



## DEPOSIT POLICY

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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 withdraw-able on demand such as Savings Bank & Current Accounts.
- i. Savings deposit means a form of interest bearing demand deposit which is a deposit account whether designated as “Savings Account”, “Savings Bank Account”, “Savings Deposit Account”, “Basic Savings Bank Deposit Account (BSBDA)” or other account by whatever name called which is subject to the restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the Bank during any specified period. A Savings Bank customer is being offered the facility of passbook which will reflect the account transactions. Cheque book may also be provided on request, depending on the scheme & type of customer. Nomination facility is also available.
  - ii. Current Deposit Account is a form of non-interest bearing demand deposit which helps people who conduct commercial transactions especially businessmen, where from withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount. and shall also be deemed to include other deposit accounts which are neither Savings Deposit nor Term Deposit. A Current Deposit Account holder is being offered the facility of passbook. which will reflect the 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 deposits** 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/ Cumulative / Fixed deposits / Family Welfare deposits (reinvestment) 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 7 days and Minimum amount of deposit is Rs. 1,000/-.
  - ii. Family Welfare deposits are term deposits of a minimum of Rs. 1,000/- 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 Cumulative Deposit Account (CDA) is opened on the distinct understanding that the depositor shall deposit month after month sums in denomination ranging from Rs. 1,00/- or in multiples thereof and that the instalments will be remitted within the due date i.e.; 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 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.
  - v. Non-callable deposits: This product is primarily targeted at the interest conscious customer base. The customer in turn may receive an enhanced interest rate as decided by the Bank. The rate would be a mark-up from the existing rates offered to other customers. As is evident from the name, premature closure is not permitted. However, Bank may allow premature withdrawal of these deposits in the exceptional circumstance such as in the event of any direction from any judiciary/ statutory and/ or regulatory authorities cases or deceased claim settlement cases etc. for which the penalty if applicable may be fixed by the Bank. The tenure and minimum deposit amount is being decided by the Asset Liability Management Committee (ALCO) of the Bank from time to time. Banks may decide to offer this product as per the liquidity requirement from time to time.

Bank may issue Fixed Deposit receipt or Fixed Deposit Advice to a Fixed Deposit holder on opening Fixed Deposit account. This document is an important record of all the details of your Fixed Deposit and details of the FD holder.

The primary difference between the FD Advice and FD Receipt is that the former is not printed on security, it is printed on normal paper.

- 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/non-individuals as per the regulatory guidelines/ eligibility to open such accounts. The minimum tenure of domestic/ NRO term deposits is 7 days and NRE/ FCNR(B) deposits is 1 year.

#### **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/ account maintenance 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 adhere to the extant RBI guidelines on 'Opening of Current Accounts by Banks'.

- 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. BSBDA (Basic Savings Bank Deposit Accounts): The Bank offers BSBDA Account with no minimum balance requirement and with all the basic Banking facilities as per the extant guidelines as laid down by the RBI from time to time. Details about the product offering are available in Bank's website.
- j. Resident Foreign Currency (RFC) Deposits - NRI customers who have returned to India for good can book Resident Foreign Currency Deposits for a maximum tenure of 3 years. On conversion of NRE / FCNR (B) deposit to RFC deposit interest will be paid as under:  
If the NRE / FCNR (B) deposit has not run for a minimum period of one year, interest shall be paid at a rate not exceeding the rate payable on savings deposits held in RFC accounts. In all other cases, interest shall be paid at the contracted rate.
- k. 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.  
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 Small Accounts (BSBDS) and accounts will be opened with relaxed customer acceptance norms as per regulatory guidelines. 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. The transaction limits and account features will be as per the RBI guidelines.
- l. 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.
- m. 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 (father or mother)/ legal guardian appointed by the Court (Status: known as Minor's Account). Minors of the age of 10 years and above will also be allowed to open and operate savings Bank account independently, subject to restrictions on transactions. No overdrafts will be granted to these minors. For accounts of minors in individual capacity, Cheque book, Debit card and Mobile Banking facilities shall be made available, above the age of 14 years. For minor accounts under guardianship, the above mentioned facilities shall be available from the date of account opening.  
Bank also offers Students Support Savings Bank A/c with Debit card, Cheque book, Mobile Banking facility for students from Std.IX onwards being 14 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.
- n. 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.
- o. 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. Such premature withdrawal would not attract any penal charge.
- 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 demise of the depositor (in case of individual account) / all depositors (in case of joint account), after establishing the identity of the nominee. Bank recommends that all depositors to avail nomination facility. The nominee, in the event of demise of the depositor (in case of individual account) / all depositors (in case of joint account), 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 in physical and/or digital form 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 or change request form submitted past to account opening. Alternatively, the Bank will offer a passbook to the account holders as per their requirement.
  - 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.
  - q. **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 account opening form or other applicable forms. All transgender customers shall be treated equally to other male/ female customers without any discrimination.

## 5. Service Charges

All new accounts opened would contain a leaflet detailing various types of Services & Charges being levied by the Bank for any of the services availed. Updated service & fees leaflet is also made available to all customers at the



branch for reference at any point of time. Any change in service & fees will be communicated one month in advance to all customers before effecting the change.

On Average Monthly Balance requirement, every customer is communicated up-front at the time of opening account with the Bank. If the customer fails to maintain required minimum balance in his/her account, Bank notifies the same to customer. The communication states that in the event of the minimum balance not being restored in the account within next 30 days from the date of notice, penal charges will be levied. In case the balance is restored within given notice period, no charges are levied; else Bank debits the applicable charges from the customer's account. AMB charges defined by the Bank are proportionate to the extent of shortfall in the account. In other words, the charges should be a fixed percentage levied on the amount of difference between the actual balance maintained and the minimum balance as agreed upon at the time of opening of account/ as per the existing schedule of service charges. Bank also ensures, that the account balance is not turned into negative due to levy of charges for non-maintenance of minimum balance.

## 6. 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 quarterly intervals. 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.
- 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 and/or on Bank's website. 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. The Bank has in place well defined asset liability management policy which describes the power to fix rates for deposits, vesting with ALCO. The interest rates are framed basis the below guidelines:
  - i) The rates are uniform across all branches and for all customers.
  - ii) There is no discrimination of interest paid on the deposits, between one deposit and another of similar amount for the similar period, accepted on the same date, at any of its offices.
  - iii) Interest rate payable on deposits shall be strictly as per the schedule of interest rates disclosed in advance except for bulk deposits. The Banks shall maintain the deposit interest rate card in their Core Banking system to ensure uniform rates are applied to all the deposits without any discrimination and modification is allowed only with the permission of authorized person.
  - iv) All transactions, involving payment of interest on deposits shall be rounded off to the nearest rupee for rupee deposits and to two decimal places for FCNR (B) deposits
- e. **Tax Deducted at Source:** Presently in Banks, TDS is not applicable in the case of interest earned on Domestic Savings Bank Accounts. TDS is applicable for Domestic Fixed Deposits /Recurring 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 Fixed deposits and Recurring deposits, if TDS is applicable for such deposits. If the depositor has submitted in duplicate 15G (for Individuals other than Senior Citizens), 15H (For Senior Citizens ie; individuals who have



attained the age 60 & above during the financial year) & the branch is satisfied with the depositor's 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.

- f. This provision is not applicable for Non-Residents, Companies, and firms. If the PAN is not provided the rate of tax deducted will be 20% for domestic deposits and 31.2% for NRO deposits. In the case of NRO accounts, the rate of TDS applicable will be as per the DTA Agreement if TRC/Form 10 F is submitted to the Bank.
- g. 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.

## 7. Accounts of Minors

- 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 10 years and above. 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, debit card, as well as mobile Banking facility, 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 along with client profile form of erstwhile minor duly verified by the guardian to be furnished for upgrading the account, as a regular account in the name of the minor, independently.

Accounts held by the minor in his/her individual capacity, should be upgraded to a regular account, by furnishing client profile form along with KYC documents; upon attaining the age of majority (18 years).

If the account is not upgraded, within three months from the date of attaining majority, such account shall be liable to be frozen, and further operations shall be permitted only after updating the KYC details.

- 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.

## 8. Account of illiterate/ visually challenged persons

The Bank may at its discretion open deposit accounts other than Current accounts of illiterate 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 to illiterate customers 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 person.

For visually challenged/ blind persons also, the Bank may at its discretion open deposit accounts other than Current accounts. In order to facilitate access to Banking facilities by visually challenged persons, Bank shall offer Banking facilities including Cheque book facility / operation of ATM/ locker etc., to the visually challenged as they are legally competent to enter into contracts. Bank shall offer all the Banking facilities such as Cheque book facility including third party cheques, ATM facility, Net Banking facility, locker facility, retail loans, credit cards etc. to the visually challenged without any discrimination, if they agree to take the risks associated with availing these facilities and assume full responsibility for the losses, if any suffered by him/her as well as the Bank on account of his/her availing such facilities. Opening and operation of such accounts shall be subject to special rules framed by the Bank to protect the interests of the visually challenged customers. The Bank official shall explain the terms and conditions governing the account.

## **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.

## **10. Addition or deletion of the name/s of joint account holders**

The Bank may at the request of all the joint account holders allow addition or deletion of name/s of joint account holder/s if the circumstances so warrant or allow an individual depositor to add the name of another person as a joint account holder.

## **11. Customer information**

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

## **12. Secrecy of 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.

### **13. Premature withdrawal of term deposits**

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, at a penalty prescribed by the Bank from time to time, which will be disclosed to the customer at the time of opening the deposit. In the case of premature closure of 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 for the premature withdrawal of the deposit. However, no interest will be paid if the Domestic/ NRE / NRO / RFC / FCNR(B) term deposit is closed prior to completion of minimum tenor as prescribed by RBI from time to time

Bank shall have the freedom to offer term deposits without premature withdrawal option as decided by the ALCO. However, Bank may allow premature withdrawal of these deposits in the exceptional circumstance such as in the event of any direction from any judiciary /statutory and / or regulatory authorities cases or deceased claim settlement cases etc. for which the penalty if applicable may be fixed by the Bank. All term deposits accepted from individuals (held singly or jointly) for amount of Rupees fifteen lakh and below shall have premature-withdrawal-facility.

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. Bank may offer bulk deposit products to customers without any pre-closure penalty with the approval from ALCO.

### **14. Premature renewal/ extension of term deposits**

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 as applicable to term deposits and not at the contracted rate. However, the period of extension on such renewal should be more than the period of the original contract.

### **15. Automatic Renewal of term deposits**

If a customer so requires, FD/FWD's can be automatically renewed for the same period as that of the maturing TD 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, for TDs issued with deposit receipt, 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. Auto renewal facility for deposits will be "Yes" as default (except for bulk deposits), unless the customer gives a specific request for non-renewal.

### **16. 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 the deposit is not renewed automatically for any reason and 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.

If a Term Deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the Bank shall attract rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower.

That is in respect of overdue deposits renewed after 14 days from the date of maturity the term deposit will be renewed from date of request at the interest rate applicable on the date of renewal, however interest for the overdue period will be paid at rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower. This is applicable to Recurring deposits (CDA) also.

Overdue deposits may be permitted for back dated renewal on case to case basis even if request for renewal is received after 14 days. The competent authority for such back dated renewal will be as per the delegation matrix of the Bank.

## **17. 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 decided by the Bank from time to time.

## **18. Settlement of dues in deceased deposit account**

- a. If the depositor has registered nomination with the Bank; the balance outstanding in the account of the deceased depositor will be transferred to the account of/ paid to the nominee after the Bank satisfies about the identity of the nominee, etc. 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.
- b. The above procedure will be followed even in respect of a joint account where nomination is registered with the Bank
- c. In a joint deposit account, when one of the joint account holders dies, the Bank is required to make payment jointly to the legal heirs of the deceased person and the surviving depositor(s). However, if the joint account holders had given mandate for disposal of the balance in the account in the forms such as “either or survivor, former / latter or survivor, anyone of survivors or survivor”, etc., the payment will be made as per the mandate to avoid delays in production of legal papers by the heirs of the deceased.
- d. 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.

The Bank is having a comprehensive Policy on Settlement of Death Claims in respect of Accounts of Deceased/ Missing Depositors/ Customers (as revised from time to time) and the final approach of the Bank will be based on this.

## **19. 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 interest at the rate applicable for Savings account 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 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.

## **20. Insurance cover for deposits**

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

## **21. 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.

## **22. Facilities to Senior Citizens and Differently Abled Persons and to sick/ old/ incapacitated/ visually impaired account holders**

Bank may 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.

The benefit of additional interest rate on deposits on account of being senior citizens shall not be available to NRE and NRO deposits as per RBI guidelines.

### **Additional Facilities offered to Senior Citizens and Differently Abled Persons**

- a. Dedicated Counters/Preference to Senior Citizens, Differently abled persons

A clearly identifiable dedicated counter or a counter which provides priority to senior citizens and people who are differently abled including visually impaired persons has been set up in all the branches.

- b. Ease of submitting Life Certificate

When a Life Certificate is submitted by a pensioner in any branch, including a non-home branch, the same will be updated/ uploaded promptly in CBS by the receiving branch itself, to avoid any delay in credit of pension.

- c. Cheque Book Facility

25 cheque leaves per year will be issued free of charge, to all the savings Bank accounts maintained by Senior Citizens and Differently abled persons, based on the customer request.

- d. Ease of filing Form 15G/H

Bank shall provide senior citizens and differently abled persons Form 15G/H once in a year (preferably in April) to enable them to submit the same, where applicable, within the stipulated time.

e. Doorstep Banking Services

- Doorstep Banking Services is being offered to all Senior Citizens of more than 70 years of age and differently abled or infirm persons (having medically certified chronic illness or disability) including visually impaired account holders from all branches.
- This facility includes pick up of cash and instruments against receipt, delivery of cash against withdrawal from account, delivery of demand drafts, submission of Know Your Customer (KYC) documents and Life Certificate.
- This facility shall be provided free of charge, if the location of such customer is within the serviceable area of the branch.
- Adequate publicity to the availability of these services shall be provided through the public awareness campaigns. The charges, if any, in this regard, shall also be prominently indicated in brochures and published in the website.
- The progress made in this regard shall be reported to the Customer Service Committee of the Board every quarter.

**Facility to sick/old/incapacitated/visually impaired account holders**

The following facility shall be applicable in case of a sick/ old/ incapacitated/ visually impaired account holder who is not willing to open and operate joint accounts. The cases of sick / old / incapacitated/ visually impaired account holders fall into the following categories:

- a. 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.  
In this case, wherever thumb or toe impression of the sick/ old/ incapacitated/ visually impaired 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.
- b. 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 incapacity. In such a scenario, a mark can be obtained on the cheque/ withdrawal form which should be identified by two independent witnesses, one of whom should be a responsible Bank official.  
The customer may also 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 actually drawing the money from the Bank should be asked to furnish his signature and ID proof to the Bank.

**23. Non-Resident Accounts**

A 'Non-resident Indian' (NRI) is a person resident outside India who is a citizen of India.

A 'Person of Indian Origin (PIO)' is a person resident outside India who is a citizen of any country other than Bangladesh or Pakistan or such other country as may be specified by the Central Government, satisfying the following conditions:

- (a) Who was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955); or
- (b) Who belonged to a territory that became part of India after the 15th day of August, 1947; or
- (c) Who is a child or a grandchild or a great grandchild of a citizen of India or of a person referred to in clause (a) or (b); or
- (d) Who is a spouse of foreign origin of a citizen of India or spouse of foreign origin of a person referred to in clause (a) or (b) or (c)

Explanation: PIO will include an 'Overseas Citizen of India' cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955.



NRIs and PIOs are permitted to open and maintain the following accounts.

**Non-Resident (External) Rupee Account Scheme [NRE Account]:** Account can be opened in any type: i.e savings, current, recurring or fixed deposit account. Joint accounts can be opened by two or more NRIs and/or PIOs or by an NRI/PIO with a resident relative(s) on 'former or survivor' basis. However, during the life time of the NRI/PIO account holder, the resident relative can operate the account only as a Power of Attorney holder. Inward remittances to the account and remittances outside India from NRE account are permitted Credits permitted to this account as inward remittance are interest accruing on the account, interest on investment, transfer from other NRE/ FCNR(B) accounts, maturity proceeds if such investments were made from this account or through inward remittance. The debits allowed from this account are local disbursements, transfer to other NRE/ FCNR(B) and investments in India The detailed instructions for opening and maintaining this account are laid down in Schedule 1 to Foreign Exchange Management (Deposit) Regulations, 2016, as amended from time to time.

**Non-Resident (Ordinary) Account Scheme [NRO Account]:** Account can be opened in any type: i.e savings, current, recurring or fixed deposit account. NRIs and PIOs may hold an NRO account jointly with other NRIs and PIOs Accounts may be also held jointly with residents on 'former or survivor' basis. Inward remittances from outside India, legitimate dues in India and transfers from other NRO accounts are permissible credits to NRO account. Rupee gift/ loan made by a resident to a NRI/PIO relative within the limits prescribed under the Liberalised Remittance Scheme may be credited to the latter's NRO account. The account can be debited for the purpose of local payments, transfers to other NRO accounts or remittance of current income abroad. The detailed instructions for opening and maintaining this account are laid down in Schedule 3 to Foreign Exchange Management (Deposit) Regulations, 2016, as amended from time to time.

**Foreign Currency (Non-resident) Accounts (Banks) Scheme [FCNR(B) Account]:** Account can be opened in the form of Term deposit only, in permitted foreign denominated currencies (USD, GBP, EUR, JPY, CAD and AUD). which is freely exchanged. The minimum period of deposit is one year in case of Fixed Deposits and in the case of Family Welfare deposit scheme it is 18 months. No recurring deposits shall be accepted under the FCNR (B) Scheme. Other conditions such as credits/debits, joint accounts, loans / overdrafts, operation by power of attorney etc., as applicable to an NRE account will be applicable to FCNR (B) account as well. The detailed instructions for opening and maintaining this account are laid down in Schedule 2 to Foreign Exchange Management (Deposit) Regulations, 2016, as amended from time to time

On their return to India, these accounts should be re designated as resident accounts or Resident Foreign Currency Accounts (RFC) under terms and conditions.

## 24. Change in Residential Status

### (a) From Resident to Non-resident

When a person resident in India leaves India for a country (other than Nepal or Bhutan) for taking up employment or for carrying on business or vocation outside India or for any other purpose indicating his intention to stay outside India for an uncertain period, his existing account should be designated as a Non- Resident Ordinary Account.

Foreign nationals who come to India on employment and become residents in terms of section 2 (v) of FEMA, 1999 and are eligible to open/hold a resident savings Bank account are permitted to re-designate their resident account maintained in India as NRO account on leaving the country after their employment to enable them to receive their legitimate dues subject to certain conditions.

### (b) From Non- resident to Resident

NRO accounts may be re-designated as resident Rupee accounts on return of the account holder to India for taking up employment, or for carrying on business or vocation or for any other purpose indicating his intention to

stay in India for an uncertain period. Where the account holder is only on a temporary visit to India, the account should continue to be treated as non-resident during such visit.

NRE accounts should be designated as resident accounts or the funds held in these accounts may be transferred to the RFC accounts, at the option of the account holder, immediately upon the return of the account holder to India for taking up employment or on change in the residential status.

FCNR (B) deposits may be allowed to continue till maturity at the contracted rate of interest, if so desired by the account holder. Bank shall convert the FCNR(B) deposits on maturity into resident rupee deposit accounts or RFC account (if the depositor is eligible to open RFC account), at the option of the account holder.

## **25. Dormant/ Inoperative Accounts**

A Current Account and Savings Account should be treated as inoperative / dormant account, if there are no transactions in the account for over a period of two years. For the purpose of classifying an account as 'inoperative' both the type of transactions i.e., debit as well as credit transactions induced at the instance of customers as well as third party should be considered. However, the service charges levied by the Bank or interest credited by the Bank should not be considered. 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 unclaimed account after a period of 10 years will be transferred to the Depositor Education and Awareness Fund, a fund constituted by Reserve Bank of India. The list of unclaimed deposits will be provided on the Bank's website.

## **26. 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.

## **27. Standing Instructions**

Standing instructions can be given to the Bank for transfer/remittance of funds from one account to other account(s) maintained in the same branch, any other branch of the Bank.

## **28. Direct Debit**

The Bank offers Electronic Clearing Service (ECS) / Automated Clearing House (ACH) facility for effecting periodic payments by "direct debit" to the customer's account. This facility is mainly used for payment of utility bills/EMI of Loans /Insurance Premium/Investment in Mutual Funds, etc. Details of ECS/ACH facility are available at all the branches.

## **29. 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:

- a) In case any of the documents furnished towards identity and address proof are found to be fake/ forged/ defective.
- b) The Account opening cheque is returned unpaid for financial reasons/signature not matching.
- c) In case fraudulent/forged/ fake cheques/ Bank drafts or any such instruments are attempted to be cleared/cleared through the accounts.

- d) In case of frequent return of inward/outward cheques in the account.
- e) Any false /misleading information given or suppression of any material fact.
- f) Detection of the name of the account holder in prohibitory list.
- g) 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.
- h) 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.
- i) Dormant/ Inoperative Accounts.
- j) Issuing stop payment instructions frequently.
- k) Under instructions from regulatory/ judiciary / law enforcement agency.
- l) 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.

Under normal circumstances, Bank will not close depositors account without giving at least 30 days' notice indicating the reasons for such closure. In such cases, account holder will be required to make alternate arrangements for cheques already issued and desist from issuing any fresh cheques on such account. Post issuance of notice by Bank, informing Bank's decision to close the account along with the reason, if there is no response from the customer within the stipulated time, the Bank may close the account and transfer the closure proceeds (if any) after deducting the service charges (if any) to customer through account transfer/ RTGS/ NEFT or by means of DD in favour of the customer.

### **30. 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 (after cutting into two pieces across the magnetic strip/ EMV chip) 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. In case of other non-individuals, resolution/ request signed by the governing body members 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.

### **31. Settlement of Missing Persons Claims**

As per Indian Evidence Act, 1872 (section 107 and 108) presumption of death can be raised only after a lapse of seven years from the date of person reported as "missing". As such, nominee / legal heirs have to raise an express presumption of death of the customer, under section 107 / 108 of the Indian Evidence Act before a competent court. If the court presumes that he / she is dead, then the claim in respect of a missing person can be settled with consultation of Legal department of Bank.

### **32. 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](http://www.csb.co.in).

### **33. Policy Revision**

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