

# CSB BANK LIMITED

## POLICY ON UNCLAIMED DEPOSITS

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**Prepared by: Accounts Department**  
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**Approved by: Board of Directors**

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1	17-02-2020	Unclaimed Deposit Policy 2019-20	Board
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### Distribution List

Name
All Branches/ Offices

## TABLE OF CONTENTS

<b>Sl. No.</b>	<b>Particulars</b>	<b>Page No</b>
1	Introduction	4
2	DEA Fund Scheme	4
3	Amount to be credited to the Fund	4
4	Interest accrual	5
5	Effective date	5
6	Rate of interest	5
7	Procedure for crediting to the fund	5
8	Procedure for refund	6
9	Introduction of Computerised environment for payment to and refund from DEA Fund	6
10	Returns to be submitted	7
11	Audit	7
12	Authorised signatories	7
13	Disclosure in Notes to Accounts	7
14	Updation of List of Inoperative Accounts on Bank's Website	7

## **1. Introduction:**

A Current Account or Savings Account is treated as inoperative / dormant, if there is no customer induced transaction in the account for a period of two years. Such accounts will be transferred to dormant / inoperative status and after the expiry of 10 years the accounts will be transferred to Head Office as unclaimed deposits.

The names of the account holder(s) and his / her address in respect of unclaimed deposits are to be displayed on Bank's website and to be updated on a monthly basis.

## **2. DEAF Scheme:**

Pursuant to the amendment of the Banking Regulation Act, 1949, section 26A has been inserted in that Act, empowering Reserve Bank to establish The Depositor Education and Awareness Fund (the Fund). Under the provisions of this section, Bank shall transfer any amount to the credit of any account which has not been operated upon for a period of ten years or any amount remaining unclaimed for more than ten years to this Fund.

RBI has notified that the Fund shall be utilized for promotion of depositors' interest and for such other purposes, which may be necessary for the promotion of depositors' interests as specified from time to time.

## **3. Amount to be credited to the Fund**

Amount to be credited to the Fund shall be the credit balance in any deposit account maintained with the Bank which have not been operated upon for ten years or more, or any amount remaining unclaimed for ten years or more, which include:

- a) Savings Bank deposit accounts
- b) Fixed or term deposit accounts
- c) Cumulative/recurring deposit accounts
- d) Current deposit accounts
- e) Other deposit accounts in any form or with any name
- f) Cash credit accounts
- g) Loan accounts after due appropriation by the Banks
- h) Margin money against issue of Letter of Credit/Guarantee etc., or any security deposits
- i) Outstanding telegraphic transfers, mail transfers, demand drafts, pay orders, bankers cheques, sundry deposit accounts, vostro accounts, Inter-Bank clearing adjustments, unadjusted NEFT, credit balances and other such transitory accounts, unreconciled credit balances on account of ATM transactions, etc.
- j) Undrawn balance amounts remaining in any prepaid card issued by Banks but not amounts outstanding against travellers' cheques or other similar instruments, which have no maturity period.
- k) Rupee proceeds of foreign currency deposits held by Banks after conversion of foreign currency to rupees in accordance with extant foreign exchange regulations and
- l) Such other amounts as may be specified by Reserve Bank from time to time.

#### 4. Interest accrual

In case of interest bearing accounts, Bank shall calculate the cumulative balances as on the day prior to the effective date and transfer the amount to the Fund on the last working day of subsequent month along with the interest accrued.

#### 5. Effective date

Bank is required to transfer to the Fund the amount becoming due in each calendar month on the last working day of the subsequent month.

#### 6. Rate of interest applicable up to the date of transfer to DEA Fund:

As per the RBI circular No. *RBI/2013-14/527 DBOD.No.DEAF Cell.BC.101/30.01.002/2013-14* dated 21.03.2014 specifies, “*The Bank shall transfer the accrued interest that would have been required to pay to the customer/ depositor as on the date of transfer to the Fund*”.

As per Bank’s deposit policy, the rate of interest applicable for savings deposits will be applied for overdue term deposits also. As the interest rate on savings deposit is periodically revised, Bank will apply same rate of interest applicable to DEA Fund prescribed by RBI on overdue term deposits upto the prior date of transfer to fund.

Rate of interest on interest bearing deposits will be applicable up to prior date of transfer to DEA Fund as follows:

Type of Deposit	Savings Deposit	Overdue Term Deposits
Period for which interest applied	<b>From</b> : Date of closure of accounts at branch book	<b>From</b> : Date of Maturity
	<b>To</b> : Prior date of transfer to DEAF	<b>To</b> : Prior date of transfer to DEAF
Rate of Interest	Interest rate as per periodical circular issued by CASA Department.	<ul style="list-style-type: none"> <li>– Date of maturity to 01.07.2018 @ <b>4%</b></li> <li>– 01.07.2018 to 11.05.2021 @ <b>3.5%</b></li> <li>– 11.05.2021 to prior date of transfer @ <b>3%</b></li> </ul>

#### 7. Procedure for crediting to the Fund

Bank shall remit the amounts due in electronic form through E-Kuber portal of Reserve Bank of India to the designated account created for the Scheme, viz. “DEAF Account 161001006009” duly providing the number of accounts and amount transferred in 3 heads viz. interest bearing deposits, non-interest bearing deposits and other credits and by mentioning the Bank specific DEAF Code.

## 8. Procedure for refund

The procedure for claiming refund should be as given below:

- Customers can submit the request for claiming back the accounts at any branch.
- On receipt of the request ranch shall submit the application for refund to HO
- On getting the application, HO – Accounts shall confirm the amount transferred to RBI.
- In case of interest bearing deposits, HO – Accounts shall calculate the interest accrued as follows.

Deposits transferred to fund before 01.07.2018	From : Date of transfer to DEAF To : 01.07.2018	4.00 %
	From : 01.07.2018 To : 11.05.2021	3.50 %
	From : 11.05.2021 To : Till date of payment	3.00 %
Deposits transferred to fund between 01.07.2018 to 11.05.2021	From : Date of transfer to DEAF To : 11.05.2021	3.50 %
	From : 11.05.2021 To : Till date of payment	3.00 %
Deposits transferred to fund after 11.05.2021	From : Date of transfer to DEAF To : Till date of payment	3.00 %

- HO Accounts Dept will sanction and confirm the final payment and transfer the sum of amount to Branch's RTGS Pool Account by debiting advance payment account of HO - Accounts (Acc. No. 950-03895596-522001).
- Payment to be effected by debiting RTGS Pool Account at the branch.
- Confirmation of the actual payment to be given by the paying branch to HO for claiming refund.
- Refunds made by the Bank in each calendar month should be claimed for reimbursement from the Fund before 11<sup>th</sup> day of the subsequent month by Accounts Department.
- HO shall credit the amounts received from the Fund to the respective branches and in turn branches shall reverse the advance payment at their end.

## 9. Introduction of Computerised environment for payment to and refund from DEA Fund.

The operations in the fund has moved to computerised environment with RBI developing an automated module named DEAF Module within its Core Banking System "e-Kuber where Banks would be able to transfer their funds and subsequently claim refunds online. This module will not only reduce operational risk but also will substantially reduce the turnaround time for settlement of refund claims.

The window for transferring unclaimed deposits to the fund will continue to be open during the last two working day of each month, as hither to. At the end of every month, the system will auto generate Form I and send it to the registered e-mail ids of the Banks. Banks, after verifying the correctness of Form I and duly audited by an Auditor, are required to submit the same

through the portal.

For claiming refund also, the Bank should submit refund claims to RBI through e-Kuber portal by filling up Form II. After submission of the claim, a printout of the auto generated Form II duly signed authorised official and certified by the auditors shall be submitted to the RBI. The claim will be examined by the RBI and if found in order, the amount claimed will be credited to the account of the Bank with the RBI.

#### **10. Returns to be submitted**

Consequent upon moving to the computerised environment and creation of DEAF Module in the RBI Core Banking Portal e-Kuber, the following reports to be submitted with the RBI.

Form I – Monthly Consolidated return on the date of transferring the amount to the Fund.

Form II – Monthly return claiming refund from the DEAF Account.

Form III – Half Yearly Certificate of reconciliation as on September 30 and March 31 signed by two senior officers other than those involved in the operations of DEA Fund has to be submitted to RBI not later than April 30 and October 31 respectively.

Form IX – Yearly Return

#### **11. Audit**

All the above-mentioned returns should be audited by the concurrent auditors before submission to RBI.

#### **12. Authorized Signatories**

Two officials should be designated as authorized signatories who would operate the account jointly for the claims/refund on behalf of the Bank

#### **13. Disclosure in Notes to Accounts**

All unclaimed liabilities (where amount due has been transferred to DEAF) are to be reflected as “Contingent Liability-Others, items for which the Bank is contingently liable” under Schedule 12 of the annual financial statements. The amounts transferred to DEAF account should be properly disclosed under the notes to accounts.

#### **14. Updation of List of Inoperative Accounts on Bank’s Website**

The list of unclaimed deposits/ inoperative accounts that are inactive/ inoperative for ten years or more are published on Banks website on monthly basis.