, unsecured loans, credit card, etc.
 - ii. Giving the information required by law or by the banking regulator.
 - iii. Fulfilling a duty towards the public to reveal the information.
 - iv. Bank's interests require giving the information (for example, to prevent fraud) but the bank shall not use this as a reason for giving information about the customer or customer's accounts (including customer's name and address) to anyone else.
 - v. The customer authorises the bank to reveal the information.

- vi. When required to give a banker's reference about the customer, the bank shall need, unless provided earlier, the customer's written permission before the bank gives it.
- b. The bank shall not use the customer's personal information for marketing purposes by anyone including the bank, unless the customer specifically authorises the bank to do so.
- c. If the bank collects any information from the customer other than KYC requirement, the bank shall collect it separately and not as a part of account opening form. In case the bank collects any additional information, the bank shall explain the purpose and take the customer's specific consent for the same.

11. Premature withdrawal of term deposit:

The Bank on request from the depositor, at its discretion may allow withdrawal of deposit before completion of the period of the deposit agreed upon at the time of placing the deposit. However, interest on the deposit applicable for the period it has remained with the bank or the contracted rate, whichever is lower, less 1% penalty will be paid, on such closure, if required by the Bank. The Bank shall make depositors aware of the applicable penal rate along with the deposit rate upfront, while accepting the deposit. The interest rates including the applicable penal rates shall be fixed by the ALCO of the Bank from time to time.

12. Premature renewal/extension of term deposit:

In case the depositor desires to renew the deposit by seeking premature closure of an existing deposit account, the bank will permit the renewal at the applicable rate on the date of renewal. 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 prevalent at the time of opening of the account, applicable to the period for which the deposit remained with the bank, after applying the penal rates if any, and not at the contracted rate. However the period of extension on such renewal should be more than the period of the original contract

13. Automatic Renewal of Term Deposits

If a customer so requires FD/FWD's can be automatically renewed for the same period with or without the interest accrued at the rate of interest prevalent as on date of maturity. Requirement of the facility should be noted in the opening form. On every auto-renewal the same deposit receipt may be issued to the depositor after effecting an endorsement on the reverse of the deposit receipt noting the new contract number with all relevant details.

14. Renewal of overdue term deposits:

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. 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 applicable rate for the deposit prevailing on the date of renewal or the date of maturity whichever is lesser. This interest can be withdrawn. If such renewed deposit is closed within 15 days of the date of the deposit, the overdue interest paid will be collected back. This is applicable to Recurring deposits (CDA) also. Interest payable on overdue term deposits: With effect from 22.08.2008, if the deposit matures and proceeds are unpaid, the amount left unclaimed with the bank will attract Savings Bank rate of interest. Back dating of deposits is not allowed where the overdue period exceeds 14 days.

15. Advances against deposits:

The Bank may consider request of the depositor/s for loan/overdraft facility against term deposits duly discharged by the depositor/s on execution of necessary security documents. The Bank may also consider loan against deposit standing in the name of minor jointly with guardian. However, a suitable declaration stating that loan is for the benefit of the minor, is to be furnished by the depositor – applicant. The margin for the loan will be decided by the bank from time to time. No Loan facility shall be allowed to HUF and Minor in sole name. Loan on deposit facilities may be allowed to third parties also. However the rate will be at a commercial rate applicable to the purpose of the loan but not less than 2% above the contracted rate of the deposit

16. Settlement of dues in deceased deposit account:

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. In case of term deposits, if the nominee wishes to close the deposit prematurely the rate applicable shall be the rate for which the deposit remained with the bank without charging any penalty.

- a. 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) if the claim is made before maturity. 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.
- b. 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 bank’s board. This is to ensure that the common depositors are not put to hardship on account of delays in completing legal formalities.

17. Interest payable on term deposit in deceased person’s account:

- a. 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 simple interest at the applicable rate as on the date of

maturity, 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.

- b. In event of death before maturity and the amount is claimed, interest will be paid for the period the deposit actually remained with the Bank without charging any penalty.
- c. However, in the case of death of the depositor after the date of maturity of the overdue deposit, the bank shall pay interest at Savings Bank deposit rate applicable on the date of maturity from the date of maturity till the date of payment

18. Insurance cover for deposits:

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

19. Stop payment facility:

The Bank will accept stop payment instruction from the depositors in respect of cheques issued by them, if such request is received from the drawer prior to presentment of such cheques at the Bank. Similarly stop payment instruction can be revoked by the drawer, if

such request is received prior to the presentment of the cheque. Charges, as specified, will be recovered from the depositor account holder.

20. Facilities to Senior Citizens:

Bank will pay additional interest at a predefined rate on term deposits of senior citizens i.e. any person who has completed the age of 60 years on the date of the deposit, over and above the normal rate of interest. Moreover, a fully KYC compliant account will automatically be converted into a 'Senior Citizen Account' based on the date of birth available in the bank's records. The special deposit schemes available for the senior citizens and the deposit interest rates will be exhibited at branches/ Bank's website from time to time. Proof of Date of Birth should be provided

21. Non-Resident Accounts:

As defined by FEMA, Non Resident Indian (NRI) means person resident outside India who is citizen of India or is a person of Indian origin. NRI may open following types of accounts.

Non-Resident (External) account: Account can be opened in any form i.e Savings, Fixed, Current, Recurring with the bank.

Non-Resident Ordinary account: Account can be opened jointly with resident Indian, for which conditions apply, for the purpose of putting through bonafide transactions not involving any violation of the provisions of the FEMA,1999, rules and regulations .and in any form i.e. Savings, Fixed, Current, Recurring with the bank.

Existing accounts of resident in India (i.e. of Indian Nationals) are to be re-designated as Non-Resident ordinary accounts, when they go abroad indicating their intention to stay outside India for an uncertain period for taking up employment, profession, business, vocation or for any other purpose.

Foreign Currency Non-Resident account : Account can be opened in permitted foreign denominated currencies (USD, GBP, Euro, JPY, CAD, AUD, Singapore Dollar & Swiss Franc). which is freely exchanged in the form of Term deposit only with minimum period of one year in case of Fixed Deposits. In the case of Family Welfare deposit scheme the minimum period of the deposit is 18 months.

NRI, as defined in FEMA, notification no.5, Ibid, may be permitted to open NRE/FCNR account with their resident close relative (relative as defined in Section 6 of the Companies act, 1956) on “former or survivor” basis. The resident close relative shall be eligible to operate the account as a Power of Attorney holder in accordance with extant instructions during the life time of the NRI/PIO account holder. (RBI circular RBI/2011-12/174 dated 15.09.2011). On their return to India, these accounts should be redesignated as resident accounts or Resident Foreign Currency Accounts (RFC) under terms and conditions.

22. Dormant / Inoperative Accounts:

A Current Account and Savings Account should be treated as inoperative / dormant account, if there are no customer induced transactions in the account for a period of two years. Such accounts will be transferred to a separate dormant / inoperative account status in the interest of the depositor as well as the Bank. The depositor can request the Bank to activate the account for operating it. There will not be any charge for activation of inoperative account. The customer will have to provide necessary KYC updation if required. Such account after a period of 10 years will be transferred to our Head Office. The list of unclaimed deposits will be provided on the Bank’s website.

Such Inoperative accounts after a period of 10 years will be transferred to our Head Office as unclaimed deposits. The Bank shall calculate the cumulative balances of such unclaimed deposits along with interest accrued and transfer them to the Depositor Education and Awareness Fund, a fund constituted by Reserve Bank of India. The first of such transfers was made by the Bank on June 30th 2014. Subsequently, the Bank shall transfer to the Fund such amounts becoming due in each calendar month (ie. proceeds of inoperative accounts and balances remaining unclaimed for ten years or more).

23. ATM facility

ATMs both onsite and offsite to our Bank branches are available. This enables customers 24 hour cash withdrawal and balance enquiry facility, besides other services like funds transfer and mini statements. Customers as well as members of the general public can get information of bank’s products and services also through the display screens of our ATMs. The ATM cards can also be utilized for shopping.

24. Closure/freezing of the Account:

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

1. In case any of the documents furnished towards identity and address proof are found to be fake/forged/defective,
2. The Account opening cheque is returned unpaid for financial reasons/signature not matching.
3. In case fraudulent/forged/ fake cheques/ bank drafts or any such instruments are attempted to be cleared/cleared through the accounts.
4. In case of frequent return of inward/outward cheques in the account
5. Any false /misleading information given or suppression of any material fact.
6. Detection of the name of the account holder in prohibitory list.
7. Unsatisfactory conduct of the account in terms of volume/type of transactions, non- maintenance of minimum balance etc. Non-intimation of change in communication address leading to customer's whereabouts being unknown.
8. In case a debit balance for reasons, including but not limited to, non-repayment in case of facilities offered by the Bank, where repayment is to be made through customer's account, reversal of wrong credit, any temporary overdraft granted to the customers by the bank in relation to any facility or otherwise, etc. is allowed to continue for more than 90 days in the Account.
9. 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.

25. Closure of the account requested by the customer:

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

26. Redressal of complaints and grievances:

Depositors having any complaint/grievance with regard to services rendered by the Bank have a right to approach authority/ authorities designated by the Bank for handling customer complaint /grievances. A complaint box is made available at branches for lodging customer complaints. The details of the internal set up for redressal of complaints / grievances will be displayed in the branch premises/bank's website. 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 a period of one month after the bank received the complaint, or the bank rejects the complaint, or if the complainant is not satisfied with the reply given by the bank; he has a right to approach Banking Ombudsman appointed by the Reserve Bank of India. The name of the Chief Nodal Officer & Zonal Nodal Officers under

the Banking Ombudsman Scheme as well as contact details are displayed on the Bank's website www.csb.co.in

27. Policy Revision:

This policy is subject to revision based on the decision of the Bank as well as the relevant RBI guidelines that may be issued from time to time