

# DEPOSIT POLICY OF THE BANK

## 1. PREAMBLE

1.1 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 (RBI) has been issuing directives/advice on interest rates on deposits and other aspects regarding conduct of deposit accounts from time to time. However, 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.

1.2 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 such accounts. 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. It is expected that this document will impart greater transparency in dealing with individual customers and create awareness amongst them about their rights. The ultimate objective is that the customers get services which they are rightfully entitled to receive without demand.

1.3 While adopting this policy, the bank reiterates its commitments to individual customers outlined in Bankers' Fair Practice Code of Indian Banks' Association. This document is a broad framework under which the rights of common depositors are recognized. Detailed operational and updated instructions on various deposit schemes and related services are and will be issued by the Bank from time to time.

## 2. TYPES OF DEPOSIT ACCOUNTS

2.1 Various deposit products can be categorized broadly into the following two types:

a) **Demand Deposits**- are deposits received by the Bank, which can be withdrawn on demand. Such deposits primarily consist of Current Deposits and Savings Bank Deposits.

(i) **Current Deposits** is a form of demand deposit meant for business purpose where-from 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 Deposits nor Term Deposit; generally no interest is payable on current deposits.

(ii) **Savings Deposits** - are a form of demand deposits meant for savings.

b) **Time Deposits**- are deposits received by the Bank which can generally be withdrawn after a fixed term/time period. They include Fixed Deposits (FDs), Kshemanidhi Cash Certificates (KCCs) and Recurring Deposits (RDs), *inter alia*.

## 3. TYPES OF CURRENT DEPOSITS

3.1 **Ordinary Current account** – running account maintained for the purpose of undertaking financial transactions in a business. The number of deposits/withdrawals is not restricted.

3.2 **Value added Current accounts** – these running accounts provide free value added features but require specified minimum balances which entitle the account holder to a bouquet of services **such as Corp Privilege, Corp Club, Corp Global Variant 1 & Variant 2.**

## 4. TYPES OF SAVINGS DEPOSITS

4.1 **Small Savings Accounts** – this is the most basic type of savings accounts which Banks may open under the Prevention of Money Laundering (PML) Act. The guidelines stipulate that such accounts should be opened with minimal Know Your Customer (KYC) documents and it should be ensured that:

- (i) The aggregate of all credits in a financial year does not exceed rupees one lakh;
- (ii) The aggregate of all withdrawals and transfers in a month does not exceed rupees ten thousand; and
- (iii) The balance at any point of time does not exceed rupees fifty thousand.

Such accounts shall remain operational initially for a period of 12 months, and thereafter for a further period of 12 months if the holder of such an account provides evidence before the branch of having applied for any of the officially valid documents, with the entire relaxation provisions to be reviewed in respect of the said account after twenty four months. This account is under the label – Corp Arambh.

4.2 **Basic Savings Accounts**–In terms of RBI guidelines - with a view to achieving the objective of greater financial inclusion, Banks should make available a basic banking account either with “Nil” or “Very Low Minimum Balances” as well as charges that would make such accounts accessible to vast sections of population. Restrictions: maximum withdrawals in a Month: 4 (including cash withdrawal at ATM/Branch and remittances if any) withdrawals over and above 4 to be priced. Other facilities if made available shall be priced as per Bank's policy. For opening such an account a Job Card issued by NREGA (duly signed by an officer of the State Government) or the letters issued by the Unique Identification Authority of India containing details of name, address and Aadhaar number are included as officially valid documents. An individual who desires to open a Corp Pragathi SB a/c may be allowed to open such an account on production of a self-attested photograph and affixation of signature or thumb print, as the case may be, on the account opening form. This account is called Corp Pragathi Savings Bank (CPSB) account in the Bank.

4.3 **Other Savings Accounts**–Include regular savings accounts and special SB accounts such as Corp NewGen, Corp Payroll, Corp Super, Corp Signature, **Corp Delite, Corp Elite, Corp Mahila Power Account, Corp Saral Plus** and so on.

4.4 **Combo Savings & Term Deposit Account** – known as Corp Classic account. Offers features of both SB and term deposit. While a basic minimum balance remains in the SB portion of this account the amounts over the basic balance are converted to FDs/KCCs (as desired by the customer) in fixed units (presently Rs 5000).

## 5. TYPES OF TERM DEPOSITS

5.1 **Fixed Deposits (FDs)** - Term deposits opened for a minimum period of 7 days to a maximum of 10 years. Simple interest is paid on the FDs periodically (monthly/quarterly/half-yearly), as requested by the depositor at the time of opening the FD, and credited to the account of the depositor.

5.2 **Kshemanidhi Cash Certificates (KCCs)**- This is a variant of the FD scheme where the interest receivable on periodic intervals is re-invested so that it gets compounded and the KCC holder gets a higher amount on maturity. Here the minimum period prescribed is 6 months and the maximum is 120 months.

5.3 **Money Flex Deposits** - This scheme is a variant of the FD/KCC scheme, except that the deposits are held in units (of Rs 1000 each), a number of which can be withdrawn (for meeting any exigency), before the due date, without closing the overall deposit. Penalty for premature withdrawal, if any, is applicable only to the withdrawn portion. Minimum deposit is Rs 5000.

5.4 **Ready Cash Deposits** - This scheme provides for moneys to be paid to the customer from out of his deposit balance outstanding (less prescribed margin), when he/she so desires, as if a loan is being provided to the customer.

5.5 **Recurring Deposits (RDs)** - Under this scheme, the depositor pays the Bank a stipulated sum of money each month for a stipulated period, at the end of which the accumulated deposit plus interest is paid to him/her. The account can be opened for any number of quarters falling between 12 and 120 months (e.g. 15 months). FRD is another variant of this.

5.6 **Continuous Deposits** - This is a running term deposit account where the depositor can make any number of deposits for a fixed tenure and rate of interest (at the time of opening the deposit, which can be for 15 days to 10 years). Individual deposits under this account would mature on various dates depending on their opening date. A pass book is issued in lieu of individual deposit receipts.

5.7 **Janata Deposits** - Scheme designed to attract savings of small depositors, collection being done at their place of business/residence. This is available only at branches where JD collectors have been appointed by the Bank.

5.8 **Capital Gains Account Scheme 1988** – A scheme formulated by the Govt. of India under the Income Tax Act, 1961. Under the scheme, the tax payers can avail of the benefit of exemption from capital gains only if the amount of capital gains or the net consideration if not invested in specified assets is deposited in non-rural branches of Public Sector Banks on or before the due date for filing a return of income in accordance with the scheme.

5.9 **Special scheme deposits** - Special scheme deposits with higher rate of interest/yield are publicized and brought through media and such deposits generally offered for a limited period only. For such deposits due to variation in deposit periods and limited period of offer, facility of ARS is not available.

5.10 **Non-Callable Deposits** – As per RBI guidelines, Non-callable deposits is introduced with following guidelines (subject to change time to time):

- Non-Callable deposits may be opened for amount Rs. 1 Crore and above to less than Rs. 5 Cr, with no premature closure option.
- Non-Callable deposits may be opened for a period of 91 days and above
- Non-Callable deposits are offered additional interest rate (at present 10 bps) over and above the rate applicable to callable deposit.
- Non-Callable deposits may not have auto renewal/part withdrawal/Sweep-in, Sweep-out facilities.
- Non-Callable deposits may be available under Fixed deposits and Kshemanidhi Cash Certificate deposits only.
- In case of accepting any other deposit type, deposit period, deposit amount, additional rate of interest as mentioned above under Non-Callable deposit, Division may be permitted to take approval from ALCO.
- Non-Callable deposits shall not be available under Corp Classic, Money Flex deposits.
- An option letter is to be submitted to the concerned branch to open a Callable or Non-Callable deposit for a period of 91 days and above along with AOF.
- All categories of depositors are eligible for investing in Non-Callable deposits as applicable to Callable deposits.

## 6. ACCOUNT OPENING & OPERATION OF DEPOSIT ACCOUNTS

6.1 **Due diligence** - Before opening any deposit account the Bank will carry out due diligence as required under Know Your Customer (KYC) guidelines **as per KYC & AML policy**.

6.2 **PAN** - 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 **revised** Form No.60

as specified under the **Income Tax Act revised Rules & forms related to Quoting of PAN w.e.f 1.1.2016.**

6.3 **Account Opening Forms (AOF)** - The AOF and other material such as brochures, terms and conditions etc. would be provided to the prospective depositors by the Bank. The same will contain details of information to be furnished and documents to be produced for verification and/or for record. Bank officials will explain the procedural formalities and provide necessary clarifications to the prospective depositors when they approach for opening a deposit account.

6.4 **Minimum Balances** - For deposit products like Savings Bank Account and Current Deposit Account, the Bank will normally stipulate certain minimum balances to be maintained as part of terms and conditions governing operation of such accounts. Failure to maintain minimum balance in the account will attract **minimum balance charges on pro-rata basis** as specified by the **RBI** from time to time, **wherever applicable.**

6.5 **Savings Account opening** - SB Accounts can be opened by eligible person(s) and certain organizations/ agencies (as advised by RBI from time to time). The Bank has adopted and implemented w.e.f. September 2012, the simplified uniform Savings Bank Account Opening form (ID 240) to facilitate the objective of universal financial inclusion.

6.6 **Current Account opening**- can be done by individuals/partnership firms/Private and Public Limited Companies/HUFs/Specified Associates/Societies/Trusts, etc.

6.7 **Term deposit opening** - can be done by individuals/partnership firms/Private and Public Limited Companies/HUFs/Specified Associates/Societies/Trusts, etc.

6.8 **Online Deposits** - Opening and closure of deposits on-line has been enabled for FD/KCC/RD/FRD/NRE/NRO/domestic term deposits (for amounts less than Rs1.00 Cr) for customers of the Bank (Individual/Corporates/Institutional clients) who have opted for Corpnnet banking. However no auto renewal facility is available for these deposits.

6.9 **Single/Joint accounts** - 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 or with mother as the guardian (known as Minor's Account); minors above the age of 10 years will also be allowed to open and operate saving bank account independently.

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

6.11 **Joint Account operation mandate** – The joint account holders can give any one 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 anyone of them when both are alive and 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 any one of them when all are alive and to anyone of the survivor/s on death of anyone or any two account holders.
- (iii) **Former/latter:**
- (iv) **Jointly by all or any authorized person.**
- (v) **Mandate holder or any authorized person.**

The above mandate can be modified by the consent of all the 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.

6.12 **Registering mandate** - 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.

6.13 **Closure/renewal of deposit account** - 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, or to await customer's instructions.

6.14 **Nomination facility**- is available on all deposit accounts opened by the individuals. Nomination is also available to a sole proprietary concern account. Nomination can be made in favour of one individual only. Nomination facility is now available for joint accounts also. Nomination so made can be cancelled or changed by the account holder(s) any time. While making nomination, cancellation or change thereof, it is required to be witnessed by a third party. Nomination can be modified by the consent of account holder(s). Nomination can be made in favour of a minor also. Bank recommends that all depositors avail nomination facility. The nominee, in the event of death of the depositor/s, would receive the balance outstanding in the account as a trustee of legal heirs. The advantages of the nomination facility will be explained to the depositor while opening a deposit account.

6.15 **Statement of account**- will be provided by the Bank to Savings Bank as well as Current Deposit account holders periodically as per terms and conditions of opening of the account. Alternatively, the Bank may issue a Pass Book to these account holders.

6.16 **Transfer of deposit accounts** - The deposit accounts may be transferred to any other branch of the Bank at the request of the depositor.

6.17 **Opening & Operation Of Account Of Co-Operative Societies** - To avert scope for fraudulent/undesirable transactions in accounts of Co-operative societies, the Bank as a collecting Banker shall carry out proper due diligence with respect to co-operative societies and obtain clear representation in writing before collecting account payee cheques for an amount not exceeding Rs.50,000/- to the account of customers of the Co-operative credit societies.

6.18 **Opening of domestic SB account for foreign students studying in India**- Ministry of Finance has permitted Banks to open domestic SB a/cs of foreign students with zero initial deposit and also offer ATM facility subject to obtaining proof of identity like passport with appropriate visa emigration endorsement in proof of identity and address and letter for admission from the educational institution.

6.19 **ASBA applications**- In accordance with SEBI directives, scheduled commercial banks (SCBs) shall block the application amount for Public/Rights issues, only against/in a funded deposit account and ensure that clear demarcated funds are available for ASBA application.

6.20 **CTS compliant cheque books** - are made mandatory and existing cheque books shall be replaced with CTS compliant ones.

6.21 **Opening of NRO Accounts of Individuals of Bangladesh Nationality** - NRO accounts of individuals of Bangladesh nationality are permitted to be opened without the approval of RBI subject to reporting details to H.O. of the Bank at quarterly intervals - who shall report to under Secretary (Foreigners), Ministry of Home Affairs, by e-mail. Opening of accounts by entities of Bangladesh ownership shall however continue to require approval of RBI as hitherto.

6.22 **Additional safeguards and security checks while accepting Bulk deposits** -

After Opening of term deposits of Rs.2 Crore and above, a personal visit to be made by Bank official of rank Assistant Manager and above. Branches should send 'Thank you' Letter through post/Courier to bulk depositor. Also email/SMS shall be sent giving necessary details.

## 7. INTEREST PAYMENTS

7.1 **SB rate** - Interest shall be paid on Savings Bank Account at the rate prescribed from time to time (presently 4% p.a.).

7.2 **Differential SB rate** – Banks are required to offer a uniform interest rate on savings deposits up to Rs.1.00 lakh, irrespective of the amount in the account within this limit. For deposits over Rs.1.00 lakh, banks may provide differential rates of interest, subject to the condition that they do not discriminate in the matter of interest paid on such depositors, between one deposit and another deposit of similar amount, accepted on the same date, at any of its offices. These instructions are applicable to savings bank deposits of resident Indians only.

7.3 **NRO & NRE SB rate** - Interest rate on savings deposits under Non-Resident-External (NRE) Accounts Scheme and Ordinary Non-Resident (NRO) Deposits, has been prescribed at 4.00%p.a., at present, and will continue to be regulated until further review.

7.4 **Payment of SB interest** – Effective from 01-04-2010, calculation for payment of interest on SB accounts, (as per RBI directions) is being done on daily balances held in the account. **Interest is being paid on quarterly basis in the month of February, May, August & November as per RBI Master Circular dated 3rd March, 2016.**

7.5 **Term deposit rates** - Interest rates are subject to change from time to time. 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. The interest on term deposits is calculated by the Bank in accordance with the formulae and conventions advised by Indian Banks' Association. In case of monthly deposit FD scheme, the interest shall be calculated for the quarter and paid monthly at discounted value. For a single Rupee term deposit of Rs.1.00 Cr and above, the expression "Bulk deposit" would be used. For deposits below Rs.1.00 Cr of the same maturity, the same rate will apply except in non-callable deposits. Rupee term deposits shall include domestic term deposits as well as term deposits under NRO and NRE accounts. Splitting /Slicing of Deposits for gaining higher rate of interest is prohibited.

7.6 **Non-Callable term deposit rate** - Non-Callable deposits are offered additional interest rate (at present 10 bps subject to change) over and above the rate applicable to callable deposit (i.e. Term Deposit rate).

7.7 **NRO & NRE term rates** - As per the directions of RBI, the Bank revises the interest rate on various maturity periods, on both domestic Rupee and NRE Term Deposits. However, interest rates offered by bank on NRE & NRO deposits cannot generally be higher than those offered on comparable domestic Rupee deposits, except where specifically allowed by the regulator.

7.7 **Display of rates** - Interest rates on all types of Term deposits of Less than Rs. 1 Cr are being provided in Bank's website with important terms & conditions wherever applicable.

For the deposits of Rs. 1 Cr and above, customers have to approach/contact the nearest bank branch for interest rate quotes. The rate of interest on deposits will be displayed in the branch premises. Changes, if any, with regard to the deposit schemes and other related services shall also be displayed.

7.8 **Tax Deduction at Source (TDS)** - The Bank has statutory obligation to deduct tax at source if the total interest paid/payable on all term deposits held by a person exceeds the amount specified under the Income Tax Act. The Bank will issue a tax deduction certificate (TDS Certificate) for the amount of tax deducted. The depositor, if entitled to exemption from TDS can submit declaration in the prescribed format at the time of deposit as well as beginning of every financial year.

7.9 **Staff Deposit rate** – Banks have the discretion to pay additional interest not exceeding 1% on domestic deposits to bank staff/retired staff and their exclusive association, **spouse of deceased staff/spouse of retired deceased staff** and to CMD, ED of the bank (only during the period of their tenure for CMD, ED). In accordance with RBI guidelines the discretion to allow the benefit of additional interest rate of 1% p.a. to Bank's own staff (existing/retired) on deposits under NRE, NRO & FCNR (B) schemes is withdrawn w.e.f. 21.07.12.

7.9.2 **Ceiling on staff deposits for entitlement incentive** - A ceiling of Rs.75 lakhs is fixed for the amounts invested in Term deposits (at all branches of the Bank put together) under staff category for individuals which is eligible for payment of additional interest w.e.f. 13.03.2014. Staff members can continue to open deposits under non-staff category without any cap whatsoever.

7.9.3 **Requirement of joint staff deposits for entitlement incentive** - For all types of joint staff accounts/deposits including staff senior citizen deposit account falling under the staff category, staff or retired staff member (wherever applicable) shall invariably be the principal Account holder or no. 1 joint account holder to be eligible for the additional interest offered to such deposits/accounts by the Bank as per extant guidelines from time to time. Staff declaration form shall continue to be submitted wherever applicable

Staff incentive is eligible for only such staff member retired on attaining superannuation or VRS in normal course. Resigned ex-staff members are not eligible for staff incentive.

7.10 **Deposits of Senior Citizens** - Bank is permitted to pay additional rate of interest not exceeding one percent over and above card rate, on the term deposits of Senior Citizens with the approval of its Board. The additional interest rate offered will be determined by the Bank from time to time. [Presently Bank is offering 0.50% additional interest p.a.]

In the joint accounts Senior Citizen must be the first joint account holder to avail this benefit. Staff deposits are also eligible for Senior Citizen incentives.

7.11 **Interest on Current accounts maintained by Regional Rural Bank with Sponsor Bank** - Banks may pay interest on current account of a Regional Rural Bank sponsored by them.

## **8. PREMATURE WITHDRAWAL OF TERM DEPOSIT**

8.1 Penalty for premature withdrawal at the rate of 1% p.a. will be charged on all fresh and renewed deposits of all maturities.

8.2 The Bank, at its discretion, may disallow withdrawal of large Rupee term deposit of Rs.5.00 Cr and above, before completion of the deposit period agreed upon at the time of placing the deposit. And Bank shall insist upon depositor to provide one month prior notice for premature withdrawal at the time of opening of such deposits. Penalty on premature withdrawal will continue as above.

8.3 Non-Callable deposits are not allowed for premature withdrawal.

## **9. PREMATURE RENEWAL OF TERM DEPOSIT**

9.1 In case the depositor desires to renew the deposit by seeking premature closure of an existing term deposit account, the bank will permit the renewal at the applicable interest rate on the date of renewal,

provided the deposit is renewed for a period longer than the unexpired 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 will be paid at the rate applicable to the period for which the deposit actually remained with the bank and not at the contracted rate.

9.2 No penalty was earlier being charged for such premature closure and renewal. However, with effect from 25-11-2010, the Bank has imposed penalty at the rate of 1% towards premature renewal of deposits. This penalty is not applicable for deposits opened prior to 25.11.2010.

## **10. INTEREST PAYABLE ON MATURED/OVERDUE TERM DEPOSITS**

10.1 When a term deposit matures, the following situations may arise:

- (i) When the term deposit is renewed on maturity - on such renewed deposit, for the renewal period specified by the depositor, interest rate as applicable on the date of maturity would be applied.
- (ii) If request for renewal is received after the date of maturity, but within 14 days from the date of maturity - such overdue deposits will also be renewed with effect from the date of maturity at interest rate applicable as on the maturity date.
- (iii) If the renewal request is received sometime after 14 days of the maturity date - then interest for the overdue period will be paid as per Bank's circular 793/2008 dated 6.9.08, viz.
  - a. For the overdue period - rate of interest will be the lower of the rate applicable to the overdue period or the period of renewal, as on the date of renewal, on simple interest basis.
  - b. This overdue interest (worked out as per a. above), will be added to the maturity amount and renewed at the applicable rate of interest for the period of renewal desired by the customer, as on the date of renewal.
- (iv) If the customer does not wish for renewal but wants to withdraw the sum, interest for the overdue period will be paid as per the prevalent SB rate.
- (v) If the fresh deposit made by renewal of the overdue deposit is withdrawn before completion of 7 days from the date of renewal, interest paid for the overdue period shall be recovered. However, interest at Savings Bank rate (presently 4% p.a.) as prevailing on the date of closure shall be paid for the overdue period for which the deposit had remained with the Bank.

## **11. MATURED TERM DEPOSITS**

11.1 If a fixed deposit account matures and proceeds are unpaid, the amount left unclaimed with the bank will attract Savings Bank rate of interest.

## **12. TRANSFER OF UNCLAIMED DEPOSITS AND INOPERATIVE ACCOUNTS OF 10 YEARS AND ABOVE TO DEAF**

12.1 Amounts pertaining to unclaimed deposits and inoperative accounts of 10 years and above (excluding those already frozen by any Regulatory Authorities or courts as well as those with lien noting) shall be transferred to DEAF fund maintained by RBI on the last working day of the subsequent month along with interest accrued.

12.2 In case of any claim from the customer/ nominee/ legal heir, Branch shall obtain written request with latest KYC documents and after proper due diligence and verification of KYC, Branches shall submit the claim along with application form and necessary enclosures to HO-RMD. On verification HO-RMD will recommend to HO-FMD to make payment to Branch along with interest, if any from the date of transfer to DEAF to date of payment to branch and seek reimbursement from DEAF, RBI.

12.3 As per RBI direction, interest for the period between the date of transfer of amount to DEAF and settlement shall be paid as advised by RBI from time to time.

### **13. ADVANCES AGAINST TERM DEPOSITS**

13.1 The Bank may consider request of the depositor(s) for loan/overdraft facility against term deposits duly discharged by the depositor(s) on execution of necessary loan documents. The Bank may also consider loan against deposit standing in the name of minor. In such cases, a suitable declaration stating that loan is for the benefit of the minor is to be furnished by the guardian [depositor applicant].

The proceeds of loan to a depositor against his term deposit is to be credited to his SB/ Current/other account having same party master as that of term deposit account. The names, address, PAN and signature of the account holder where in the loan proceeds are deposited should unfailingly tally with record in term deposit account.

Loans may also be considered against third party deposits at commercial rate and higher margins. In case loan granted against third party term deposit receipt and loan proceeds are credited to an account other than party master of term depositor. Due diligence of both depositor and borrower to be done and a signed written confirmation from depositor be obtained and not by e-mail consenting a grant of loan.

A balance confirmation letter shall be obtained from the borrower and a balance intimation letter should get acknowledged from depositor once in a year.

### **14. SETTLEMENT OF DUES IN DECEASED DEPOSIT ACCOUNT**

14.1 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 is satisfied about the identity of the nominee.

14.2 The above procedure will be followed even in respect of a joint account where nomination is registered with the Bank.

14.3 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), in the absence of a mandate. 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, anyone of survivors or survivor; the payment will be made as per the mandate.

14.4 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 to the claimants following the prescribed procedure. To ensure that the depositors are not put to hardship on account of delays in settlement of claims, certain powers have been delegated to different authorities in the Bank.

### **15. INTEREST PAYABLE ON TERM DEPOSIT IN DECEASED ACCOUNT**

15.1 In the event of death of the depositor before the date of maturity of deposit and amount of the deposit is claimed after the date of maturity, the Bank shall pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment, the Bank shall pay simple interest at the applicable rate obtaining on the date of maturity, for the period for which the deposit remained with the Bank beyond the date of maturity.

15.2 However, in the case of death of the depositor after the date of maturity of the deposit, the bank shall pay interest at 2% above the savings bank rate from the date of maturity till the date of payment.

### **16. INSURANCE COVER FOR DEPOSITS**

16.1 All 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.

## **17. TRANSFER OF FUNDS FROM NRO TO NRE ACCOUNTS**

17.1 NRIs/PIOs are allowed to transfer repatriable funds (like rent, dividend, pension, interest etc.), from their NRO account, within the overall ceiling of US\$1 million per financial year, for credit of their NRE a/c in India subject to payment of applicable taxes. The Indian rupee equivalent of US \$ 1 million is to be computed at TT selling rates of US\$ on the date of such transfer. However, the above is overall limit together with remittances outside India from all branches of all the Banks during the financial year (April-March). Undertaking/declaration from NRI that the total amount transferred/remitted from NRO account during the F/Y has not exceeded the prescribed ceiling has to be obtained. A certificate from CA that applicable taxes have been paid shall also be obtained before effecting transfer/remittance.

## **18. STOP PAYMENT FACILITY**

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

## **19. DORMANT/IN- OPERATIVE ACCOUNTS**

19.1 Both Current and Savings Bank Accounts would be considered as in-operative, if they are not operated for a continuous period of over 2 years from the date of last operation. Such accounts will be transferred to separate dormant/inoperative accounts, a status which is in the interest of the depositor as well as the Bank. The depositor will be informed of charges, if any, which the Bank will levy on dormant/inoperative accounts. The depositor can request the Bank to activate the account for operating it. As per RBI Guidelines, penal charges shall not be levied from non-maintenance of minimum balance in any inoperative accounts.

## **20. MINORS' ACCOUNTS**

20.1 In terms of RBI guidelines, Bank has introduced Corp-Newgen Minor accounts for other than students with restriction clause on number of transactions and amount.

20.2 A minor can open Savings Bank Account and the same can be operated by the natural guardian/guardian or by minor him/herself, if he/she is above the age of 10 years. The account can also be opened jointly.

20.3 On attaining majority, the erstwhile minor should confirm the balance in his/her account and if the account is operated by the natural guardian/guardian, fresh specimen signature of erstwhile minor duly verified by the natural guardian/guardian would be obtained and kept on record for all operational purposes.

## **21. ACCOUNT OF ILLITERATE / VISUALLY IMPAIRED PERSON**

21.1 The Bank may at its discretion open deposit accounts, other than Current Accounts, of illiterate/visually impaired person.

21.2 **The branches are advised to offer banking facilities including cheque book facility/operation of ATM/ locker, etc., to the visually challenged persons as they are legally competent to contract.** 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. 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/visually impaired person.

21.3 Where thumb impression of the account holder is obtained on nomination form, it should be attested by 2 witnesses.

## **22. CUSTOMER INFORMATION & SECRECY**

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

22.2 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, and/or where there is a duty to public to disclose or where interest of the Bank requires disclosure.

## **23. REDRESSAL OF COMPLAINTS AND GRIEVANCES**

23.1 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 internal set up for redressal of complaint /grievances will be displayed in the branch premises. 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.

## **24. REGULATORY INCLUSION**

24.1 The guidelines issued by regulatory authorities from time to time will form part of this policy and will be deemed to be incorporated in the policy as and when such guidelines are made applicable.

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