



THE PRATAP CO OPERATIVE BANK LTD



REVISION OF DEPOSIT POLICY

2024-2025

DEPOSIT POLICY

2024-2025

I. PREAMBLE

- ⌚ One of the important functions of the Bank is to accept deposits from the public for the purpose of lending.
- ⌚ Depositors are the major stakeholders of the Banking system. 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.
- ⌚ With liberalization in the financial system and deregulation of interest rates, banks are now free to formulate deposit products within the broad guidelines issued by RBI.
- ⌚ This Deposit Policy has been drawn up within the broad guidelines issued by the Reserve Bank of India vide its Master Circular RBI/2015-16/5 DCBR.BPD. (PCB).MC.No: 6/13.01.000/2015-16 July 1, 2015 and updated as per RBI circular DOR.SOG (SPE).REC.No 68/13.03.00/2022-23 dated 16.09.2022 / RBI notifications/IBA guidelines.

II. OBJECTIVES

- ⌚ This Policy document on deposits outlines the guiding principles based on which the Bank formulates the various deposit products offered by the Bank and the 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 deposit accounts, payment of interest on various deposit accounts, closure of deposit accounts, method of disposal of deposits of deceased depositors, etc., for the benefit of customers. It is expected that this document will impart greater transparency in dealing with the individual customers and create awareness among customers.

III. OWNERSHIP

- ⌚ The ownership of the Deposit Policy rests with the The Pratap Co Operative bank Ltd. The Policy will be updated, whenever required by the The Pratap Co Operative bank Ltd.

IV. SCOPE OF THE POLICY

- ⌚ This core function, “acceptance of deposits” elucidated in the Policy adopting the principles of Corporate Governance, aims at creating substantial customer awareness.
- ⌚ The Policy aims to educate the employees and public in general about the various methods adopted by the Bank for handling deposit accounts under various circumstances. The ultimate objective is that the customer will get services they are rightfully entitled to receive without demand.
- ⌚ While adopting this Policy, the Bank reiterates its commitments to individual customers outlined in the Bankers' Fair Practice Code of the Indian Bank' Association. This document is a broad framework under which the rights of common depositors are recognized and all the guidelines under the Banking Codes and Standards Board of India for individual customers are taken note of.
- ⌚ Detailed operational instructions on various deposit schemes and related services will be issued from time to time.

V. APPLICABILITY OF THE POLICY

- ⌚ The Policy is applicable to all customers of the Bank and outlines the principles for identification of all customers across the Bank within the framework specified by Reserve Bank of India (RBI). It is intended to be read, understood and practiced by all the employees who directly or indirectly service the customers.

VI. VALIDITY OF THE POLICY

- ⌚ The Deposit Policy was last approved by the Board in its meeting held on 20th April 2012 and the revision was approved in board meeting dated 12.04.2023. The present Policy will be valid for one year i.e. 2023 - 2024.
- ⌚ The Policy will be reviewed and modifications, if any, will be reported to the Board and will be incorporated in the Policy before circulating it to the branches.

VII. TYPES OF DEPOSIT ACCOUNTS

While various deposit products offered by the Bank are assigned different names, the deposit products can be categorized broadly into two types, Demand Deposits and Time Deposits.

(A) DEMAND DEPOSITS

Demand deposits are further categorized into Savings Deposits and Current Deposits. The Bank will provide various products to suit the needs of the customers, under Savings and Current Deposit accounts which are mentioned below.

(i) Savings Account Products:

- ⌚ Currently, the Bank will provide the following Schemes for various segments of customers under the savings bank category:

- a) Regular Savings Account
- b) Any other saving account scheme with the approval of the Board

(ii) Current Account Products:

- ⌚ Currently, the Bank will provide the following Schemes for various segments of customers under the current account category:

- a) Regular Current Account

(B) TIME DEPOSITS

Presently, the Bank will offer the following types of Time Deposits:

- (i) Fixed Deposit (FD), with option of payment of interest on monthly, quarterly or on due date option.
- (ii) Sampathi Deposit (SDR), wherein interest on the deposit is reinvested on a quarterly cumulative basis and repaid on due date along with the principal amount.
- (iii) Recurring Deposit (RD), wherein a fixed amount is invested on a monthly basis for a fixed period for a fixed maturity value.
- (iv) Daily Deposit (DD), wherein a fixed amount is invested on a daily basis for a fixed period through banks approved agent.

- ⌚ In addition to the above, Bank will also launch special period specific products, from time to time depending upon market conditions.

- ⌚ The salient features of various deposit schemes (under demand / time deposits) are given more precisely on the website

VIII. PRODUCT APPROVAL PROCESS:

- ⌚ New deposit products will be introduced and existing products will be modified by the Bank after a thorough study is made of the product, market study of similar products available in the market and customer expectation for such products.
- ⌚ The views and opinions of customers received through branches will be taken into account while designing new products and modifying existing products. While formulating new products, the guidelines issued by Reserve Bank of India and Indian Banks' Association will be taken into account.
- ⌚ All new products and modifications of existing products will be approved by the Board of Directors before being implemented.

IX. OPENING OF DEPOSIT ACCOUNTS

(i) Account Opening and Operation of Deposit Accounts

- a) Branches are opening Saving and Current Accounts at their own offices.
- b) The Bank, before opening any deposit account, will carry out due diligence as required under "Know Your Customer" (KYC) and Anti-money Laundering guidelines issued by RBI, Government of India and or such other policy norms or procedures adopted by the Bank.

If the decision to open an account of a prospective depositor requires clearance at a higher level, reasons for any delay in opening of the account will be informed to him and the final decision of the Bank will be conveyed at the earliest.

- c) The account opening forms and other required information will be provided to the prospective depositor by the Bank. The same will contain details of information to be furnished and documents to be produced for verification and/ or for record by the customer. The Bank official opening the account will also explain the procedural formalities and provide necessary clarifications sought by the prospective depositor when he approaches the Bank for opening a deposit account.
- d) For deposit products like Savings Bank Accounts and Current Accounts, the Bank will normally stipulate certain minimum balances to be maintained as part of the terms and conditions governing operation of such accounts. Failure to maintain

minimum balance in the account will attract charges as specified by the Bank from time to time.

The minimum balance charges will be applied on monthly basis. Similarly, the Bank will also specify charges for issue of cheque books, additional statement of accounts, duplicate pass book, folio charges, etc. All such details, regarding terms and conditions for operation of the accounts and schedule of charges for various services will be given to the prospective depositor while opening the account. This data will also be available with the Bank on the Customer Information Desk and also on the website.

- e) Savings Bank Accounts will be opened for eligible person / persons and certain organizations / agencies (as advised by Reserve Bank of India from time to time)

Current Accounts will be opened for Individuals / Partnership firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies / Trusts, etc by considering the various RBI directives issued by them time to time

Term Deposits Accounts will be opened for Individuals / Partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates / Societies / Trusts, etc.

Daily deposit accounts will be opened for individuals only, and for the collection of daily deposits, the bank will appoint authorized agents on a commission basis. The rate of commission will be subject to change at the bank's discretion. At present from 360 days to 719 days the rate of interest is 2.5% and above on that the rate will be 4%.

- f) The due diligence process, while opening a deposit account will involve satisfying the Bank about the identity of the person, verification of address, satisfying about his occupation and source of income. Obtaining introduction(whenever required) of the prospective depositor from a person acceptable to the Bank and obtaining recent photographs of the person/s opening / operating the account will be part of the due diligence process.
- g) Deposit accounts will be opened for an individual in his own name or for more than one individual in their own names. Savings Bank and Term Deposit Accounts will also be opened for a minor jointly with the natural guardian or with the mother as the guardian.
- h) The Customer should inform any change of address or change in profile to the Bank with supporting KYC documents to make necessary modification in the system.
- i) All account opening formalities will be completed by the customer in the Bank's premises and only where it is absolutely necessary the Bank will depute an officer to obtain the account opening form duly filled and signed and to verify the KYC documents.
- j) When a depositor wishes to withdraw from his account through a withdrawal slip the Bank will insist on his passbook for verification.

The Bank will follow all the prescribed KYC guidelines. A detailed checklist of all the essential documents will be made available at the branches and displayed on the website. Similarly the various service charges associated with the savings and current accounts will be displayed at the branches and on the website.

(ii) Introduction not mandatory for opening accounts

Before implementation of the system of document-based verification of identity, as laid down in the PML Act/ Rules, introduction from an existing customer of the Bank was considered necessary for opening of Bank accounts.

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

(iii) Photographs of Account Holders

Mandatory Obtention of Photographs

- ⌚ The Bank will obtain photographs of the depositors/account holders who are authorized to operate the accounts at the time of opening of all new accounts. The customers' photographs should be recent and the cost of photographs to be affixed on the account opening forms will be borne by the customers.
- ⌚ Only one set of photographs will be obtained and separate photographs will not be obtained for each category of deposit. The applications for different types of deposit accounts will be properly referenced.
- ⌚ Photographs of all the account holder/s viz. Savings Bank and Current accounts will be obtained. In case of other deposits viz. Fixed, Recurring, Cumulative etc. photographs of all depositors in whose names the deposit confirmation advice stands will be obtained, except in the case of deposits in the name of minors, where the guardian's photographs will be obtained. Fresh photographs will be required to be obtained from minor customers on their becoming major.
- ⌚ The Bank will also obtain photographs of '*Pardanashin*' women.
- ⌚ For operations in the accounts, the Bank will not ordinarily insist on the presence of the account holder unless the circumstances so warrant. Photographs will not be a substitute for specimen signatures.

(iv) Address of Account Holders

- ⌚ The Bank will not allow itself to be utilised by unscrupulous persons for the purpose of tax evasion. Therefore, the Bank will obtain full and complete address of depositors and record these in the system and the account opening forms so that the parties

could be traced without difficulty, in case of need. Independent confirmation of the address of the account holder will be obtained in all cases.

(v) Other Safeguards

a) Permanent Account Number (PAN)/General Index Register (GIR) Number

- ⌚ **PAN Card** will be obtained, as far as possible, in case of Savings Accounts and Term Deposits. However, in case the prospective customer is not able to submit the same, the KYC documents should be accompanied by Form 60 and insisted to submit pan card before 6 month.
- ⌚ In case of current accounts, the PAN Card has to be compulsorily obtained.
- ⌚ In case of non-submission of PAN Card for Deposit Accounts, tax deducted at source (TDS) on interest paid will be at a rate different from that for an account where PAN is submitted.

b) Authorisation

The opening of new accounts will be authorised only by the Branch Manager or by the Officer-in-Charge of the Deposit Accounts Section at the branches concerned.

c) Completion of Formalities

The Bank will ensure that all account opening formalities are undertaken at the Bank's premises and no document is allowed to be taken out for execution. However in some exigencies when the customer cannot visit the Bank, an officer from the Bank will visit the customer's place as per the convenience of the customer and perform the account opening formalities in person.

d) Opening of Current Accounts – Need for discipline

Keeping in view the importance of credit discipline for reduction in Non Performing Assets (NPAs) level of the Bank, the Bank will insist on a declaration from the account-holder to the effect that he is not enjoying any credit facility with any other bank or obtain a declaration giving particulars of credit facilities enjoyed by him with any other bank(s) on its account opening form itself. Bank should not open current account if the applicant is already enjoying any credit facility with other bank.

Further, where the due diligence is carried out on the request of a prospective customer who is a corporate customer or a large

Borrower enjoying credit facilities from more than one bank, the Bank will inform the consortium leader, if under consortium, and the concerned bank, if under multiple banking arrangement.

In the case of balances lying in a current account standing in the name of a deceased individual depositor or a sole proprietorship concern, interest should be paid from the date of death of the depositor until the date of repayment to the claimant(s) at the rate of interest applicable to savings deposits as on the date of payment.

e) Accounts of Proprietary Concerns

In the case of proprietary concerns, at the time of opening of the account, the Bank will verify, in addition to the identity of the individual proprietors, the identity of the proprietary concern also. Apart from following the extant guidelines on customer identification procedure as applicable to the proprietor, the Bank will call for and verify all the relevant documents spelt out in the Policy on KYC.

f) Accounts of Partnership Firms:

- ⌚ The Bank will open such accounts in the name of the firm and not the partners.
- ⌚ The Bank will obtain all the relevant documents like Partnership Deed and Partnership Declaration Letter/ partnership mandate wherein the names of partners, addresses of partners, authority to open/operate account, draw/accept bills, mortgage/sell firm's properties is mentioned. Details of all required documents will be as spelt out in the Policy on KYC.
- ⌚ The Bank will insist on the Partnership Deed being compulsorily registered in case of any advance given to the firm and the duly Registered Partnership deed will be obtained for our records.
- ⌚ The Bank will also obtain account opening form with specimen signatures of all the Partners except Minors.
- ⌚ KYC documents will also be obtained from all the partners. Minors will not sign in the capacity of a partner of the firm as well as in individual capacity.
- ⌚ The Bank will also take care that the Account opening form also states the persons who will operate the account (jointly or singly)

and care will be taken to ensure the same. Similarly, the Partnership Deed will be scrutinized especially for the following :

- Banking clause
- Distribution of profits/losses
- Any salary, interest on capital, etc to be paid to the partners

- ⌚ The Bank will accept the Authority to operate the account in favour of a third party, who is not a partner. However, the same should be given by all the partners along with a Power of Attorney duly executed in his favour.
- ⌚ Particulars of a minor partner will be properly recorded in the special instruction field of the account master, especially the date of attaining majority so that whenever a transaction is effected the message would pop-up to alert the Bank. On the said date, a letter stating that he is joining the firm, along with his KYC documents and the copy of the Public Notice will be obtained from him. Operation in the account will be done as per declaration submitted by partnership firm.
- ⌚ The Authority given to partners for operating the account can be withdrawn or revoked by any partner singly, whether he has the authority to operate the account or not. It can be done by giving notice to the banker. Once this authority is withdrawn, it will be restored only when all of them i.e. partners sign again, or all the future cheques are signed by all the partners. In case any other partner raises some legal contentions, the Bank will make a reference to the Legal Department, giving all the relevant facts and copies of the relevant correspondence.
- ⌚ Cheques payable to the firm or endorsed to the firm will not be credited in the personal account of any partner as that would amount to conversion. But a cheque in the personal name of any partner will be credited to the firm's account.
- ⌚ The Bank will accept any of the partners' notice for stop payment of a cheque.
- ⌚ In case of reconstitution of the firm the Bank will allow opening of fresh accounts, by freezing the existing accounts. However, the Bank will consider the balances of both the accounts – frozen

account and the subsequently opened account on reconstitution of the firm to arrive at a consolidated balance of the Partnership firm.

- ⌚ Cheques signed by insolvent, insane and deceased partner will not be paid. An insolvent ceases to be a partner from the date of order of adjudication and firm is not liable for his actions.
- ⌚ A cheque issued by a deceased partner, prior to his death, but presented after the Bank is in receipt of a notice to that effect, will not be paid. In the event of lunacy of one of the partners, the cheques will not be paid.
- ⌚ When a partner retires, any cheque issued by the retiring partner will be paid from the new account only after obtaining proper letter from all the partners including the retiring partners.
- ⌚ The Bank will insist that the documents be signed in individual as well as joint capacity. The Liability would end only when all debts are discharged or on change in the constitution of the firm as informed to the banker.
- ⌚ All the partners will have to sign in the event of the firm giving guarantee.
- ⌚ Circumstances wherein the acts have to be taken by all the partners jointly (implied authority of the partner) does not cover the following instances):
 - Submission of a dispute to arbitration
 - Opening an account in his own name for firm's business
 - Promise or relinquish claim of the firm
 - Withdrawal of suit filed on behalf of the firm
 - Admit any liability in a suit against the firm
 - Acquire immovable property belonging to the firm
 - Transfer immovable property belonging to the firm
 - Enter into partnership on behalf of the firm
- ⌚ In the event of dissolution the Bank will adopt the following procedure:
 - When account is in credit, the remaining partners will be allowed to operate the account normally for winding up or alternatively the remaining partners should open a new

account or ask for continuation of the account on the basis of fresh mandate. If they decide to close the account, the balance lying in the account will be paid to the remaining partners and the legal heirs of the deceased partner.

- If the account is in debit, the Bank will stop operations (particularly withdrawals).

🕒 The Bank will adopt the following procedure for disposal of Debit Balance in Partnership Firm Accounts:

- Death, Insolvency, Lunacy – Stop operations. Balance confirmation will be obtained from legal heirs in case of death to make them liable.
- Admission – will obtain balance confirmation letter, signatures. Record date of admission before allowing operations.
- Retirement – Balance confirmation will be obtained in case it is decided to permit loan facility to the firm with remaining partners.

🕒 Disposal of Credit Balance in Partnership Firm Account:

- Death, insanity where the account is not to be continued in future – Balance will be paid to remaining partners and legal heirs (in case of death) or guardian (in case of being insane).
- Death, insanity where business and bank account are to be continued – fresh mandate will be obtained from the remaining partners.
- Admission – Operations will be continued after obtaining signatures of new partner and recording the date of admission.
- Retirement – Name of the retiring partner will be deleted with the consent of the remaining partners and account will be continued.
- Insolvency – Operations will be stopped and subsequently allowed jointly with official receiver or assignee for winding up affairs of the firm.

g) Transfer of Accounts within the Bank:

If the customer wants to transfer his account from one branch of our bank to another then such request will be accepted. **The account at the new branch will be operationalized within 3 working days of receiving the request.** The customer will be intimated as soon as the account is operationalized at the new branch.

The Bank will adopt the following procedure:

- The customer will open a new account in the branch of his choice and will submit the account closure form of his old account to his earlier branch.
- For opening of new account, a self-declaration from the accountholder will be obtained about his/her current address subject to submitting of proof of address within a period of six months.
- The account closure form can be submitted at the branch where the account is or at the branch where the new account is opened.
- The branch accepting the request will forward the request to the old branch, who will close the account and transfer the proceeds to the credit of the new account opened as requested by the customer.

i) Procedure for Account Closure:

If the customer decides to close his/her current/savings account the Bank will do so within three working days of receiving his/her instructions, subject to the completion of all the formalities by the customer and submission of all the required documents.

The Bank will adopt the following procedure at the time of account closure:

- The exit interview will be taken by Branch Managers or by Second - inline at the branches incase of all valued customers (HNIs).
- Incase of other accounts, the Branch Manager will nominate the Senior Official who will be handling the said exercise and this will be included in KRAs given to the Senior Official.
- Common Account Closure letter with recent KYC will be obtained

from the customer requesting for closure of account/s.

X. INTEREST PAYMENTS

(i) Interest Payments in Savings / current Account:

Interest will be paid at quarterly rests on saving accounts at the rate decided by the Bank within the general guidelines specified by Reserve Bank of India from time to time.

In case of Savings Deposits, interest will be calculated on the minimum closing balance to the credit of the deposit account on a daily basis and credited to the account only when it is Rs 1/- or more. Interest will be credited on quarterly basis on 30th June, 30th September, 31st December and 31st March every year.

No interest shall be paid on deposits held in current accounts. However, balances lying in a current account standing in the name of a deceased individual depositor or sole proprietorship concern shall attract interest from the date of death of the depositor until the date of repayment to the claimant(s). The interest shall be paid at the rate applicable to savings deposits as on the date of payment.

(ii) Interest Payments for Term Deposit Accounts:

- ⌚ As per Reserve Bank of India directives, interest will be calculated at quarterly intervals (30th June, 30th September, 31st December and 31st March), on term deposits and paid at the rate contracted depending upon the period of the deposits. The interest on term deposits will be calculated by the Bank in accordance with the formulae and conventions advised by the RBI and Indian Banks' Association.
- ⌚ In case of deposits repayable at less than 3 months or where the terminal quarter is incomplete, interest will be paid proportionately for the actual number of days reckoning the year at 364 days.
- ⌚ The extant rates of interest are given on the Bank's Website and on notice board of respective branches.
- ⌚ Bank offers uniform rates on deposits other than bulk deposits. However incase of bulk deposits, the Bank will offer different rate of interest other than the rate of interest offered to non bulk deposits accepted on the same date and for the same maturity period depending upon the size of each deposit. The rate of interest applicable on such deposit will be offered by Head Office ALCO Committee depending upon market conditions on a day to day basis. The Bank will treat deposits of Rs 1 crore and above (per deposit confirmation advice) as bulk deposit for the said purpose. (The

definition of bulk deposit may undergo change as per Bank's policy in this regard)

- ⌚ Payment of Interest on monthly / quarterly basis will be done by credit to the account with us under standing instructions.
- ⌚ Payment by DD/PO will be done at a cost to the depositor.

(iii) Rounding off of Transactions-

All transactions including payment of interest on Deposits/charging of interest on Advances will be rounded off to the nearest Rupee; i.e., fraction of 50 paise and above will rounded off to the next higher rupee and fraction of less than 50 paise shall be ignored.

(iv) Payment of interest on Term Deposit maturing on Sunday/Holiday/Non- Business Working Day-

In respect of a Term Deposits maturing for payment on a Sunday or a holiday or a Non-Business working day interest will be paid at the originally contracted rate on the deposit amount for the Sunday/holiday/non-business working day, intervening between the date of the expiry of the specified term of the Deposit and the date of payment of the proceeds of the Deposit on the succeeding working day.

(v) Display of Rate of Interests offered on Term Deposit for various time period –

The rate of interest on deposits will be prominently displayed in the branch premises and on Bank's website also. Changes, if any, with regard to the deposit schemes and other related services will be prominently displayed from time to time.

(vi) Deduction of tax at Source:

The Bank, under statutory obligation will 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 branch will issue a tax deduction certificate (TDS Certificate) for the amount of tax deducted. The depositor, if entitled to exemption from TDS can submit a declaration in the prescribed format at the beginning of every financial year (in the month of April before 24th April). Besides, the Bank under statutory obligation will also charge / deduct GST as well as Transaction Tax as specified / notified by the Govt. of India, from time to time.

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

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

VIII. CUSTOMER INFORMATION:

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

XI. SECRECY OF CUSTOMERS' ACCOUNTS:

- ⌚ The Bank will not disclose details / particulars of the customers' accounts 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 Bank's duty to the public to disclose the information and where interest of the Bank requires disclosure of information.

XII. PREMATURE WITHDRAWAL OF TERM DEPOSITS:

- ⌚ The Bank on request from the depositor, at depositor's discretion will allow withdrawal of term deposit before completion of the period of the deposit agreed upon at the time of placing the deposit. The Bank will inform the applicable penal interest rates for premature withdrawal of term deposits, to make depositors aware of the applicable rate along with the deposit rate. Currently, the bank is displaying the latest deposit rates with applicable penal charges for premature withdrawal of deposit on the website.
- ⌚ As provided in the Master Circular of RBI the Bank will follow the practice of disallowing premature withdrawal of large deposits held

by entities other than Individuals and HUF subject to the following norms:

- a)** Where the large deposit as per the Bank is Rs 1 crore and above
 - b)** The clause of disallowing premature withdrawal is mentioned on the face of the Deposit Confirmation Advice.
- 🕒 If fixed/term deposit accounts are opened with operating instructions 'Either or Survivor', the signature of both the depositors will not be insisted on for payment of the amount of the deposits on maturity. However, the signature of both the depositors will be obtained, in case the deposit is to be paid before maturity.
- 🕒 If the operating instruction is 'Either or Survivor' and one of the depositors expires before the maturity, pre-payment of the fixed/term deposit will be allowed without the concurrence of the legal heir of the deceased joint deposit holder, only if there is a joint mandate from the joint depositors to this effect. Such premature withdrawal will not attract any penal charge. A specific mandate will be obtained from both the parties when both of them are alive.
- 🕒 In case the mandate is 'Former or Survivor', the 'Former' alone will be allowed to operate/ withdraw the matured amount of the fixed/term deposit, when both the depositors are alive. However, the signature of both the depositors will have to be obtained, incase the deposit is to be paid before maturity. If the Former expires before the maturity of the fixed/term deposit, the 'Survivor' will be allowed to withdraw the deposit on maturity without the concurrence of the legal heirs of the deceased joint deposit holder provided such a joint mandate has been obtained from the joint depositors to this effect. Such premature withdrawal will not attract any penal charge. Premature withdrawal will however require the consent of both the parties, when both of them are alive.
- 🕒 While accepting deposit confirmation advice for closure, the Bank will get clear instructions from the customer for mentioning the date on which the deposit confirmation advice is to be closed on its reverse side with the signature of the depositor.
- 🕒 If the customer submits the deposit confirmation advice prior to the maturity date & desires to have it closed on the maturity date, then

such instructions of the customer will be entered/ updated in the TD maturity disposal instructions Master in Fincore for auto renewal/ auto closure of the same.

- ⌚ The Bank will allow closure of a RD only after 30 days from the last installment paid although the date of payment of last installment of the RD falls prior to the same, since otherwise such transaction would be considered as a premature closure.
- ⌚ The Bank will charge RD penalty for each delayed installment @1.50% (flat rate) of the installment amount through the Finacus system.

XIII. RENEWAL OF OVERDUE TERM DEPOSITS:

- ⌚ When a term deposit is renewed on maturity, interest rate for the period specified by the depositor as applicable on the date of maturity will be applied on the renewed amount. If a request for renewal is received after the date of maturity, such overdue deposits will be renewed with effect from the date of maturity at the interest rate applicable as on the date of maturity, provided such request is received within 15 days from the date of maturity.
- ⌚ In respect of overdue deposits renewed after 15 days from the date of maturity, interest for the overdue period will be paid at the rates applicable to Savings Bank deposit rate or any other rate as decided by the Bank from time to time. As a matter of courtesy and to maintain good customer relations, the Bank will follow the practice of sending maturity intimation through Telephone to all the T.D. holders 15 days in advance. However, it is expected that the depositor will take necessary care to renew the deposit on due date to avoid loss of interest.

XIV. AUTO RENEWAL OF MATURED TERM DEPOSITS:

- ⌚ Under the auto renewal process the matured deposit will be renewed for the same period as that of the original deposit at the rate applicable on the date of maturity. In case any depositor wishes to renew the overdue deposit which is not renewed under auto

renewal process and if the request is received within 15 days from the date of maturity such deposit will be renewed with effect from the date of maturity for the period as desired by the customer at interest rate applicable as on the maturity date. The same rule will be applied in case any depositor wishes to break the deposit confirmation advice created under auto renewal process and desires to keep the same in different products or get the payment of such renewed deposit confirmation advice.

(i) Treatment for Auto renewed deposit confirmation advice

- a) Renewal for a different tenor/rate of interest of the Auto renewed deposit confirmation advice in a different/same product & such instructions are received within 15 days.

If the customer approaches the Bank for premature closure of auto renewed deposit confirmation advice within 15 days & requests for keeping the deposit with modified terms, then the deposit confirmation advice will be closed and a new deposit confirmation advice will be opened from the date of maturity of the original deposit confirmation advice, at the rate prevailing on the date of maturity (i.e. as off effect to be given).

- b) Customer approaches the Bank for changing terms and conditions of deposit confirmation advice already auto renewed on the 15th day from the maturity date:

In case the customer has approached the Bank on the 15th day after the date of maturity of the earlier deposit confirmation advice, the Bank will close the auto renewed deposit confirmation advice. The FinCore system will not pay out any interest since the closure of the auto renewed deposit confirmation advice is within the minimum period of 15 days. The new deposit confirmation advice will be created from the 15th day i.e. day the customer has approached the Bank. The interest rate on the day the customer has approached the Bank will be made applicable for the new deposit confirmation advice. (i.e. deposit confirmation advice will not be renewed with “As of Effect”). The customer will not receive any interest for the 15 days for which the deposit was kept with us.

- c) Renewal for a different tenor/rate of interest of Auto renewed deposit confirmation advice in a different /same product & such instructions are received after 15 days from the date of maturity i.e. the date on which the deposit confirmation advice is auto renewed. Customer approaches the Bank for modification in terms and conditions after 15 days:

The Auto Renewed Deposit confirmation advice will be closed by charging penalty (presently 1%) on the interest applicable for the period for which the deposit remained with the Bank. The new deposit confirmation advice will be created from the day the customer has approached the Bank. The interest rate on the day the customer has approached the Bank for the desired period will be made applicable for the new deposit confirmation advice.

(ii) Premature Closure of Auto Renewed Deposit confirmation advice:

- a) Premature closure of Auto Renewed Deposit confirmation advice for withdrawal of the same & such instructions are received within 15 days.

If the customer approaches the Bank for premature closure & withdrawal of the same within 15 days from the date on which the Finacus system has auto renewed the deposit confirmation advice the Bank will close the auto renewed deposit confirmation advice. Finacus system will not pay out any interest (Applicable or Savings interest) since the closure of auto renewed deposit confirmation advice is within the minimum period of 15 days.

- b) Premature closure of Auto Renewed Deposit confirmation advice, and the customer desires withdrawal of the same & such instructions are received on/after 15 days.

The Auto Renewed Deposit confirmation advice will be prematurely closed by charging penalty (presently 1%) on the interest applicable for the period for which the deposit remained with the Bank.

If such a request has been received on the 15th day from the date of auto renewal of the deposit confirmation advice, then no interest (applicable on savings interest) will be paid to the customer up to 15 days.

- c) Premature closure of deposit confirmation advice (not under Auto Renewal) & reinvesting for the purposes of better rate of interest:

If the deposit confirmation advice is being prematurely closed or re-invested the Bank will charge penal interest @1 % on all deposits regardless of the residual period of deposit.

XV. ADVANCES AGAINST DEPOSITS:

- ⌚ The Bank will accept the request of the depositor/s for loan / overdraft facility against term deposits [unless prohibited under the respective deposit scheme] duly discharged by the depositor/s on execution of necessary security documents.
- ⌚ The Bank will provide loans against deposits standing in the name of minors, however, a suitable declaration stating that the loan is for the benefit of the minor, is to be furnished by the guardian.
- ⌚ The Bank will extend advance against term deposits subject to margin and interest spread **stipulated from time to time.**
- ⌚ The Bank will grant an advance against term deposit at a margin of 10% irrespective of the amount of the deposit and at an interest spread of 1.5% over and above the applicable term deposit rate irrespective of the amount of advance and type of deposit (cumulative or non-cumulative). In exceptional cases the higher authorities may be authorised to decide on the margin and interest spread for advance against deposits.

XVI. INSURANCE COVER FOR DEPOSITS:

All deposits of our Bank will be 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 as and when requested.

XVII. STOP PAYMENT FACILITY:

The Bank will accept stop payment instructions for the cheques issued by the account holders. Such instructions should be submitted in

writing by the accountholder. Charges, as specified from time to time, will be recovered by the Bank from the accountholder.

XVIII. FINANCIAL INCLUSION:

- ⌚ With a view to achieving the objective of greater financial inclusion, RBI has advised all Banks to make available a Basic Savings Bank Deposit Account that would make such accounts accessible to Students.
- ⌚ The Bank has accordingly introduced the Basic Savings Deposit Account -“Student Account scheme” for the benefit of Students. Student Account is meant to satisfy the banking needs of the and cultivating saving habits in the students.
- ⌚ This new Savings Account will have the following minimum common facilities:
 - i. The Basic Savings Bank Deposit Account will be considered as a normal banking service available to all.
 - ii. This account will not have the requirement of any minimum balance
 - iii. The services available in the account will include deposit and withdrawal of cash at bank branches only
 - iv. While there will be no Cheque book facility to Account holder
- ⌚ The above facilities will be provided without any charges. Further, no charge will be levied for non-operation/activation of the in-operative “Student Savings Bank Deposit Account”.
- ⌚ Holders of “Student Savings Bank Deposit Account” will not be eligible for opening any other savings bank deposit account in the Bank.
- $\frac{3}{4}$ Since the RBI has permitted UCBs to evolve other requirements including pricing structure for additional value-added services beyond the stipulated basic minimum services on reasonable and transparent basis and applied in a non-discriminatory manner, the Bank has added these features to the basic requirements while developing this product. The Bank has issued detailed circular instructions on the subject.

XIX. RESTRICTIONS ON OPENING OF CERTAIN TYPES OF DEPOSIT ACCOUNTS

(ii) Minor's Account with Mother as Guardian

As minors cannot enter into a contract, they are allowed to open accounts with guardians. As per the Hindu Minority and Guardianship Act, 1956, the father alone can be the natural guardian of a Hindu minor. However the Reserve Bank of India has visited the practical

problems arising out of such compulsion and all banks are allowed to open accounts of minors with mother as the guardian.

Accordingly the Bank will accept such accounts.

(iii) Opening of Bank Accounts in the Names of Minors

In order to promote the objective of financial inclusion, RBI has given certain relaxations in opening and operations of minors' accounts which are given below.

- a) A savings / fixed / recurring bank deposit account can be opened by a minor of any age through his/her natural or legally appointed guardian.
- b) Minors above the age of 10 years will be allowed to open and operate savings bank account independently, if they so desire. The Bank keeping in mind the risk management systems, has fixed limits in terms of age and amount up to which the minors will be allowed to operate their deposit accounts independently. The Bank has also prescribed the minimum documents required for opening of accounts by minors.
- c) On attaining majority, the erstwhile minor will confirm the balance in his/her account and if the account is operated by the natural/legal guardian, fresh operating instructions and specimen signature of the erstwhile minor will be obtained and kept on record for all operational purposes.

XX. NOMINATION FACILITIES

(i) The Act Provisions

Nomination facility offered by the Bank is within the provision of Sections 45 ZA to 45 ZF of the Banking Regulation Act, 1949 which deals with the nomination facility that can be offered by banks.

(ii) The Rules

The Co-operative Bank (Nomination) Rules, 1985 provide for:

- a) Nomination forms for deposit accounts, articles kept in safe custody and the contents of safety lockers,
- b) Forms for cancellation and variation of the nomination,
- c) Registration of nominations and cancellation and variation of nominations, and matters related to the above.

(iii) General Guidelines:

- a) Bank will strictly comply with the provisions of Banking Regulation Act, 1949 (As Applicable to Co-operative

Societies) and Co-operative Bank (Nomination) Rules, 1985.

- b)** Nomination facility will be made available by the Bank to all types of deposit accounts, irrespective of the nomenclature used by the Bank.
- c)** The nomination facility will be offered in respect of the following banking facilities – Savings Account, Current Account (Proprietary Concern only), Term Deposit Account (in individual and in proprietary name), Safe Custody and Safe Deposit Lockers.
 - The said nomination will be made only in respect of a deposit, which is held in the individual capacity of the depositor and not in any representative capacity as the holder of an office or otherwise.
 - Where the nominee is a minor, the depositor or, as the case may be, all the depositors together, while making the nomination, appoint another individual who is not a minor, to receive the amount of the deposit on behalf of the nominee in the event of the death of the depositor or, as the case may be, all the depositors during the minority of the nominee.
 - In the case of a deposit made in the name of a minor, the nomination will be made by a person-lawfully entitled to act on behalf of the minor.
- d)** The Bank will generally insist that the person opening a deposit account makes a nomination. In case the person opening an account declines to fill in the nomination form, the Bank will explain the advantages of nomination facility to the customer. If the person opening the account still does not want to nominate, the Bank will ask him to give a specific letter to the effect that he does not want to make a nomination. In case the person opening the account declines to give such a letter, the Bank will record the fact on the account opening form and proceed with opening of the account if otherwise found eligible.
- e)** Under no circumstances, the Bank will refuse to open an account solely on the ground that the person opening the account refused to nominate.
- f)** This procedure will be adopted in respect of deposit accounts in the name of Sole Proprietary concerns also.
- g)** The nomination facility on Term Deposit will be made account wise and not deposit confirmation advice wise.
- h)** A stamp of “Nomination Registered” will be put on the passbook of Savings Bank Account and on deposit confirmation advice informing the customer that the nominee mentioned by the customer has been registered. The nomination given by the customer will be displayed in the Customer Master in the Fincore system.
- i)** The Bank will acknowledge the nomination registered by way of a written acknowledgement of receipt of the instructions given by the accountholder irrespective of whether the same is demanded by the customer or not.
- j)** The Bank will inform the accountholder about the importance of nomination facility thereby giving adequate publicity to the same.

XXI. OPERATIONS IN ACCOUNTS

(i) Joint Accounts

Precautions in Opening Joint Accounts

While there are no restrictions on the number of account holders in a joint account, the Bank will examine every request for opening joint accounts very carefully. In particular, the purpose, nature of business handled by the parties and other relevant aspects relating to the business, and the financial position of the account holders, will be looked into before opening such accounts. Care will also be exercised when the number of account holders is large.

(ii) Monitoring Operations in New Accounts

- a) The Bank will take extra efforts to monitor operations in new accounts and while the primary responsibility for monitoring newly opened accounts will rest with the In charges of the concerned Department/Section, Branch Managers. Bank will take precautions for the first six months from the date of opening of such accounts by keeping a close watch so as to guard against fraudulent or doubtful transaction taking place by providing necessary MIS to the branches.
- b) The AML software will be loaded at all the branches which will generate alerts on exceptional transactions which need to be attended to by the branches on a day to day basis. If any transaction of suspicious nature is revealed, the Bank will enquire about the transaction from the account holder, and if no convincing explanation is forthcoming, these will be reported to the appropriate authorities.
- c) Caution will be exercised whenever cheques/ drafts for large amounts are presented for collection, or through RTGS/NEFT are received for credit of new accounts immediately/within a short period after opening of the account. The actual amount cannot be quantified and will differ from case to case depending on the profile of the customer. In such cases, the genuineness of the instruments and the account holder will be thoroughly verified by the Bank. If necessary the paying bank will also check with the collecting bank about the genuineness of any large value cheques/drafts issued. Demand Drafts (DDs)/Cheques for large amounts presented for collection will be verified under ultra violet lamps to safeguard against chemical alterations.
- d) The account payee cheques payable to third parties will not be collected.
- e) Care will be exercised in collection of cheques for large amounts.
- f) The transactions put through in joint accounts will be scrutinised by the Bank periodically and action taken, if required in the matter. Care will be exercised to ensure that the joint accounts are not used for *benami* transactions.

(iii) Monitoring Operations in all Accounts

- a) As per RBI guidelines, a system of close monitoring of cash withdrawals for large amounts is put in place. Where third party bearer cheques, drafts, etc. are deposited in the existing and newly opened accounts followed by cash withdrawals for large amounts, the Bank will keep a proper vigil over the requests of their clients for such cash withdrawals for large amounts.
- b) The other important areas in the payment of cheques wherein due caution will be exercised by the Bank are verification of drawer's signature, custody of specimen signature cards, supervision over issue of cheque books and control over custody of blank cheque books/leaves.
- c) In addition, due care will be exercised in regard to issue and custody of tokens, movement of cheques tendered across the counter and custody of all instruments after they are paid by the Bank.
- d) Depositors/ customers will be asked by the Bank to surrender unused cheque books before closing/transferring the accounts.

(iv) Issue of Cheque Books

Fresh cheque books will be issued only against production of duly signed requisition slips from the previous cheque book issued to the party. In case the cheque book is issued against a requisition letter, the drawer will be asked to come personally to the Bank or cheque book will be sent to him under registered post directly without being delivered to the bearer. The Bank will issue only Personalised Cheque book to the customer.

Guidelines for issuance of Cheque Book through the branch:

- a) Only one cheque book will be issued at the time of account opening.
- b) There will be a ceiling on the maximum number of cheque books to be issued at a time.
 - Savings Accounts – 2 Cheque books
 - Current Accounts – 5 Cheque books
 - Incase the customer has requested for more cheque books at the branch over and above the prescribed limit, the same will be issued with the approval of the Branch Manager.
- c) The next cheque book/s will be issued only after the majority of the cheque leaves of the earlier cheque book are utilized.
- d) The Cheque book will be sent at the address registered with the home branch of the customer at the time of account opening.
- e) The branch can issue multiple cheque books at a time, subject to limits and for valid reasons for requirement of multiple cheque books.
- f) A proper record of the requests received from the customers will be maintained.

- g) If there is a change in address, the same will be informed by the customer to the home branch with valid and acceptable KYC documents.
- h) The signature of the account holder on the requisition slips will be strictly verified by the Bank.
- i) If the account holder does not collect the cheque book within one month's time, a letter will be sent to the account holder to collect the same and it will be clearly mentioned that the cheque book will be destroyed if the same is not collected within ten days from the date of the letter.
- j) The customer can submit their cheque book requisition slip at non-home branch.

The detailed guidelines for issue of the same are furnished in the form of circular instructions.

(v) Unclaimed Deposits and Inoperative/ Dormant Accounts

In view of the increase in the amount of unclaimed deposits with Bank year after year and the inherent risk associated with such deposits, the Bank will play a more pro-active role in finding the whereabouts of the account holders whose accounts have remained inoperative. The Bank will follow the instructions detailed below while dealing with inoperative/dormant accounts:

- a) A savings as well as current account will be treated as inoperative / dormant if there are no customer induced transactions in the account for over a period of two years.
- b) The Bank will carry out an annual review of accounts in which there are no operations (i.e. no credit or debit other than crediting of periodic interest or debiting of service charges) for more than one year.
The Bank will approach the customers and inform them in writing that there has been no operation in their accounts and ascertain the reasons for the same. In case the non-operation in the account is due to shifting of the customers from the locality, they will be asked to provide the details of the new bank accounts to which the balance in the existing account could be transferred.
- c) If the letters are returned undelivered, the Bank will immediately put them on enquiry to find out the whereabouts of the customers or their legal heirs in case they are deceased.
- d) In case the whereabouts of the customers are not traceable, the Bank will consider contacting the persons who had introduced the account holder. The Bank will also consider contacting the employer / or any other person whose details are available with them. The Bank will also consider contacting the account holder telephonically in case his telephone number / Cell number has been furnished while opening the account..
- e) In case a reply is given by the account holder giving the reasons for not operating the account, the Bank will continue classifying the same as an operative account for one more year within which

period the account holder will be requested to operate the account. However, in case the account holder still does not operate the same during the extended period, the Bank will classify the same as inoperative account after the expiry of the extended period.

- f) For the purpose of classifying an account as 'inoperative' both the type of transactions i.e. debit as well as credit transactions induced at the instance of customers as well as third party will be considered. However, the service charges debited or interest credited by the Bank will not be considered in these transactions. There may be instances where the customer has given a mandate for crediting the interest in Fixed Deposit account to the Savings Bank account and there are no other operations in the Savings Bank account. Since the interest on Fixed Deposit account is credited in the Savings Bank accounts as per the mandate of the customer, the same will be treated as a customer induced transaction and the account will be treated as operative account as long as the interest on Fixed Deposit account is credited to the Savings Bank account. The Savings Bank account will be treated as inoperative only after two years from the date of the last credit entry of the interest on Fixed Deposit account.
- g) The segregation of the inoperative accounts will be from the point of view of reducing the risk of frauds etc. However, the customer should not be inconvenienced in any way, just because his account has been rendered inoperative. The classification is there only to bring to the attention of dealing staff, the increased risk in the account. The transaction will be monitored at a higher level both from the point of view of preventing frauds and making a Suspicious Transactions Report. However, the entire process will remain unnoticeable by the customer.
- h) Operation in such accounts will be allowed after due diligence as per risk category of the customer. Due diligence would mean ensuring genuineness of the transaction, verification of the signature and identity etc.
- i) There will not be any charge for activation of inoperative account.
- j) The Bank will also ensure that the amounts lying in inoperative accounts ledger are properly audited by the internal auditors / statutory auditors of the Bank.
- k) Interest on savings bank accounts will be credited on regular basis whether the account is operative or not.
- l) If a deposit confirmation advice matures and proceeds are unpaid, the amount left unclaimed with the Bank will attract savings bank rate of interest. (simple rate)
- m) The Bank will not levy penal charges for non-maintenance of minimum balance in inoperative accounts.

(vi) The Depositor Education and Awareness Funds Scheme, 2014:

Reserve Bank of India has established a new Scheme "The Depositor Education Awareness Fund (DEAF)" in pursuant to the amendment of the Banking Regulation Act, 1949.

As per the Scheme banks shall calculate the cumulative balances in all accounts along with interest accrued, as on the day prior to the effective date i.e May 23 ,2014 and such amounts should be transferred to the DEAF on June 30,2014. The Bank shall transfer the credit balances in any deposit account maintained with the Bank which have not been operated or have remained unclaimed for ten years or more to the "Depositor Education Awareness Fund" on the last working day of the subsequent month.

The applicable categories under this Scheme are given below:

- a) Savings Bank Deposit Accounts
- b) Fixed or Term Deposit Accounts
- c) Cumulative/Recurring Deposit Accounts
- d) Current Deposit Accounts
- e) Other Deposit Accounts in any form or with any name
- f) Cash Credit Accounts with credit balance
- g) Loan Accounts after due appropriation by the banks
- h) Margin money against issue of Letters of Credit/Guarantees etc., or any security deposit
- i) Outstanding telegraphic transfer, mail transfers, demand drafts, pay orders, bankers cheques, sundry deposit accounts, vostro accounts, inter-bank clearing adjustments, unadjusted NEFT credit balances and other such transitory accounts, unreconciled credit balances on account of ATM transactions etc
- j) Other amounts as may be specified by the Reserve Bank from time to time.

(vii) Accounts Of Illiterate / Blind Persons

- ⌚ The Bank will open deposit accounts, other than Current Accounts, of illiterate persons. The accounts of such persons will be opened provided he/she calls on the Bank personally along with a witness who is known to both the depositor and the Bank.
- ⌚ At the time of withdrawal / repayment of the deposit amount and / or interest, the account holder should affix his / her thumb impression or mark in the presence of the authorized officer who will 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 will explain the terms and conditions governing the account to the illiterate / blind person. Subject to fulfillment of these terms and conditions visually impaired customers can issue post dated cheques of predetermined

amounts to financial institutions, can avail lockers.

(viii) Operation of Bank Accounts by Old/Sick/Incapacitated Customers

The old / sick / incapacitated account holder falls in the following two categories:

- a) An account holder who is too ill to sign a cheque/cannot be physically present at the branch to withdraw money from his bank account but can put his/her thumb impression on the cheque/withdrawal form, and
- b) An account holder who is not only unable to be physically present in the bank but is also not able to put his/her thumb impression on the cheque/withdrawal form due to certain physical defect/incapacity.

The Bank will follow the procedure given below for operation in the accounts of old/sick/incapacitated customers:

- a) Wherever thumb or toe impression of the sick/old/incapacitated account holder is obtained, it will be identified by two independent witnesses known to the branch, one of whom will be a responsible bank official.
- b) Where the customer cannot even put his/her thumb impression and also will not be able to be physically present in the branch, a mark will be obtained on the cheque/withdrawal form which will be identified by two independent witnesses, one of whom will be a responsible bank official.
- c) In the case of a person who has lost both his hands, the signature can be by means of a mark. This mark can be placed by the person in any manner. It could be the toe impression. It can be by means of a mark which anybody can put on behalf of the person who has to sign, the mark being put by an instrument which has had a physical contact with the person who has to sign in presence of Bank officials.
- d) The National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999, allows appointment of legal guardians for persons with disability by the Local Level Committees set up under the Act. Hence a legal guardian so appointed can open and operate the bank account as long as he remains the legal guardian. Further provisions of the Mental Health Act, 1987 also allow appointment of Guardian by District Courts and Collector of District.
 - f) The Bank will therefore rely upon the Guardianship Certificate issued either by the District Court and Collector of District under Mental Health Act or by the Local Level Committees under The National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 for the purposes of opening / operating bank accounts.

XXII. SETTLEMENT OF CLAIMS IN RESPECT OF DECEASED DEPOSITORS

The Bank will facilitate expeditious and hassle-free settlement of claims on the death of a depositor, as per the following guidelines;

(i) Process for Settlement of Claims

- a) If the depositor has registered a 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 itself about the identity of the nominee, etc.

- b) The above procedure will be followed even in respect of a joint account where a nomination is registered with the Bank.
- c) In a joint deposit account, when one of the joint account holders dies, the Bank will make payment jointly to the legal heirs of the deceased person and the surviving depositor(s). However, if the joint account holders had given mandate at the time of account opening for disposal of the balance in the account in the forms such as "either or survivor, former / latter or survivor, anyone of survivors or survivor; etc., the payment will be made as per the mandate to avoid delays in production of legal papers by the heirs of the deceased.
- d) In the absence of nomination and when there are no disputes among the claimants, the Bank will pay the amount outstanding in the account of the deceased person against joint application and indemnity (on stamp paper of Rs 200/-) by all legal heirs or the person mandated by the legal heirs to receive the payment on their behalf without insisting on legal documents up to the limit approved by the Bank's Board. This is to ensure that the common depositors are not put to hardship on account of delays in completing legal formalities.
- e) Sureties or Guarantors shall not be insisted upon where the amount involved in the settlement of death claim is upto Rs 10,000/-. However, where the amount is exceeding Rs 10,000/- then 2 guarantors / sureties (other than the co-heirs) will be obtained.
- f) The claimant need not be admitted as a nominal member where the amount involved in the settlement of death claim is upto Rs 10,000/-. However, where the amount is exceeding Rs 10,000/- the claimant as well as guarantors/ sureties will be admitted as nominal members of the Bank.

In addition to the above all other documents such as Deposit Pass Books and cheque books, Deposit Confirmation Advice, copy of the Death Certificate duly verified from the original, Death claim application in our format, Affidavit duly executed by the claimant, verification / identification of the claimant and sureties etc will be obtained irrespective of any amount involved in the settlement of the death claim.

(ii) Procedure for Settling Pending Death Claims and Time Limit for Settlement of Claims

The Bank will settle the claims in respect of deceased depositors and release payments to survivor(s) / nominee(s) within a period not exceeding 15 days from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claim(s), to the Bank's satisfaction.

(iii) Interest Payable on Term Deposit in Deceased Account

- a) In the event of death of the depositor before or after the date of maturity of the deposit and the amount of the deposit is claimed after the date of maturity, the Bank will pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment, the Bank will pay interest at savings deposit rate for the period for which the deposit remained with the Bank beyond the date of maturity. In the event of the death of the depositor/s, if the nominee chooses to have a premature withdrawal of the deposit amount then there will not be levy of penal interest.

(iv) Settlement Of Claims In Respect Of Missing Persons

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

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

XXIII. REDRESSAL OF COMPLAINTS AND GRIEVANCES

Depositors having any complaint / grievance with regard to services rendered by the Bank have a right to approach the authority (ies) designated by the Bank for handling customer complaints / grievances.

The details of the internal set up for redressal of complaints / grievances will be displayed in the branch premises. The Bank has set in place a structure for redressal of complaints both in terms of the authorities as well as the time norms for resolving the complaints.

These details have been spelt out in the Grievance Redressal Policy of the Bank which is displayed on the Bank's website and available with the Branch Manager for ready reference.

XXIV. DEPOSIT MOBILISATION

(i) Deposit Collection Agents

The bank will pay a brokerage/commission of 3% to the daily deposit agent contracted by the bank. However, daily deposits closed before 6 months will not earn any interest and if closed after 6 months saving interest rate applicable. If daily deposit closed before 6 months 2% penalty towards incidental expenses will be recovered.

(ii) Acceptance of Deposits by Unincorporated Bodies/ Private Ltd. Companies with 'Bank Guarantee'

The Bank will not accept any deposits at the instance of private financiers or unincorporated bodies under any arrangement, wherein the deposit confirmation advice can be issued in favour of the clients of private financiers. It also will not accept/allow authority by power of attorney, nomination otherwise for such clients receiving such deposits at maturity.

(iii) Deposit Collection Schemes floated by Private Organizations

The Bank will not be associated directly or indirectly with lottery schemes of organizations of any description as per the Chits and Money Circulation Schemes (Banning) Act, 1978 (No. 43 of 1978).

XXV. GREATER CO-ORDINATION BETWEEN BANKING SYSTEM AND INCOME TAX AUTHORITIES/GOVERNMENT AGENCIES:

Co-ordination with Officers of Central Board of Direct Taxes and Government agencies

Bank will extend necessary help/co-ordination to the tax officials whenever required and share necessary information's to Government agencies and collaborate more effectively to combat financial crimes such as money laundering, tax evasion, and terrorist financing

The above Deposit Policy was placed in the Board meeting of 23rd August 2024. The same was discussed in the meeting and approved by the members.

Chairman