



<b>COMPREHENSIVE DEPOSIT POLICY</b>
-------------------------------------

Index	Topics
	Preamble
<b>1</b>	<b><u>TYPES OF DEPOSIT ACCOUNTS</u></b>
<b>2</b>	<b><u>ACCOUNT OPENING AND OPERATION OF DEPOSIT ACCOUNTS</u></b>
	(i) Account Opening and Operation of Various Deposit Accounts
	(ii) Minors' Accounts
	(iii) Account Of Illiterate / Blind Person
	(iv) Account Of Persons With Autism, Cerebral Palsy, Mental Retardation & Multiple Disabilities
	(v) Accounts Of Transgender Persons
	(vi) Pension Accounts
	(vii) Basic Savings Bank Deposit Account
<b>3</b>	<b><u>KEY FEATURES ON OPERATION OF DIFFERENT TYPES OF ACCOUNTS</u></b>
	(i) Operation of Joint Account
	(ii) Nomination Facility
	(iii) Addition Or Deletion Of The Name/S Of Joint Account Holders
	(iv) Dormant Accounts
	(v) Unclaimed Deposits/Inoperative accounts in Banks
	(vi) Statement of account and Transfer facility
<b>4</b>	<b><u>INTEREST PAYMENTS</u></b>
	(i) Interest Payment directives
	(ii) Premature Withdrawal Of Term Deposits
	(iii) Renewal Of Overdue Term Deposits
	(iv) Advances Against Deposits
	(v) Tax Deducted at Source
<b>5</b>	<b><u>DECEASED ACCOUNT</u></b>
	(i) Settlement Of Dues In Deceased Deposit Account

Classification - Public

	(ii) Settlement Of Missing Persons Claims
	(iii) Interest Payable On Term Deposit In Deceased Account
<b>6</b>	<b><u>FACILITATION OF OTHER BANKING SERVICES</u></b>
	(i) Debit card
	(ii) Mobile & Internet Banking
	(iii) Electronic Channels
	(iv) Standing Instructions
	(v) Direct Debit
	(vi) Stop Payment Facility
	(viii) Exchange Of Soiled / Mutilated Notes
	(viii)Atm Card / Debit Card Hot Listing.
	(ix)Foreign Exchange Services
	(x)Safe Deposit Lockers
<b>7</b>	<b><u>SERVICES CHARGES</u></b>
<b>8</b>	<b><u>SAFEGUARDING CUSTOMER INTERESTS</u></b>
	(i) Customer Information
	(ii)Secrecy Of Customer's Accounts
	(iii) Insurance Cover For Deposits
	(iv)Redressal Of Complaints And Grievances
<b>9</b>	<b><u>NON-RESIDENT DEPOSITS</u></b>

## PREAMBLE

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 / 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 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.

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. While adopting this policy the Bank re-iterates its commitments to the individual customers as outlined in the Code of Bank's Commitment to Customers.

### 1. 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. Definition of major deposits schemes are as under:

- a. "Demand Deposits" means a deposit received by the Bank which is withdrawable on demand.
- b. "Savings Account" means a form of Demand Deposit which is subject to restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the Bank during any specified period.
- c. "Term Deposits" means an interest bearing deposit received by the Bank for a fixed period and shall also include deposits such as Recurring /Reinvestment deposits
- d. "Current Account" means a form of demand deposit wherefrom withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount and will also include other deposit accounts which are neither Savings Deposit nor Term Deposit.

## 2. ACCOUNT OPENING AND OPERATION OF DEPOSIT ACCOUNTS

### **(i) Account Opening and Operation of Various Deposit Accounts**

- a. The Bank before opening any deposit account will carry out due diligence as required under "Know Your Customer" (KYC) guidelines issued by RBI and or such other norms or procedures adopted by the Bank.
- b. 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 when he approaches for opening a deposit account. Customers also have the option to open accounts digitally.
- c. For deposit products like Savings Account and Current Account, the Bank will normally stipulate certain minimum/ average balances to be maintained as part of terms and conditions governing operation of such accounts. Failure to maintain stipulated minimum/ average balance in the account will attract levy of 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 additional cheque books, additional statement of accounts, duplicate passbook etc. All such details, regarding terms and conditions for operation of the accounts and schedule of charges for various services provided will be communicated (**website /service and fee broacher**) to the prospective depositor while opening the account.
- d. 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). These accounts are designed to help the individual (personal customers) to inculcate the habit of saving money and to meet their future requirement of money. The amounts can be deposited/withdrawn from these accounts by way of cheques/ATM/ Branches. It helps customers to keep minimum cash at home besides earning interest.
- e. Current Accounts can be opened by individual's / Sole Proprietary firm's / partnership firms / Private and Public Limited Companies / LLP's / HUFs / Specified Associates / Societies / Trusts, etc. as advised by RBI from time to time.
- f. Term Deposits Accounts can be opened by individual's / partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates / Societies / Trusts/ Government Institutions, etc. Bank has tailored various deposit schemes to suit the needs and expectations of investing people in every walk of life.
- g. The due diligence process, while opening an account will involve satisfying about the identity of the person and verification of address and obtaining declaration from customer regarding occupation and source of income.
- h. 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 as specified under the Income Tax Act / Rules.
- i. Savings 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). It can also be opened by a minor jointly with natural guardian or with mother as the guardian

## Classification - Public

(Status: known as Minor's Account). Minors above the age of 10 will also be allowed to open and operate saving bank account independently.

- j. Key Partners who are independent financial advisors have been on boarded by the Bank as (DSA) and are hereby authorized to generate leads for sourcing Liability products of the Bank. The fulfilment of these leads will be done by a Bank staff in accordance with the regulatory guidelines.

### (ii) Minors' Accounts

- a. Savings Bank Account or Term Deposit Account can be opened in the name of a minor as an under guardianship account with natural guardian or with legal guardian. Operation of the account will need to be done by the guardian. Cheques can be issued by the guardian only.
- b. Minors above the age of 10 years can open and operate the account independently.
- c. No overdraft will be granted to Minors.

- One month prior to attaining majority, intimation is sent to the minor for submission of the fresh account opening form along with KYC documents for conversion of the Minor account to Major.

### (iii) Account of Illiterate / Visually Impaired Person

The Bank may at its discretion open deposit 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. No cheque book facility is provided to illiterate customers. 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 bank officer who should verify the identity of the person. The Bank will explain the need for proper care and safe keeping of the passbook etc. given to the account holder.

The Bank does not discriminate visually impaired customers while providing Banking Services. In case of visually impaired customer who is literate, ATM /Debit card, cheque book, etc. facilities will be given. The Bank official shall explain the terms and conditions governing the account.

### (iv) 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.

### (v) 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.

**(vii) Pension Accounts**

The bank offers a special product for pensioners with certain benefits. Details about the product offering is available with all the branches / website.

**(viii) Basic Savings Bank Deposit Account**

The Bank offers a BSBD Account with all the basic banking facilities with Zero Initial Pay-In and Zero balance account. Details about the product offering are available with all the branches.

**3.KEY FEATURES ON OPERATION OF DIFFERENT TYPES OF ACCOUNTS**

**(i) Operation of Joint Account**

- a. The Joint Account opened by more than one individual can be operated by single individual or by more than one individual as either or survivor, Former or Survivor, anyone or survivor or jointly. The mandate for operating the account can be modified with the consent of all account holders.
- b. The joint account holders can give any of the following mandates for the disposal of balance in the above accounts:
  - I. Either or Survivor: If the account is held by two individuals say, A & B, the final balance along with interest, if applicable, will be paid to survivor on death of anyone of the account holders.
  - II. 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 the survivor on death of any two account holders.
  - III. Former or Survivor: If the account is in the name of two individuals say, A & B, the final balance along with interest, if applicable, will be paid to the former i.e. On date of maturity. In case of death of A, the amount will be paid to B.
- c. In case of joint Fixed Deposits with a survivorship clause, the Bank shall be discharged by paying the Fixed Deposit proceeds prematurely to survivor/s on request, in the event of death of one or more Joint depositor.
- d. At the request of the depositor, the Bank will register mandate / power of attorney given by him authorizing another person to operate the account on his behalf.
- e. 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. In absence of any written instructions about the disposal of the term deposit, the Bank reserves the right at its discretion to renew the deposit along with accrued interest thereon at prevailing rates of interest for a similar tenor of the deposit which has matured.
- f. eHDFCL deposits migrated to the Bank as a part of the Merger will continue to be governed under the T&C as applicable when the deposits were booked and until either maturity or renewal of said deposit.

### **(ii) Nomination Facility**

The Bank recommends that all depositors avail nomination facility. The nominee, in the event of death of all depositors, 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.

- a. Bank offers nomination facility in deposit accounts, safe deposit lockers, articles in safe custody etc. Nomination facility is available on all deposit accounts opened by the individuals. Nomination is also available to a sole proprietary concern account.
- b. Nomination can be made in favour of one individual only. Nomination can be made in favour of a minor also subject to other major individual being named appointee(s) during the minority period.
- c. Nomination so made can be cancelled or changed by the account holder/s any time. Nomination can be modified by the consent of account holder/s.

### **(iii) 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. The first holder cannot be deleted from any account, except in case of Death of Holder. However, in no case should the amount or duration of the original deposit undergo a change in any manner in case the deposit is a term deposit.

### **(iv) Dormant Accounts**

Savings/Current Account which are not operated for a continuous period of more than 2 years by customer. (excludes system generated transactions like credit interest/debit interest) will be treated as a Dormant Account in the interest of the depositor as well as the Bank. Debit transactions will not be allowed in the account till the KYC details are updated.

### **(v) Unclaimed Deposits/Inoperative accounts in Banks**

“Unclaimed deposit accounts” means accounts, which have not been operated upon for ten years (in the case of money deposited for a FD / RD the said term of ten years shall be reckoned from the date of the maturity of such fixed period).

The Depositor Education and Awareness Fund Scheme, 2014 (DEAF) - RBI has established the Depositor Education and Awareness Fund. Under the provision, deposit accounts which have not been operated for a period of ten years or any amount remaining unclaimed for more than ten years shall be credited to DEAF. These 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 by RBI from time to time.

The depositor would, however, be entitled to claim from the Bank his/her deposit or any other unclaimed amount or operate his/her account after the expiry of ten years, even after such amount has been transferred to the Fund. The Bank would be liable to pay the amount to the depositor/claimant and claim refund of such amount from the Fund. Interest, if any, will be paid as applicable from time to time.

In an effort to play a more pro-active role in finding the whereabouts of the account holders of unclaimed deposits/inoperative accounts, the list of such accounts which are inoperative for ten years or more has been displayed on our Bank's website and on the UDGAM Portal (established for RBI across Banks).

**(vi) Statement of account and Transfer facility**

- a. Email / Physical Statement of account will be provided by the Bank to Savings Bank as well as Current Deposit Account Holders periodically as per terms and conditions of opening of the account.
- b. Passbook facility is available to all savings account holders.
- c. The Current and Saving accounts may be transferred to any other branch of the Bank at the request of the depositor.

**4.INTEREST PAYMENTS**

**(i) Interest Payment directives**

The interest rates are framed basis the below guidelines:

- a. Interest shall be paid on saving account as per Reserve Bank of India directives issued from time to time. However uniform interest rate shall be applicable on balance up to Rupees one lakh, irrespective of the amount in the account within this limit. Differential rates of interest can be provided for deposit (day end balance) exceeding Rupees one lakh. No interest is paid on balances held in a current account except KGC accounts (Kisan Gold Card), Current account maintained by RRB's with sponsor bank and Interest payable on the deposit account of deceased depositor.
- b. The authority to decide the rate of interest from time to time has been delegated to Asset Liability Committee (ALCO) by the board. The Board of Directors vide their meeting held on April 23, 2013 have authorized ALCO as a decision making authority to take all decisions pertaining to Deposits including rates to be offered, differential rates to be offered, tenor, premature withdrawal penalty etc.
- c. Term deposit interest rates are decided by the Bank within the general guidelines issued by the Reserve Bank of India from time to time which includes additional interest rates for senior citizens and staff. The Bank will provide additional Interest rate to its senior citizen customers on resident deposits of less than 5 crores. An additional interest rate will be provided to its staff / retired staff on all resident deposits across all amounts and tenors. Retired staff will be provided dual benefit of staff rate and senior citizen rate on resident deposits of less than 5 crores.
- d. 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 deposit 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 formula and conventions advised by Indian Banks' Association.



## Classification - Public

- e. The rate of interest on deposits will be prominently displayed in the branch premises and bank's website. Changes, if any, regarding the deposit schemes and other related services shall also be communicated upfront and shall be prominently displayed on Bank's website.
- f. For INR deposits, the Bank computes interest based on the actual number of days in a year. In case, the Deposit is spread over a leap and a non-leap year, the interest is calculated based on the number of days i.e., 366 days in a leap year & 365 days in a non-leap year.
- g. The rates are uniform across all branches and for all customers.
- h. There is no discrimination of interest paid on the deposits, between one deposit and another of similar amount, accepted on the same date, at any of its offices.
- i. Bank has the discretion to refuse multiple deposit booked by splitting of higher deposit amount or bulk deposit to avail better rate.
- j. Interest rate payable on deposits shall be strictly as per the schedule of interest rates disclosed in advance except for bulk deposits. The threshold for Bulk Deposits is implemented as defined by RBI. 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.
- k. 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.
- l. Reinvestment Deposits are issued for deposits greater than 6 months' tenor.
- m. Interest Pay-out on Deposits like monthly, quarterly etc. and reinvestment Deposits are permitted where deposits are booked for greater than 6 months' tenor.**
- n. 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 tax deducted. The depositor, if entitled to exemption from TDS can submit 15G/H in the prescribed format at the beginning of every financial year and when a new deposit is booked.

### **(ii) Premature Withdrawal of Term Deposits**

The Bank on request from a depositor, will allow withdrawal of term deposit before completion of the period of the deposit as per terms agreed upon at the time of placing the deposit.

Bank shall have the freedom to offer term deposits without premature withdrawal option. Provided that all term deposits accepted from depositors (held singly or jointly) for an amount of ₹ 1 cr and below (as directed by Regulation), must necessarily have premature-withdrawal-facility.

Term Deposits of below ₹2 cr (or such amount as decided by ALCO from time to time): For term deposits of below ₹ 2 cr, the Bank on request from the depositor shall allow withdrawal of deposit before completion of the period of the deposit agreed upon at the time of placing the deposit.

Term Deposits of ₹ 2 cr and above: For term deposits of ₹ 2 cr and above, where Bank offers both, deposits with/without premature withdrawal facility for such tenors as decided by Bank, customer shall be given the option to choose between the two facilities. For term deposits without premature withdrawal facility, the Bank may offer differential rate of interest. The Bank, shall, however disclose in advance the schedule of interest rate payable on term deposits.

## Classification - Public

For such premature withdrawals, including sweep-ins and partial withdrawals, the Bank may levy a penalty decided by the ALCO as per the terms published on the bank website, however penalty is not applicable if the deposit is booked for minimum tenor as prescribed by RBI from time to time. The penalty shall be clearly brought to the notice of the depositors at the time of acceptance of deposits.

The term deposit must run for a minimum tenor of 7 days from the date of value date in order to earn any interest. Premature withdrawals before this minimum tenor will result in zero interest payment to the customer. Sweep-in / Partial withdrawal may not be allowed for certain bulk deposits by bank.

Deposits accounts transferred from one bank branch to another bank branch on account of takeover of bank branches in rural and semi-urban centres will adhere to the following conditions:

- a. Deposit accounts will be deemed to be transferred to the new bank and will continue to be governed by the terms of contract agreed to, between the customer and the bank branch that is being taken over.
- b. The same rate of interest will be payable till maturity on such transferred deposits, as was payable at the time of takeover of the branch.

### **(iii) Renewal of Overdue Term Deposits**

When a term deposit is renewed on maturity, on renewed deposit interest rate for the period specified by the depositor as applicable on the date of maturity would be applied. In the absence of any maturity instructions or renewal instructions submitted prior to the date of maturity and as per the mode of operation of the account, all term deposits are automatically renewed for a period equal to that of the original deposit at the rates prevailing at the time of renewal. Exceptions to the above are:

- Tax Saver Fixed Deposits
- FD without premature closure option
- Recurring Deposits

In case of auto renewal, as the case may be, interest rate prevailing on the date of auto renewal shall be applicable. For simple fixed deposit, the principal deposit amount shall be renewed, while for cumulative fixed deposit the entire maturity proceeds shall be renewed.

### **(iv) Advances Against Deposits**

The Bank may consider request of the depositor/s for loan / overdraft facility against such term deposits and on such terms as decided by the bank from time to time, duly discharged by the depositor/s on execution of necessary security documents.

No advance will be given against Tax Saver Deposit and Recurring Deposit.

### **(v) Tax Deducted at Source**

Tax is deducted at source at prevailing rate when interest on term deposit held by the depositor paid or payable by the Bank for the financial year exceeds the threshold limit as defined by Income Tax Act, 1961 and amended from time to time. Operative PAN is required to be submitted for all customers whose tax needs to be deducted. In case on Inoperative / no PAN, tax will be deducted at higher rate. Form 15G/15H can be submitted by customers for marking exemption every financial year

## 5. DECEASED ACCOUNT

### **(i) 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.
- 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).
- 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 hardship on account of delays in completing legal formalities.
- e. In case of death of the primary holder of the term deposit prior to the maturity date, premature termination of the deposit would be allowed as per the terms of contract subject to necessary verifications and submission of proof of death of the depositor. Such premature withdrawals will not attract any penal charge.
- f. In case of splitting of the amount of term deposit at the request from the claimant/s of deceased depositors or Joint account holders, no penalty for premature withdrawal of the term deposit shall be levied if the period and aggregate amount of the deposit do not undergo any change
- g. In the case of Individual current account / sole proprietorship account, interest should be paid from the date of death of the depositor till the date of repayment to the claimant/s at the rate of interest applicable to savings deposit as on the date of payment.

### **(ii) 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.

### **(iii) Interest Payable On Term Deposit in Deceased 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 savings interest at the applicable rate obtaining 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. However, 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 as (on the date of maturity) from the date of maturity till the date of payment.
- c. Tax would be deducted at source from interest payable on term deposits in deceased account at prevailing rate as per guidelines defined in income tax Act, 1961 and amended from time to time.

## **6. FACILITATION OF OTHER BANKING SERVICES**

### **(i) Debit card**

Banks may issue Debit cards to customers having Saving Bank/Current Accounts (without lending facility). Banks may charge on debit card transactions within stipulated benchmark as per regulatory guidelines.

### **(ii) Mobile & Internet Banking**

Bank to seek a valid mobile number to open an account and extend Mobile and Internet Banking services to savings bank customers under the stipulated guidelines.

### **(iii) Electronic Channels**

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/ WhatsApp 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.

### **(iv) 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.

### **(v) Direct Debit**

The Bank offers National Automated Clearing House (NACH) 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. NACH facility are available at all the branches.

### **(vi) Stop Payment Facility**

The Bank will accept stop payment instruction from the depositors in respect of cheques issued by them. Charges, as specified, will be recovered.

**(vii) Exchange of Soiled / Mutilated Notes**

The bank accepts mutilated / soiled notes from customers / non-customers for exchange. Process of acceptance of such notes has been defined as per RBI's note refund rules and circulated to all the branches for adherence. All branches of the Bank offer the facility of exchange of soiled notes, coins, exchange of mutilated and cut notes. The process of exchange would be as per RBI's Note Refund Rules.

**(viii) ATM Card / Debit Card Hot Listing.**

The bank will accept ATM card / Debit card hot listing instructions from customers through Net Banking / Phone Banking channel - 24 hours a day and from branch channel during customer hours. Phone Banking numbers are made available to customers whenever a Card is issued and all branches contain a detailed leaflet with the numbers.

**(ix) Foreign Exchange Services**

The Bank offers a wide range of Foreign Exchange Products and Services to all customers, through its select branches. All Foreign Exchange transactions are conducted subject to Rules and Regulations under the Foreign Exchange Management Act, 1999 (FEMA)

**(x) Safe Deposit Lockers**

This facility is offered through select bank branches. Wherever the facility is offered, allotment of Safe Deposit Locker 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 (being not 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. In respect of lockers held in joint names operated under joint signatures of two or more, in such cases one or more nominees can be appointed. Joint locker holders can give mandate for access to the lockers in the event of death of one of the holders on the lines similar to those for deposit accounts. In the absence of nomination or mandate for disposal of contents of lockers, with a view to avoid hardship to common persons, the bank will release the contents of locker to the legal heirs against indemnity on the lines as applicable to deposit accounts.

**7. 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/website 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.

All customer is communicated regarding the balance requirement up-front at the time of opening account with the bank. If the customer fails to maintain required minimum balance in his/her savings 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 directly proportionate to the extent of shortfall in the saving account. Bank also ensures, that the account balance is not turned into negative due to levy of AMB charges.

## **8. SAFEGUARDING CUSTOMER INTERESTS**

### **(i) Customer Information**

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

### **(ii) 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. 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.

### **(iii) 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.

### **(iv) Redressal of Complaints and Grievances**

Depositors having any complaint / grievance with regard to services rendered by the Bank has a right to approach authority(ies) designated by the Bank for handling customer complaint / grievances. The details of the internal set up for redressal of complaints / grievances will be displayed in the branch premises / 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 one month 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.

## **NON- RESIDENT DEPOSITS**

### **A) INTEREST PAYMENTS AND RATES**

- i) Interest on NRE/NRO saving account shall be calculated on a daily basis. A uniform interest rate is set by the Bank for the balances upto the amount prescribed in the Reserve Bank of India guidelines. Interest on savings deposits shall be credited at quarterly intervals. No interest is paid on balances held in a current account.
- ii) Interest rates on NRE/ NRO deposits shall not be higher than those offered by the bank on comparable domestic rupee term deposits
- iii) The minimum tenor of NRE /FCNR term deposits shall be one year and that of NRO term deposits shall be seven days.
- iv) Differential interest rate if any shall be offered only on bulk deposits
- v) Term deposit interest rates are decided by the Bank within the general guidelines issued by the Reserve Bank of India from time to time. The benefit of additional interest rate on deposits on account of being bank's staff or senior citizen shall not be applicable for NRE/NRO/FCNR deposits.

## Classification - Public

- vi) In terms of Reserve Bank of India directives, interest on INR deposit 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 deposit 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 formula and conventions advised by Indian Banks' Association.
- vii) The rate of interest on deposits will be prominently displayed in the branch premises. Changes, if any, with regard to the deposit schemes and other related services shall also be communicated upfront and shall be prominently displayed on Bank's website.
- viii) For INR deposits, the Bank computes interest based on the actual number of days in a year. In case, the Deposit is spread over a leap and a non-leap year, the interest is calculated based on the number of days i.e., 366 days in a leap year & 365 days in a non-leap year.
- ix) For Foreign Currency deposits (FCNR & RFC) the Bank computes interest based on 360 days to a year. The depositor has an option of receiving interest on maturity with compounding effect.
- x) The Bank has statutory obligation to deduct tax at source on Interest paid / payable on NRO Savings / NRO Term deposits under the Income Tax Act. The Bank will issue a tax deduction certificate (TDS Certificate) for the amount of tax deducted.
- xi) No interest will be paid if the NRE / NRO / RFC / FCNR term deposit is liquidated prior to completion of minimum tenor as prescribed by RBI from time to time.
- xii) Overdraft facility can be given against NRO Deposits in India. Overdraft facility can be given in India or Outside India against the NRE / FCNR deposits

The Board of Directors vide their meeting held on April 23, 2013 have authorized ALCO as a decision making authority to take all decisions pertaining to Deposits (Domestic) including rates to be offered, tenor, pre-mature withdrawal penalty etc. The interest rates are framed basis the below guidelines:

- ii) The rates are uniform across all branches and for all customers.
- iii) There is no discrimination of interest paid on the deposits, between one deposit and another of similar amount, accepted on the same date, at any of its offices.
- iv) Interest rate payable on deposits shall be strictly as per the schedule of interest rates disclosed in advance except for bulk deposits. The threshold for Bulk Deposits is as defined by RBI in their circular issued under reference number RBI/2018-19/128 DBR.DIR.BC.No.27/13.03.00/2018-19. 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.
- v) The rates cannot be negotiated between the depositors and the bank.
- vi) The interest rates offered are reasonable, consistent and transparent.
- vii) 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.
- viii) If a term deposit is maturing for payment on a non-business working day, Bank shall pay interest at the originally contracted rate on the original principal deposit amount for the 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.
- ix) In case of reinvestment deposits and recurring deposits, Bank shall pay interest for the intervening non-business working day on the maturity value.

## Classification - Public

- x) Deposits accounts transferred from one bank branch to another bank branch on account of takeover of bank branches in rural and semi-urban centres will adhere to the following conditions:
- a. deposit accounts will be deemed to be transferred to the new bank and will continue to be governed by the terms of contract agreed to between the customer and the bank branch that is being taken over.
  - b. the same rate of interest will be payable till maturity on such transferred deposits, as was payable at the time of takeover of the branch.

### **B) Premature Liquidation of NRE / NRO / FCNR Term Deposits**

The Bank on request from a depositor, will allow withdrawal of term deposit before completion of the period of the deposit as per terms agreed upon at the time of placing the deposit. The component of penalty is clearly brought to the notice of the depositors at the time of acceptance of the deposits and also mentioned in the deposit advice.

The Bank shall declare their penal interest rates policy for premature withdrawal of term deposit.

While prematurely closing the existing deposit, interest will be paid for the period the deposit has remained with the Bank. The Bank shall make depositors aware of the applicable rate along with the deposit rate.

No penalty shall be levied for premature withdrawal of NRE /FCNR term deposits. Since no penalty is levied by Bank for premature withdrawal of NRE /FCNR deposits, no penalties will be levied in respect of the following scenarios:

- Penalty for premature withdrawal of NRE deposit for conversion into FCNR (B) deposit
- Penalty for premature withdrawal of FCNR deposit for conversion into NRE deposit
- Penalty for premature withdrawal of FCNR deposit when the depositors return to India for permanent settlement
- Penalty for premature withdrawal of NRE / FCNR deposit for conversion into Resident Foreign Currency (RFC) Account
- Penalty for premature withdrawal of FCNR deposit for splitting of the amount at the request from the claimant/s
- Penalty for premature withdrawal of NRE / FCNR deposit where depositor desires transfer of business from one bank branch to another bank branch on account of takeover of bank branches
- Penalty to recover the swap cost in case of premature withdrawal of FCNR(B) deposits

### **C) RESIDENT FOREIGN CURRENCY (RFC) DEPOSITS**

NRI customers who have returned to India for good can book Resident Foreign Currency Deposits for a minimum tenure of 15 days and maximum tenure of 3 years.

The Bank shall declare their penal interest rates policy for premature withdrawal of term deposit. While prematurely closing the existing deposit, interest will be paid for the period the deposit has remained with the Bank. The Bank shall make depositors aware of the applicable rate along with the deposit rate.



## Classification - Public

On change of Resident Status from Resident to NRI the RFC deposit can be converted to FCNR/NRE deposit. Overdraft facility cannot be given against RFC deposits.

On conversion of NRE / FCNR deposit to RFC deposit interest will be paid as under:

- If the NRE / FCNR 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.

### D) PROHIBITION ON MARKING LIEN

Bank shall not mark any type of lien, direct or indirect, against NRE saving deposits.

### E) INTEREST PAYABLE ON NRE / NRO TERM DEPOSIT IN DECEASED ACCOUNT

In case the claimants of an NRE term deposit account of a deceased depositor are residents, the deposit on maturity shall be treated as a domestic rupee term deposit and interest shall be paid for the subsequent period at a rate applicable to a domestic term deposit of similar maturity.

### F) Maturity period for term deposits under the FCNR (B) scheme

1. The maturity period for term deposits under the FCNR (B) scheme shall be as under:
  - a) One year and above but less than two years
  - b) Two years and above but less than three years
  - c) Three years and above but less than four years
  - d) Four years and above but less than five years
  - e) Five years only
2. Bank shall not accept or renew FCNR (B) deposits on maturity for over five years and no recurring deposits shall be accepted under the FCNR (B) Scheme. Bank may decide the currency-wise minimum quantum on which differential rates of interest may be offered.
3. The interest rates on all deposits, including where differential rates of interest are offered, shall be subject to the overall ceiling prescribed by Reserve Bank of India from time to time
4. Bank does not offer floating rates on FCNR deposits
5. The Overnight Alternative Reference Rate for the respective currency /SWAP rates as on the last working day of the preceding month shall form the base for fixing ceiling rates for the interest rates offered effective in the following month.
6. The interest rates ceiling on FCNR (B) deposits shall be as under:
  - a) For period of deposit 1 year to less than 3 years - Overnight Alternative Reference Rate for the respective currency/ Swap plus 250 basis points
  - b) For period of deposit 3 years and above including 5 years - Overnight Alternative Reference Rate for the respective currency/ Swap plus 350 basis points
7. The Overnight Alternative Reference Rate for the respective currency / Swap rates quoted/displayed by Financial Benchmarks India Pvt. Ltd. (FBIL) shall be used as the reference for arriving at the interest rates on FCNR(B) deposits.

**G) Calculation of interest on renewal of FCNR (B) deposits**

Interest calculation on renewal of FCNR(B) deposits shall be as under:

If the period from the date of maturity till the date of renewal (both days inclusive) does not exceed 14 days, the rate of interest payable on the amount of the deposit so renewed shall be the appropriate rate of interest for the period of renewal as prevailing on the date of maturity or on the date when the depositor seeks renewal, whichever is lower.

**H) INTEREST PAYABLE ON FCNR DEPOSIT IN DECEASED ACCOUNT**

Bank shall pay interest on the FCNR deposits standing in the name(s) of a deceased FCNR(B) as under: -

1. If paid on the maturity of the deposit, interest shall be paid at the contracted rate;
2. If the deposit is claimed before the maturity date, interest shall be paid not at the contracted rate but at the rate applicable to the period for which the deposit remained with the bank. No Penalty will be levied for premature liquidation of FCNR.
3. In case the depositor dies before the date of maturity of the deposit but the amount of the deposit is claimed after the date of maturity, interest shall be paid at the contracted rate till the date of maturity and simple interest at the applicable rate operative on the date of maturity for the period for which the deposit remained with the bank beyond the date of maturity.
4. In case of death of the depositor after the date of maturity of the deposit, the interest rate operative on the date of maturity in respect of savings deposits held under Resident Foreign Currency (RFC) Account Scheme shall be paid from the date of maturity till the date of payment.
5. In case the claimants are residents, the maturity proceeds shall be converted into Indian Rupees on the date of maturity and interest shall be paid for the subsequent period at the rate applicable to a domestic term deposit of similar maturity.

**I) Payment of interest on FCNR (B) deposits of NRIs on return to India**

On receipt of the request from the depositor, Bank will allow FCNR (B) deposits of persons of Indian nationality/origin who return to India for permanent settlement to continue till maturity at the contracted rate of interest subject to the conditions that:

1. The rate of interest as applicable to FCNR(B) deposits shall continue.
2. Such deposits shall be treated as resident deposits from the date of return of the account holder to India.
3. The FCNR (B) deposits on maturity shall be converted into Resident Rupee Deposit Account or RFC Account (if eligible) at the option of the account holder.
4. The rate of interest on the new deposit (Rupee account or RFC Account) shall be the relevant rate applicable for such deposit account.

**PROHIBITIONS AND EXEMPTIONS**

Refer Annexure 1 with respect to prohibitions and exemptions related to RBI Master Direction on Interest Rate.

**POLICY REVISION**

This policy will be reviewed annually.

**Annexure 1**

**PROHIBITIONS AND EXEMPTIONS**

**Prohibitions**

The bank shall not:

(a) Pay any remuneration or fees or commission or brokerage or incentives on deposits in any form or manner to any individual, firm, company, association, institution or any other person except:

(i) commission paid to agents employed to collect door-to-door deposits under a special scheme.

(ii) commission paid to Direct Selling agents/Direct Marketing Agents as part of the outsourcing arrangements.

(iii) remuneration paid to Business facilitators or Business Correspondents.

(b) Offer prize/lottery/free trips (in India and/or abroad), etc. or any other initiative having element of chance for mobilizing deposits. However, inexpensive gifts costing not more than Rupees two hundred and fifty only, which is the amount prescribed by the Indian Banks' Association (IBA) as part of the Ground Rules and Code of Ethics framed by them may, at the bank's discretion, be given to depositors at the time of accepting deposits.

(c) Resort to unethical practices of raising of resources through agents/third parties to meet the credit needs of the existing/prospective borrowers or to grant loans to the intermediaries based on the consideration of deposit mobilisation.

(d) Issue any advertisement/literature soliciting deposits from public highlighting only the compounded yield on term deposits without indicating the actual rate of simple interest offered by the bank for the particular period. Simple rate of interest per annum for the period of deposit should be indicated invariably.

(e) Accept interest-free deposit other than in current account or pay compensation indirectly.

(f) Accept deposits from/at the instance of private financiers or unincorporated bodies under any arrangement which provides for either issue of deposit receipt/s favouring client/s of private financiers or giving of an authority by power of attorney, nomination or other-wise, for such clients receiving such deposits on maturity.

(g) Grant advances against term deposits maintained with other banks.

(h) Open a savings deposit account in the name of Government departments / bodies depending upon budgetary allocations for performance of their functions / Municipal Corporations or Municipal Committees / Panchayat Samitis / State Housing Boards / Water and Sewerage / Drainage Boards /

## Classification - Public

State Text Book Publishing Corporations / Societies / Metropolitan Development Authority / State / District Level Housing Co-operative Societies, etc. or any political party or any trading/business or professional concern, whether such concern is a proprietary or a partnership firm or a company or an association and entities other than individuals, Karta of HUF and organisations/agencies listed in Schedule -I.

### Explanation

For the purposes of this clause, 'political party' means an association or body of individual citizens of India, which is, or is deemed to be registered with the Election Commission of India as a political party under the Election Symbols (Reservation and Allotment) Order, 1968 as in force for the time being.

(i) Create any fund to be utilized for charitable purposes in consultation with the depositors.

### **Exemptions**

The provisions in the above paragraphs shall not be applicable to:

(a) A deposit received by the bank:

(i) from the institutions permitted to participate in the Call/Notice/Term Money Market both as lenders and borrowers.

(ii) for which it has issued a participation certificate;

(iii) under the Capital Gains Accounts Scheme, 1988, framed by the Government of India in pursuance of sub-section (2) of Section 54, sub-section (2) of Section 54B, sub-section (2) of Section 54D, sub-section (4) of Section 54F and sub-section (2) of Section 54G of the Income-Tax Act, 1961; and

(iv) under the Certificate of Deposit Scheme. (b) Payment of interest on delayed collection of outstation instruments like cheques, drafts, bills, telegraphic/mail transfers, etc.

### **SCHEDULE- I**

(1) Primary Co-operative Credit Society which is being financed by the bank.

(2) Khadi and Village Industries Boards.

(3) Agriculture Produce Market Committees.

(4) Societies registered under the Societies Registration Act, 1860 or any other corresponding law in force in a State or a Union Territory except societies registered under the State Co-operative Societies Acts and specific state enactment creating Land Mortgage Banks.

(5) Companies licensed by the Central Government under Section 8 of Companies Act, 2013 or Section 25 of Companies Act, 1956 or under the corresponding provision in the Indian Companies Act, 1913 and permitted, not to add to their names the words 'Limited' or the words 'Private Limited'.

(6) Institutions other than those mentioned in section 26(h) and whose entire income is exempt from payment of Income-tax under the Income-Tax Act, 1961.

Classification - Public

(7) Government departments / bodies / agencies in respect of grants/ subsidies released for implementation of various programmes / Schemes sponsored by Central Government / State Governments subject to production of an authorization from the respective Central / State Government departments to open savings bank account.

(8) Development of Women and Children in Rural Areas (DWCRA).

(9) Self-help Groups (SHGs), registered or unregistered, which are engaged in promoting savings habits among their members.

(10) Farmers' Clubs – Vikas Volunteer Vahini – VVV

-----X-----X-----X-----  
---