

DEPOSIT POLICY

NKGSB CO.OP BANK LTD.

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POLICY ON DEPOSITOR'S RIGHT

1. PREAMBLE

Acceptance of deposits and maintenance of deposit accounts is the core activity of any bank. The very basic legal interpretation of the word 'banking' as defined in the Banking Regulation Act, 1949 means accepting deposits of money, for the purpose of lending or investment, from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise. Thus, deposits are the major resource and mainstay of a bank and the main objective of a bank is to mobilize adequate deposits.

The Reserve Bank of India is empowered to issue directives / advices on interest rates on deposits and other aspects regarding conduct of deposit accounts from time to time. With liberalization in the financial system and deregulation of interest rates, banks are now free to formulate deposit products within the broad guidelines issued by RBI. This Deposit Policy has been drawn up within the broad guidelines issued by the Reserve Bank of India vide its Master Circular RBI/2015-16/5 DCBR.BPD. (PCB).MC. No. 6/13.01.000/2015-16 July 1, 2015/ BCSBI/IBA.

2. OBJECTIVES

RBI has advised banks to formulate a transparent and comprehensive policy setting out the rights of the depositors in general and small depositors in particular. The policy should cover all aspects of operations of deposit accounts, charges leviable and other related issues to facilitate interaction of depositors at branch levels. The policy should also be explicit in regard to secrecy and confidentiality of the customers. Accordingly, this policy document on deposits outlines the guiding principles in respect of formulation of various deposit products offered by the Bank and terms and conditions governing the conduct of the account. The document recognizes the rights of depositors and aims at dissemination of information with regard to various aspects of acceptance of deposits from the members of the public, conduct and operations of various deposits accounts, payment of interest on various deposit accounts, closure of deposit accounts, method of disposal of deposits of deceased depositors, etc., for the benefit of customers. It is expected that this document will impart greater transparency in dealing with the individual customers and create awareness among customers of their rights. The ultimate objective is that the customer will get services they are rightfully entitled to receive without demand.

3. TYPES OF DEPOSIT ACCOUNTS :-

The Bank offers various deposit products under different names, the deposit products can be categorized broadly into the following types:-

A) Demand Deposits

B) Time Deposits

A) "Demand deposits":- means a deposit received by the bank which is withdrawable on demand,

a) **"Savings deposits (SB)"**- means a form of demand deposit which is subject to restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the Bank during any specific period. Currently ,the Bank is providing the following Schemes for various segments of customers under the saving account category:

- **SB Regular Account (SB)**
- **Gen Next Accounts–**
 - 1) Kids Saving Account (SB Kid)
 - 2) Student Saving Account (SB Student)
 - 3) Yuva Saving Account (SB Yuva)
- **Dignity Saving Account**
- **HNI Accounts** -
 - 1) Super Saving (SB HNI)
 - 2) Super Esteem Saving (SB Super Esteem)
 - 3) Super Exclusive Saving (SB Super Exclusive)
- **Basic SB Account**
- **NRE/NRO Saving Account**
- **SB Salary Account**
- **Maitreyi Saving Account**
- **Zero Balance Saving Account**
- **Saving Account 500**
- **Pension Accounts – MSFP/MSP/MCGM/MCGMP**

4. PRODUCT APPROVAL PROCESS

New deposit products will be introduced and existing products will be modified by the Bank after a thorough study is made of the product, market study of similar products available in the market and customer expectation for such products.

The views and opinions of customers received through branches/ Zonal Offices will be taken into account while designing new products and modifying existing products. While formulating new products, the guidelines issued by Reserve Bank of India and Indian Banks' Association will be taken into account.

All new products and modifications of existing products will be approved by the Board of Directors before being implemented.

5. ACCOUNT OPENING AND OPERATION OF DEPOSIT ACCOUNTS

- a. The Bank, before opening any deposit account, will carry out due diligence as required under "Know Your Customer" (KYC) and Anti-money Laundering guidelines issued by RBI, Government of India and or such other policy norms or procedures adopted by the Bank.
- b. The Branch Manager are authorized to take a decision with regard to opening an account. If the decision to open an account of prospective depositor it will involve satisfying the Bank about the identity of the person, verification of address, satisfying about his occupation, source of income and obtaining recent 2 photographs of the person/s opening/operating the account will be the part of the due diligence process. In Case of illiterate person 3 recent photographs have to be obtained, additional photograph will be affixed on the Bank Passbook. Reasons for any delay in opening of the account will be informed to the customer and the final decision of the bank will be conveyed to the customer at the earliest.
- c. In addition to the due diligence requirements, under KYC norms the Bank is required by law to obtain Permanent Account Number (PAN) or alternatively declaration in Form No. 60 or 61 as specified under the Income Tax Act / Rules and PMLA Rules amended vide notification dated 1st June 2017 and subsequent amendments.

- d. The account opening forms and other required information will 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 by the customer. The Bank official opening the account will also explain the procedural formalities and provide necessary clarifications sought by the prospective depositor when he approaches the Bank for opening a deposit account.
- e. For deposit products like Savings Bank Accounts and Current Accounts, the Bank will normally stipulate certain minimum/average balances to be maintained as part of the terms and conditions governing operation of such accounts. Failure to maintain minimum/average balance in the account will attract charges as specified by the Bank from time to time. For Saving Bank Account the Bank may also place restrictions on number of transactions, cash withdrawals etc. for given period. Similarly, the Bank may specify charges for issue of chequebooks, additional statement of accounts, duplicate passbook, folio charges etc. All such details, regarding terms and conditions for operation of the accounts and schedule of charges for various services provided will be communicated to the prospective depositor while opening the account or from time to time as the case may be. This charge schedule is also available with Bank on the Customer Information Board as well as at the branch counter & at the Bank's official website.
- f. The bank is committed to provide basic banking services to disadvantaged sections of the society. Banking services will be offered to them through Basic Savings Bank Deposit Accounts (BSBDA) and Small Savings accounts will be opened with relaxed customer acceptance norms as per regulatory guidelines. According our Bank has introduced Basic SB Account for benefit of unbanked segment of the society. The details of which are provided in KYC policy of the Bank and also on website.
- g. The regulatory guidelines requires banks to categorize customers based on risk perception and prepare profiles of customers for the purpose of transaction monitoring. Inability or unwillingness of a prospective customer to provide necessary information /details could result in bank not opening an account. Inability of an existing customer to furnish details required by the bank to fulfill statutory obligations will result in partial freezing and subsequently total freezing of the account after due notice is provided to the customer.

- h. The Customer should inform any change of address or change in profile to the Bank with supporting KYC documents to make necessary modification in the system.
- i. When a depositor wishes to withdraw from his account through a withdrawal slip the Bank will insist on his passbook for verification or valid identity document of the bearer, i.e. the account holder only and only for across the counter. Also amount of cash withdrawal done through withdrawal slip cannot be more than Rs. 20,000/-. Exceptions, if any, will be permitted by Branch In charge.
- j. 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).
- k. Current Accounts can be opened by individuals /proprietary concerns/ partnership firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies / Trusts, Limited Liability Partnership etc.
- l. Term Deposits Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates / Societies / Trusts, Limited Liability Partnership etc.
- m. Deposit accounts can be opened by an individual in his own name (known as account in single name) or by more than one individual in their own names (known as Joint Account). Savings Bank Account can also be opened by a minor jointly with natural guardian (Father or Mother)/Legal Guardian (known as Minor's Account). Minors above the age of 10 will also be allowed to open and operate Savings Bank account independently. Deposits in the account of minors/minors with Natural/Legal Guardian will have restrictions as per Govt./RBI guidelines.
- n. KYC once done by one branch of the bank will be valid on transfer of the account within the Bank as long as full KYC has been done for the concerned account and the same is not due for periodic updation. The customers are allowed to transfer their account from one branch to another branch without insisting on fresh proof of KYC documents. Periodical updation of KYC data would continue to be done by the Bank as per prescribed periodicity.

- o. **Operation of Joint Account-** The Joint Account opened by more than one Customer can be operated singly or jointly. The mandate for operating the account can be modified only with the consent of all account holders. The Savings Bank Account opened by minor jointly with natural guardian / legal guardian can be operated by natural guardian/ legal guardian only.

The joint account holders can give any of the following mandates for the disposal of balance in the above deposit accounts:

- **Either or Survivor** :- If the account is held by two individuals say, A & B, the final balance along with interest, if applicable, will be paid to either of the account holders i.e. A or B, on date of maturity or to the survivor on death of anyone of the account holders.
- **Former or Survivor** :-If the account is held by two individuals say, A & B, the final balance along with interest, if applicable, will be paid to former only i.e. A on date of maturity and to the survivor on death of former.
- **Anyone or Survivor(s)**: - If the account is held by more than two individuals say, A, B and C, the final balance along with interest, if applicable, will be paid to any of the accountholders i.e. A or B or C , on date of maturity.
On the death of any one of account holder say A, the final balance along with interest if applicable, will be paid to remaining surviving accountholders i.e. B or C. On the death of any two of account holder say A and B, the final balance along with interest if applicable, will be paid to surviving accountholder i.e. C.
- **All Jointly** :- If the account is held by more than two individuals say, A, B and C, the final balance along with interest, if applicable, will be paid to all jointly on maturity or the survivors jointly on death of any one account holder or to the last survivor.
- Option to select mode of operation other than mentioned above are also available to customer.
- At the request of the depositor, the Bank will register mandate / power of attorney given by him authorizing mandate holder or POA holder to operate the deposit account on his behalf.

- p. However if the joint depositors prefer premature withdrawal of deposits in accordance with the mandate of 'Either or Survivor', 'Anyone or Survivor' or 'Former or Survivor', bank may allow premature withdrawal of term deposits to the surviving depositor/s without seeking concurrence of legal heirs of the deceased deposit holder, provided all the depositors have given a specific joint mandate for the said purpose at the time of opening the account or any time subsequently during the tenure of the deposit.

6. ACCOUNT OPENING OF DIFFERENT CATEGORIES OF INDIVIDUALS:

➤ Minor Accounts/Kids Account/Student Account

- i. Saving Bank account and Term Deposit Accounts including Recurring Deposits can be opened in the name of minor (known as Minor's Account) by natural guardian or guardian appointed by court (legal guardian). Savings Bank Account or Term Deposit Account can also be opened in the name of a minor jointly with natural guardian or jointly with a major, where minor is represented by natural/Legal guardian.
- ii. Minors above the age of 10 years- Bank may allow to open and operate savings bank account independently. KYC norms & due diligence of minor should be ensured while opening and operating these accounts. Additional banking facility of an ATM/ debit card is given to a self-operating Minor Account, subject to the safeguard that minor accounts are not allowed to be overdrawn and that these always remain in credit.
- iii. On attaining majority on the same day account should be inoperative till the time customer converts the minor account to major with required KYC documents. Thus, banks should initiate the prior communication to Minor accounts that would attain to majority. On attaining majority, the erstwhile minor should confirm the balance in his/her account and if the account is operated by the natural guardian /legal guardian, fresh specimen signature of erstwhile minor duly verified by the natural/legal guardian, fresh set of KYC Documents of the erstwhile minor, would be obtained and kept on record for all operational purposes.

➤ **Accounts Of Illiterate persons**

- i. An illiterate person (thumb impression) person may open an Ordinary Savings Bank account in his sole name. The Bank may at its discretion open other deposit accounts other than Current Accounts of illiterate person. The account of such person may be opened provided he/she calls on the Bank personally along with a witness who is known to both the depositor and the Bank.
- ii. 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.
- iii. The Bank will explain the need for proper care and safe keeping of the passbook etc. given to the account holder. The Bank official shall explain the terms and conditions governing the account to the illiterate person. No debit cards will be issued to such accounts.
- iv. **A literate person who opens an account and subsequently loses the ability to affix his signature due to an accident / old age and other health related issues does not fall in the category of an illiterate person with a thumb impression. Cheque Book/ Debit Card /Net Banking facilities provided to such accounts will continue despite the thumb impression that the customer may affix for Banking transactions.**

➤ **Account of Visually Challenged Persons**

- i. Bank will facilitate opening of Saving Bank accounts as well as Term Deposit accounts of persons with visual impairment. Such accounts will be operated by the accountholder personally.

- ii. Cheque book facility will be made available. Such accountholders will have to be present before the branch official and affix thumb impression and they will be identified through their photograph to facilitate operations.
- iii. All normal banking operations are made available to enable visually challenged persons to operate their accounts. Other banking facilities such as safe deposit lockers, retail loans etc. are also offered to visually challenged persons without any discrimination.

➤ **Accounts of persons with autism, cerebral palsy, mental retardation & multiple disabilities**

- i. 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/ Collector of District 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.
- ii. Hence a legal guardian so appointed can open and operate the bank account as long as he remains the legal guardian. Legal guardian, so appointed, will furnish an indemnity-cum-undertaking bond duly stamped as per the local law in force along with Guardianship Certificate.

➤ **Opening of NRE/NRO Accounts**

- i. Bank has got AD category Licence I in 2014 and all branches are authorised to open NRE and NRO account in rupee. FCNR and RFC deposits to be placed at B category branches. At present we are having only one B Category branch i.e. Girgaum
- ii. Accordingly, the bank will allow opening banking accounts of Non Residents Indians under the directives /regulations/notifications of the Foreign Exchange Management Act (FEMA) 1999.

- iii. Students are also allowed to open NRE saving and NRE term deposit accounts.
- iv. The Bank will offer the following types of accounts of the NRIs:
 - NRE Account
 - NRO Account
 - FCNR Account
 - RFC Account
- v. We are accepting FCNR deposit for maximum 2 years and basis is LIBOR plus 150 basis.
- vi. Prior approval of Reserve Bank of India is needed for opening of account of Pakistan Nationality.
- vii. Students of Bangladeshi Nationals will be allowed opening account if they hold a valid VISA and valid residential permit issued by Foreigners Registration Office (FRO)/ Foreigner Regional Office (FRRO) concerned.

➤ **OPENING/ OPERATION OF AN ACCOUNT UNDER THE REAL ESTATE (REGULATION AND DEVELOPMENT)ACT, (RERA)2016 (RESPA ACCOUNT)**

As per RERA Act, 2016 the promoter is required to deposit seventy percent of the amount realized for the real estate project from the allottees/buyers in a separate account to be maintained in a scheduled bank to cover the cost of construction and the land cost and to be used only for that purpose.

The bank follows the guidelines framed under Real Estate (Regulation and Development) Act, 2016 for the opening and operations of the account.

7. Nomination facility:-

Nomination facility is available on all deposit accounts opened by the individuals. Nomination can be made in favor of one individual only. Hence nomination is not permitted in favor of Company, Firm, Trust, HUF etc.

- Nomination is also available to a sole proprietary concern account.
- Nomination can be made in favor of a minor also, and in such case, the depositor/s will have to appoint another person who is not a minor to receive the amount on behalf of the minor.
- Nomination facility is available for articles left in safe custody and safe deposit lockers.
- Nomination so made can be cancelled or changed by the account holder/(s) any time. In case of Joint Accounts, Nomination can be modified by the consent of all account holders.
- Attestation of two witnesses on the nomination forms would be required only if the form carries the thumb impression of the account holder. Attestation by the witness is not required in case the form is signed by the account holder.
- When the customer opts for nomination facility for any account, the phrase “nomination registered” is printed in the Passbook/Term Deposit Receipt.
- Bank recommends that all depositors avail the nomination facility. The depositor will be informed of the advantages of the nomination facility while opening a Deposit A/c .If any person opening the account doesn't want to give nomination, Bank will record the fact on the account opening form and proceed with account opening.
- The nominee, in the event of death of the depositor/s, would receive the balance outstanding in the account of the deceased as a trustee of legal Heirs.

8. Introduction not mandatory for opening accounts

Since introduction is not necessary for opening of accounts under PML Act and Rules or Reserve Bank's extant KYC instructions, the Bank will not insist on introduction for opening bank accounts of customers.

9. Extension of Alternate Delivery Channels to Savings Bank & Current Deposit account holders

The bank offers choice of electronic channels to customers for conducting their banking transactions. The choice of electronic channels includes ATM, Internet banking, mobile banking including SMS banking facility and phone banking. Wherever such electronic facilities are offered as a part of the basic account/product, bank will obtain specific consent of the customers after explaining the risk associated for availing the facility.

10. Interest Payments

- i. Interest shall be paid on Savings Bank/Term Deposit accounts of residents Indians at the rate decided by the Bank within the general guidelines issued by the Reserve Bank of India from time to time. Interest on SB accounts is paid on daily product basis i.e.4 % p.a.. Interest rate on Non Resident (External) Accounts Scheme and Ordinary Non-Residents Deposit under savings account is currently regulated by RBI. Interest earned on Non-Resident (Ordinary) SB accounts are subject to Income Tax which will be deducted at source. We also provide Auto Sweep Facility Saving Accounts customers details are available at the branch. No interest shall be paid on deposits held in current accounts, Provided that balances lying in current account standing in the name of a deceased individual depositor or sole proprietorship concern shall attract interest from the date of death of depositor till the date of repayment to the claimant/s at the rate of interest applicable to saving deposit as on the date of payment.
- ii. In terms of Reserve Bank of India directives, interest shall be calculated at quarterly intervals on term deposits and paid at the rate decided by the Bank depending upon the period of deposits. In case of monthly payment, the interest shall be calculated for the quarter and paid monthly at discounted value. The interest on term deposits is calculated by the Bank in accordance with the formulae and conventions advised by Indian Banks' Association.

- iii. There will be Asset Liability Committee (ALCO) which will meet on monthly basis to review interest rates on deposits. The Committee consists of Managing Director, Chief Financial Officer and Other Heads of the Department as appointed by the Board of Directors (BOD). Any changes in interest rate will be proposed by ALCO to BOD. After approved from BOD, the new rates will be applied.
- iv. The rate of interest on deposits will be prominently displayed in the branch premises. Changes, if any, with regard to the deposit schemes and other related services shall also be prominently displayed. These will also be displayed on the Bank's website.
- v. The Bank with the permission of its Board may offer a higher rate of interest on Fixed Deposits to Senior Citizens. All kinds of term deposits accounts attracting special rates for senior citizen can be opened jointly with any other person. In all the cases, the senior citizen must be the first holder.
- vi. Banks can accept or place interbank deposits as per the RBI guidelines from time to time. Bank also issue fixed deposit for tender /security purpose on behalf of the customers upon their request.
- vii. The Bank has statutory obligation to deduct tax at source if the total interest paid / payable on all term deposits held by a person exceeds the amount specified under the Income Tax Act. Tax is deducted at the rate mentioned in the relevant provisions of the IT Act. Tax is deducted at 20% where ever PAN is not furnished. In case NRE/ NRO accounts, the TDS will be applicable as per prevailing guidelines from RBI and IT Authorities.
The Bank will issue a tax deduction certificate (TDS Certificate) for the amount of tax deducted. The depositor, if entitled to exemption from TDS can submit declaration in the prescribed format at the beginning of every financial year. This declaration filed in Form 15G and 15H u/s 197A of the I.T. Act shall not be valid unless the person filing the declaration furnishes his PAN in such declaration.
- viii. If a term deposits/ recurring deposits is maturing for payment on a Sunday / holiday / non-business working day, bank shall pay interest at the originally contracted rate on the original principal deposit amount for the Sunday / holiday / non-business working day, intervening between the date of the maturity of the specified term of the deposit and the date of payment of the proceeds of the deposit on the succeeding working day.

11.ADDITION OR DELETION OF THE NAMES OF JOINT ACCOUNT HOLDERS:

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

12.CUSTOMER INFORMATION

As per RBI guidelines, the customer information collected from the customers while opening the account will not be used for cross selling other services or products of the Bank. Prior consent of the account holder will be obtained before using the customer information for marketing. The Account opening form for all accounts seeks such permission.

The documents & records including books accounts & all related documents are preserved as per the guidelines issued by Central Government Act for Co-operative Banks. "The Co-operative Banks (Preservation of Records) Rules,1985, which provides detailed guidelines on preservation of books, accounts & other documents on deposits, advances & investments etc. "

13.SECRECY OF CUSTOMERS ACCOUNTS

The Bank shall not disclose details / particulars of the customer's account to a third person or party without the expressed or implied consent from the customer. However, there are some exceptions, viz. disclosure of information under compulsion of law, where there is a duty to public to disclose and where interest of the Bank requires disclosure.

The bank's IT securities system are in place as per the RBI directives issued from time to time. The employees of the organisation have been issued necessary instructions via staff rules on customer secrecy & proper monitoring systems are also in place.

14.PREMATURE WITHDRAWAL OF TERM DEPOSITS

The Bank on request from the depositor, at its discretion will allow withdrawal of term deposit before completion of the period of the deposit agreed upon at the time of placing the deposit. The Bank will inform the applicable penal interest rates for premature Withdrawal of term deposits, to make depositors aware of the applicable rate along with the deposit rate. The penal charges for premature withdrawal will be applicable on the rate of interest applicable at the time of contract for the period for which the deposit remained with the Bank Or contractual rate whichever is lower.

If fixed/term deposit accounts are opened with operating instructions 'Either or Survivor' /Former or Survivor/ Anyone or survivor, etc the signature of all the depositors will be obtained, in case the deposit is to be paid before maturity.

15.PREMATURE RENEWAL OF TERM DEPOSIT

In case the depositor desires to renew the deposit for higher rate of interest by seeking premature closure of an existing term deposit account, the bank will permit the renewal at the applicable rate on the date of renewal, provided the deposit is renewed for a period longer than the balance period of the original deposit. While prematurely closing a deposit for the purpose of renewal, interest on the deposit for the period it has remained with the bank Or contractual rate whichever is lower will be paid at the rate applicable on the date of deposit to the period for which the deposit remained with the bank and not at the contracted rate.

Further, the bank may levy penalty for premature closure of an existing deposit at such rates as may be decided by the bank from time to time.

16.AUTO RENEWAL OF MATURED TERM DEPOSITS

- I. The term deposit account holders at the time of placing their deposits can give instructions with regard to closure of term deposit account or renewal of term deposit for further period on the date of maturity. In absence of such instructions, the Bank will automatically renew the deposit for the same period as was for the last deposit at the prevalent rate of interest on date of renewal.

- II. The auto renewal process is not applicable to certain type of deposits i.e. deposit kept by NRE/NRO,FCNR,RD (Recurring deposit),Tax Benefit Deposits and Deposits lien marked for loan. TD receipts in the name of a minor who has attained majority on or before maturity date.
- III. Under the auto renewal process the matured deposit will be renewed for the same period as that of the original deposit at the rate applicable on the date of maturity.
- IV. In case any depositor wishes to renew the overdue deposit which is not renewed under auto renewal process and if the request is received upto 15 days from the date of maturity such deposit will be renewed with effect from the date of maturity for the period as desired by the customer at interest rate applicable as on the maturity date. The same rule will be applied in case any depositor wishes to break the deposit confirmation advice created under auto renewal process and desires to keep the same in different products or get the payment of such renewed deposit confirmation advice.
- V. In respect of overdue deposits and Recurring Deposit (not renewed under auto renewal process) received after 15 days from the date of maturity, interest for the overdue period will be paid at the rates applicable to Savings Bank deposit rate. The term deposit will be renewed from that day and not from the date of maturity.
- VI. To maintain good customer relations, the Bank will follow the practice of sending maturity intimation through SMS/letter to all the Term Deposits holders 15 days in advance. However, it is expected that the depositor will take necessary care to renew the deposit on due date to avoid loss of interest.

17. Repayment of Term Deposits

On maturity Term Deposits may be renewed or closed. Maturity proceeds will be credited to the Account of the Deposit holder with the Bank. In case the deposit holder does not have an account with the Bank, the maturity proceeds will be paid by way of a Banker's Cheque / NEFT favouring the deposit holder. No third party payments are permitted. Maturity proceeds cannot be paid in cash. Cash payment is permitted only if the maturity value does not exceed Rs.20, 000. Maturity proceeds cannot be paid in cash even when a depositor holds multiple deposits with varying maturity dates, and where the maturity proceeds of any or all of those multiple deposits shall be less than Rs. 20,000/- individually, since cumulative holding of the depositor is required to be taken into account, to determine whether cash payment can be made or not.

18. Settlement Of Dues In Deceased Deposit Account

- I. If the depositor has registered nomination with the Bank, the balance outstanding in the account of the deceased depositor will be paid to the nominee after the Bank is satisfied about the identity of the nominee.
- II. The above procedure will be followed even in respect of a joint account where nomination is registered with the Bank. In the case of joint accounts, the nominee's right arises only after the death of all the depositors.
- III. In a joint deposit account, when one of the joint account holders dies, the Bank is required to make payment jointly to the legal heirs of the deceased person and the surviving depositor(s). However, if the joint account holders had given mandate for disposal of the balance in the account in the forms such as "either or survivor, former / latter or survivor, anyone of survivors or survivor; etc., the payment will be made as per the mandate.
- IV. In the absence of nomination and when there are no disputes among the claimants, the Bank will pay the amount outstanding in the account of deceased person as per the procedure prescribed by the Bank for Settlement of dues of Deceased Holders.

19. Settlement of Claims In Respect of Missing Persons

The system which will be followed at Bank in case a claim is received from a nominee / legal heirs for settlement of claim in respect of missing persons is as under:

The settlement of claims in respect of missing persons is governed by the provisions of Section 107 / 108 of the Indian Evidence Act, 1872. Section 107 deals with presumption of continuance and Section 108 deals with presumption of death. As per the provisions of Section 108 of the Indian Evidence Act, presumption of death can be raised only after a lapse of seven years from the date of his/her being reported missing. As such, the nominee / legal heirs have to raise an express presumption of death of the subscriber 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 on the basis of the same.

20. Interest Payable On Term Deposit In Deceased Account

- I. In the event of death of the depositor before the date of maturity of deposit and amount of the deposit is claimed after the date of maturity, the Bank shall pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment, the Bank shall pay interest at Savings Deposit rate for the period for which the deposit remained with the Bank beyond the date of maturity; as per the Bank's policy in this regard.
- II. If the amount of deposit is claimed before the date of maturity, interest at the rate applicable to the period for which the deposit has remained with the bank will be paid.
- III. In the case of death of the depositor after the date of maturity of the deposit, the Bank shall pay interest at savings deposit rate operative on the date of maturity from the date of maturity till the date of payment.

21. ADVANCES AGAINST DEPOSITS

The Bank will accept the request of the depositor/s for loan / overdraft facility against term deposits [unless prohibited under the respective deposit scheme] duly discharged by the depositor/s on execution of necessary security documents & same time FD receipt will be lien against said advances kept in safe custody of bank . The Bank will extend advance against term deposits subject to margin and interest spread stipulated from time to time.

In case of advance against the security of 3rd party deposits, rate of interest to be charged at bank's prevalent PLR, irrespective of the amount.

The Bank will grant an advance against term deposit at a margin of 10% irrespective of the amount of the deposit and at an interest spread of 2% over and above the applicable term deposit rate irrespective of the amount of advance and type of deposit (cumulative or non -cumulative). Any deviation in the margin and interest on advance against FD may be considered on case to case basis with the prior approval of the competent authority.

The bank has right of general lien to retain the goods of the customer till the debt of the customer is paid, whereas bank has the right of set off to adjust the cash balance of the deposit account to the loan account of customer.

22. INSURANCE COVER FOR DEPOSITS

All Bank deposits are covered under the insurance scheme offered by Deposit Insurance and Credit Guarantee Corporation of India (DICGC) subject to certain limits and conditions. The details of the insurance cover in force will be made available to the depositor either by way of a notice board or by displaying on the Bank's website.

Each depositor in a bank is insured up to a maximum of Rs.1,00,000/- (Rupees One Lakh) for both principal and interest (aggregate) amount held by him in the same right and in the same capacity. The deposits kept in different branches of a bank are aggregated for the purpose of insurance cover and a maximum amount up to Rupees One Lakh is paid.

23. STOP PAYMENT FACILITY

The Bank will accept stop payment instructions for the cheques issued by the account holders. Such instructions should be submitted in writing by the account holder. Bank has also introduced stop payment facility on various delivery channels like Internet Banking, Mobile Banking and SMS Banking. Charges, as specified from time to time, will be recovered by the Bank from the account holder.

24. DORMANT/INOPERATIVE ACCOUNTS

Accounts which are not operated for a period of 2 years, the status of the Account will be marked as a dormant account. No charges will be levied on dormant accounts. The depositor can request the Bank to activate the account for operating it after complying with the regulatory guidelines and after carrying out due diligence as per risk category of the customer.

There will not be any charge for activation of inoperative account. Interest on savings bank accounts shall be credited on regular basis even though it is inoperative account.

25. DEPOSITORS EDUCATION & AWARENESS FUND (D.E.A.Fund)

Any account which has not been operated upon for a period of ten years or any deposit remaining unclaimed for more than ten years is transferred to D.E.A.Fund with RBI.

The customer / depositor can claim from the bank his/her deposit or operate his/her account anytime even though the amount in the account/the deposit has been transferred to RBI, provided the prescribed procedure is followed. As per the RBI direction interest for the period between the date of transfer of amount to D.E.A. Fund & settlement shall be paid as advised by RBI from time to time.

26. SAFE DEPOSIT LOCKERS

The Bank has provided Safe Deposit Lockers at many of its branches and wherever the facility is offered, allotment of safe deposit vault will be subject to availability and compliance with other terms and conditions attached to the service.

Safe deposit lockers may be hired by an individual (not being a minor) singly or jointly with another individual(s), HUFs, firms, limited companies, associates, societies, trusts etc. Nomination facility is available to individual(s) holding the lockers singly or jointly. If a locker is hired by two or more persons to be operated "jointly by all", such hirers may nominate one or more persons to whom in the event of death of any one hirer or hirers, the Bank may give nominee/s, jointly with surviving joint hirer or joint hirers, as the case may be, access to the locker and liberty to remove the contents of such lockers.

In case of lockers hired jointly with another person and with mode of operation as "Either or Survivor" [E or S], nomination would be permissible. However, such nomination would be in favor of only one person. In the absence of nomination or mandate for disposal of contents of lockers, with a view to avoid hardships to common persons, the Bank will release the contents of locker to the legal heirs of the deceased for making an inventory of the contents of the locker against indemnity after due diligence, viz: Obtaining the death certificate, checking for restraining order from the competent court, etc on the lines as applicable to deposit accounts.

27. REDRESSAL OF COMPLAINTS AND GRIEVANCES

Depositors having any complaint / grievance with regard to services rendered by the Bank have a right to approach authority (ies) designated by the Bank for handling customer complaint / grievances. The details of the process set in place is as under:

(i) A standardized complaint registers is available at branches and kept at prominent place in the branches which would make it possible for the customers to enter their complaints.

(ii) A system of acknowledging the complaints is available, where the complaints are received through website.

(iii) The names of the officials who can be contacted for redressal of complaints, together with their direct telephone number, fax number, complete address and e-mail address etc. for proper and timely contact by the customers and for enhancing the effectiveness of the redressal mechanism is prominently displayed at our website.

In case the depositor does not get response from the Bank within 30 days from date of complaint or he is not satisfied with the response received from the Bank, he has a right to approach Banking Ombudsman appointed by the Reserve Bank of India.

