



COMPREHENSIVE DEPOSIT POLICY

**Corporate office Address:
Ujjivan Small Finance Bank Ltd.
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Policy Approval Committee	
Board Committee	Customer Service Committee
Management Committee	Product and Process Approval Committee

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Approver	Board of Directors
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	Name of the Member	Signature
Head-Branch Banking	Mr. Sumit Thomas	

Document version control			
Version	Date	Policy Owner	Changes
1.0	19/01/2017	Head Liabilities	First version – <u>Comprehensive Deposit Policy</u>
2.0	20/03/2019	Business Head - Branch Banking	<ol style="list-style-type: none"> The name of the Product Approval Committee has been changed to Process and Product Approval Committee through the Comprehensive Deposit Policy. The designation of the owner of the Comprehensive Deposit Policy has been changed from Head of Liabilities & Financial Products to Head of Branch Banking. In the section 5.1.1.(Savings Account) a note on Non-residents has been included. In the section 5.2.1.(Fixed Deposits) a note on Non-residents has been included. Rationalisation of Merchant Discount Rate (MDR) for Debit Card Transactions - Included under section 5.2.1. The amount for bulk deposits have been modified to Rs.2 crores and above through the Comprehensive Deposit Policy. Note on Callable and Non-Callable Deposits was included under Included under section 5.2.1. In the section 5.2.2.(Recurring Deposits) a note on Non-residents has been included. Note on the bank's operations with Old, sick and incapacitated persons in reference to (RBI Master Circular on customer service dated July 01, 2015) has been included. In the section, 5.2.4 Deposit Scheme for Bank Staff Deposit - For employees who resign from the bank has been included.

			<ol style="list-style-type: none"> 11. In the section, 6.3.3 Premature/Partial Withdrawal of Term Deposits – Note on Partial withdrawal has been included. 12. In the section, 9. Closure of Account- Note on Re-booking has been included. 13. In the section 5.2.4. Minimum 25 cheque leaves every quarter shall be provided free of cost.(on request) has been included which was previously 25 cheque leaves annually. 14. In the section 5.2.4. Door Step Banking for Senior Citizens above 60 years have been included. It was previously 70 years and above. 15. In the section 5.2.4. Note on Transgender has been included. 16. In the section 6.1.3. Operation of Joint Accounts, refinements on “Either or Survivor” and “Former or Survivor” has been done. 17. In the section 6.1.4 Addition / Deletion of Account Holders, refinements have been done and details on Non-residents addition/ deletion of accounts have been done. 18. In the section 6.2 Facilities for Demand Deposit, refinements have been done related to Standing instructions for transfer/remittance of funds, soiled notes, mutilated notes, cut notes, un current coins. uncurrent coins. 19. In the section 6.2.1 Minimum Balance / Service charges, “For amendment of the service charges, bank will provide intimation through website display & branch notice board, 30 days in advance to the customers” has been added. 20. In the section 6.2.2. Passbook / Account Statements, information related to deposit insurance cover has been added in reference to (<i>RBI guidelines on the Recording of Details of Transactions in Passbook/ Statement of Account dated June 22, 2017</i>) 21. In the section 6.2.4. Interest Rates and Calculation of Interest, a note has been added for interest payment of frozen account, calculations for interest on RD has been added. 22. In the section 6.2.5 Nomination Facility for Deposit Accounts, refinements have been done. 23. In the section 6.3.1 Interest Payment on Term Deposits, refinements have been done. 24. Advance against deposits has been added as a section under section 6.3.6 Advance against Term Deposits. 25. Under section 7 Prohibitions, “Banks as exemption to pay commission to Direct Selling agents/Direct Marketing Agents as part of the outsourcing arrangements” has been added. 26. In the section 11.1 Deceased depositors, treatment for NR deceased depositor has been added. 27. To align with the Retention Policy, the record retention period to be modified from 5 years to 10 years and the same has been done Under Section 14. Record Keeping
2.1	05/11/2019	Business Head - Branch Banking	<p>5.2.1 Fixed Deposits including Non-Resident Fixed Deposits: Third Party Deposits:Third Party Deposit is a term deposit account where Fixed Deposits are booked under the existing Customer id of the depositor , The deposit stands in the name of the concerned Government Department / Organisation and advices are issued to the customers for further submission to the Govt agencies. A lien is marked in favour of the Government Department,</p>

			<p>6.2.4 Interest Rates and Calculation of Interest: (more than 180 days).i.e for deposits less than 180 days interest calculation will be simple interest without any payout options,for Monthly scheme interest calculation will be simple interest on the basis of number of months in a year and for payouts quarterly, half yearly and yearly interest calculation will be simple interest on the basis of number of days in a quarter, half year and year respectively. Compounding interest will be calculated for the completed quarters including number of days in a completed quarter and simple interest will be calculated for the remaining number of days or incomplete quarters.</p> <p>Non- Leap year: Principal*(ROI)*(Tenure in days/365)</p> <p>Leap Year: Principal*(ROI)*(Tenure in days/366)</p> <p>6.3.1 Interest Payment on Term Deposits: The Bank shall compute interest based on the actual number of days in a year. In case, the Deposit is spread over a leap and a non-leap year, the interest is calculated based on the number of days i.e., 366 days in a leap year & 365 days in a non-leap year for cumulative Deposits, the interest computation logic is provided in Para 6.2.4 Interest Rates and Calculation of Interest, referred above</p>
2.1.1	19-May-20	Business Head - Branch Banking	<p>6.2.6 Insurance Cover for Deposits</p> <p>The Bank shall inform the customers that all bank deposits are covered under the insurance scheme offered by Deposit Insurance and Credit Guarantee Corporation of India (DICGC) subject to a maximum of Rs 5 lakh. The Bank shall communicate to the customer that the limit of Rs 5 lakh is inclusive of both the principal and accrued interest on such deposit held by the customer in the same capacity and right in all branches of the Bank.</p> <p>Chief Executive Officer and Managing Director name changed from Mr Samit Ghosh to Mr Nitin Chugh</p>
2.1.2	02-Feb-21	Head - Liabilities	<p>Policy owner has been changed to Head- liabilities.</p> <p>Opening of Current Accounts by Banks - Need for Discipline</p>
2.1.3	12-May-22	Head - Branch Banking	<p>Policy owner has been changed to Head- Branch Banking.</p> <p>Chief Executive Officer and Managing Director name changed from Mr Nitin Chugh to present MD and CEO</p> <p>(i) RBI guidelines on Opening of Current Accounts by Banks - Need for Discipline dated August 06, 2020, December 14, 2020 and October 29, 2021.</p> <p>(ii) Review of Instructions on Interest on overdue domestic deposits dated July 02, 2021.</p>

Mr. Ittira Davis
Chief Executive Officer and Managing Director
Ujjivan Small Finance Bank Ltd.

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1. Introduction

Ujjivan Small Finance Bank (herein after referred to as “the Bank”), in furtherance of the objectives for which it is set up, shall inter alia undertake basic Banking activities of acceptance of deposits other than lending activities to underserved section. 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.

This policy outlines the guiding principles in respect of formulation of various deposit products offered by the Bank and terms and conditions governing the conduct of the account.

While adopting this policy, the Bank reiterates its commitments to individual customers outlined in Bankers' Fair Practice Code of Indian Banks' Association and applicable regulatory requirements.

Banks should formulate a transparent and comprehensive policy setting out the rights of the depositors in general and small depositors in particular. The policy would also be required to cover all aspects of operations of deposit accounts, charges leviable and other related issues to facilitate interaction of depositors at branch levels. Such a policy should also be explicit in regard to secrecy and confidentiality of the customers. Providing other facilities by "tying-up" with placement of deposits is clearly a restrictive practice.

2. Objectives of the Policy

The key objectives of this policy are as under:

- Provide greater transparency in dealing with individual customers and create awareness among customers of their rights with regards to deposit account.
- Lay down the framework on the types of deposits offered by the Bank and operations permitted in these deposits.
- Disseminate information with regard to various aspects of acceptance of deposits from the members of the public, conduct and operations of various deposits accounts, payment of interest on various deposit accounts, closure of deposit accounts, method of disposal of deposits of deceased depositors, etc., for the benefit of customers.
- Ensure that the customer will get services they are rightfully entitled to receive without demand.

3. Applicability

This policy shall be applicable to all its employees and officers as well as Business Correspondent agents/ across all branches/ business segments of the Bank. While the provisions of this policy are directly applicable to the staff that are facing clients, all employees of the Bank shall be guided by the principles of this policy. This policy shall be applicable to all deposits offered/ accepted or proposed to be offered/ accepted by the Bank and lays down a framework for accepting, operations, servicing and closure of all time and demand deposits held with the Bank.

4. Governance Structure

The Bank shall have the following governance structure for the approval and implementation of this policy.

Customer Service Committee of the Board

The Customer Service Committee of the Board is a Committee of the Board consisting of members of the Board of Directors of the Bank and the CEO & MD. This Committee shall, inter alia, perform the following functions:

- Review this policy and make recommendations to the Board
- Review the implementation of this policy and periodically align it to the leading market practices and regulatory requirements
- Review the key regulatory and risk concerns as well as the adequacy of the risk management process and up-gradation thereof
- Review the broad concerns in customer servicing and complaints
- Bank will conduct an annual survey to measure customer satisfaction and the findings are shared with the Customer Service Committee of the Board.

Product Approval Committee and Process Approval Committee

These Committees shall approve any new product or product variant which forms part of the policy in alignment with this policy and other regulatory requirements and new processes or amendments being made to the existing processes respective. The Committee shall approve such products keeping into view the suitability and appropriateness of the customers for such product.

The Role of Product Approval Committee

1. Approves Changes/ amendments/ modifications in the existing Products.

The Role of Process Approval Committee

1. Approves new processes introduced in the Bank.
2. Approves Changes/ amendments/ modifications in the existing processes

The new processes and existing processes reviewed and approved by Process Approval Committee shall be shared with Product Approval Committee for noting and approval.

Head of Branch Banking

The Head of Branch Banking shall prepare the Deposit policy in consultation with the Service Quality, Risk & Compliance, Operations and IT Departments, which shall be put forward to the Customer Service Committee of the Board and thereafter to the Board for approval. This policy shall seek to cover the broad types of deposits and shall not deal with each individual product/ product variant. The Head of Branch Banking shall ensure the review of the policy on an annual basis. Any product/ product variant in alignment with the policy shall be approved by the Process and Product Approval Council. The Branch Banking shall formulate, with the approval of their Board of Directors, fixed deposit schemes specifically for resident Indian

senior citizens, offering higher and fixed rates of interest as compared to normal deposits of any size.

5. Types of Deposit Accounts

The Bank may choose to offer the following types of deposit products:

5.1 Demand Deposit

Demand Deposits means a deposit received by the Bank which is withdraw able on demand. There are two types of Demand Deposits:

5.1.1 Savings Account/Including Non-Residents

- i. Savings Account means a form of interest bearing demand deposit which is a deposit account whether designated as “Savings Account”, “Savings Bank Account”, “Savings Deposit Account”, “Basic Savings Bank Deposit Account (BSBDA)” or other account by whatever name called which is subject to the restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the Bank during any specified period.

The 'Basic Savings Bank Deposit Account' would be subject to Bank's **laid down guidelines on KYC for opening of accounts issued from time to time.**

- ii. If such account is opened on the basis of simplified KYC norms, the account would additionally be **treated as a 'Small Account' and would be subject to system restrictions** on the account balance, credit summation and withdrawals/transfers.

Holders of 'Basic Savings Bank Deposit Account' will not be eligible for opening any other savings bank deposit account in the Bank. **If a customer has any other existing savings account in the Bank, he / she will be required to close it within 30 days from the date of opening a 'Basic Savings Bank Deposit Account'.**

Bank to adhere to the permissible credits and debits in the NR (NRO and NRE) accounts as specified in the applicable guidelines.

5.1.2 Current Account

Current Account means a form of non-interest bearing demand deposit where from withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount and shall also be deemed to include other deposit accounts which are neither Savings Deposit nor Term Deposit.

Opening of Current Accounts - Reference to RBI Circular to *RBI Master Circular on Opening of Current Accounts by Banks - Need for Discipline dated August 06, 2020*

Bank shall not open current accounts for customers who have availed credit facilities in the form of cash credit (CC)/ overdraft (OD) from the banking system and all transactions shall be routed through

the CC/OD account. In case of customers who have not availed CC/OD facility from any bank, banks may open current accounts as under:

- a) In case of borrowers where exposure of the banking system is ₹50 crore or more, banks shall be required to put in place an escrow mechanism. Accordingly, current accounts of such borrowers can only be opened/maintained by the escrow managing bank. However, there is no restriction on opening of 'collection accounts' by lending banks subject to the condition that funds will be remitted from these accounts to the said escrow account at the frequency agreed between the bank and the borrower. Further, the balances in such accounts shall not be used as margin for availing any non-fund based credit facilities. While there is no prohibition on amount or number of credits in 'collection accounts', debits in these accounts shall be limited to the purpose of remitting the proceeds to the said escrow account. Non-lending banks shall not open any current account for such borrowers.
- b) In case of borrowers where exposure of the banking system is ₹5 crore or more but less than ₹50 crore, there is no restriction on opening of current accounts by the lending banks. However, non-lending banks may open only collection accounts as defined at (v) (a) above.
- c) In case of borrowers where exposure of the banking system is less than ₹5 crore, banks may open current accounts subject to obtaining an undertaking from such customers to the effect that customers shall inform the bank(s), if and when the credit facilities availed by them from the banking system becomes ₹5 crore or more. The current account of such customers, as and when the exposure of the banking system becomes ₹5 crore or more and ₹50 crore or more, will be governed by the provisions of para (v) (b) and (v) (a) respectively.
- d) Banks were allowed to open current accounts of prospective customers who have not availed any credit facilities from the banking system, subject to necessary due diligence as per their Board approved policies.

Further RBI in reference to its circular Opening of Current Accounts by Banks - Need for Discipline dated December 14, 2020)

Had decided to permit banks to open specific accounts which are stipulated under various statutes and instructions of other regulators/ regulatory departments, without any restrictions placed in terms of the above-mentioned circular dated August 6, 2020.

An indicative list of such accounts is as given below:

- i. Accounts for real estate projects mandated under Section 4 (2) I (D) of the Real Estate (Regulation and Development) Act, 2016 for the purpose of maintaining 70% of advance payments collected from the home buyers.
- ii. Nodal or escrow accounts of payment aggregators/prepaid payment instrument issuers for specific activities as permitted by Department of Payments and Settlement Systems (DPSS), Reserve Bank of India under Payment and Settlement Systems Act, 2007.
- iii. Accounts for settlement of dues related to debit card/ATM card/credit card issuers/acquirers.
- iv. Accounts permitted under FEMA, 1999.
- v. Accounts for the purpose of IPO / NFO /FPO/ share buyback /dividend payment / issuance of social papers/allotment of debentures/gratuity, etc. which are mandated by respective statutes or regulators and are meant for specific/limited transactions only.
- vi. Accounts for payment of taxes, duties, statutory dues, etc. opened with banks authorized to collect the same, for borrowers of such banks which are not authorized to collect such taxes, duties, statutory dues, etc.
- vii. Accounts of White Label ATM Operators and their agents for sourcing of currency.

The above permission is subject to the condition that the banks shall ensure that these accounts are used for permitted/specified transactions only. Further, banks shall flag these accounts in the CBS for easy monitoring. Lenders to such borrowers may also enter into agreements/arrangements with the borrowers for monitoring of cash flows/periodic transfer of funds (if permissible) in these current accounts.

Bank shall be required to monitor all current accounts and CC/ODs regularly, at least on a half-yearly basis, specifically with respect to the exposure of the banking system to the borrower, to ensure compliance with instructions contained in circular dated August 6, 2020 *ibid.* Reference to RBI guidelines on **Opening of Current Accounts by Banks - Need for Discipline dated October 29, 2021**, further, banks are permitted to open/ maintain the following accounts, without any restrictions placed in terms of the above-mentioned [circular dated August 6, 2020](#), subject to meeting the conditions specified as at para 2 of [DOR.No.BP.BC.30/21.04.048/2020-21 dated December 14, 2020](#):

- Inter-bank accounts
- Accounts of All India Financial Institutions (AIFIs), viz., EXIM Bank, NABARD, NHB, and SIDBI
- Accounts opened under specific instructions of Central Government and State Governments
- Accounts attached by orders of Central or State governments/regulatory body/Courts/investigating agencies etc. wherein the customer cannot undertake any discretionary debits

5.2 Term/Time Deposit

Time deposit means an interest bearing deposit received by the Bank for a fixed period. Within these categories, there are specific accounts that can be opened, based on the requirements of the account holder. The Bank shall pay interest monthly/quarterly/half-yearly/annually/at maturity to the depositor.

The following are the illustrative types of Term Deposits:

5.2.1 Fixed Deposits including Non-Resident Fixed Deposits

Fixed deposit (FD) is an account where a sum of money is kept with the bank, whereby the bank pays interest at a pre-determined rate for the time duration of the deposit. The fixed deposit can be opened for a minimum period of 7 days to maximum of 10 years apart from NRE fixed deposits. NRE deposits can be opened for a minimum period of 1 year to maximum of 10 years. The rate of interest paid for fixed deposit will vary according to tenure and amount. At the end of the term, the principal and interest is returned back to the customer. We offer two types of variants under FD - Traditional FD and Cumulative FD. The detailed features and benefits are explained in the Liability Product Program.

It is reiterated that the banks and authorised card payment networks shall strictly adhere to the above directions. Further, banks shall ensure that the MDR levied on the merchant shall not exceed the cap rates as prescribed above, irrespective of the entity which is deploying the card acceptance infrastructure at the merchant location.

Banks are also advised to ensure that merchants on-boarded by them do not pass on MDR charges to customers while accepting payments through debit cards.

Traditional Fixed Deposits

A traditional fixed deposit account will be offered to customers where an amount (minimum sum defined by the bank) is kept with the bank and the bank pays interest at a pre-determined rate for the time duration of the deposit.

Cumulative Term Deposit

A cumulative fixed deposit account will also be offered where interest will be reinvested.

Bulk Deposits:

Bulk Deposit” means (i) Single Rupee term deposits of Rupees Two crore and above for Scheduled Commercial Banks other than Regional Rural banks. Minimum tenure of the same being 7 days and maximum 36 months.

RBI had allowed banks to use "callability" as a distinguishing feature for a bank fixed deposit. With this feature, the bank will offer a differential rate of interest on the deposits- Callable and Non-callable.

The scheme is available to single deposit/s of Rs. 2 Crore and above only. The scheme will fetch higher rate of interest as compared to interest rate on the Bulk deposits of Rs.2 Crore and above.

Tax Saver Deposits:

Bank Tax Saver Deposit Scheme, 2006 was introduced under clause (xxi) of subsection (2) of section 80C of the Income-Tax Act, 1961 (43 of 1961) vide notification no. SO 1220 (E) dated 28th July 2006 permitting scheduled bank to open term deposits for a period not less than five years by income tax assessed under section 80C for tax exemption.

The major benefit of investing in tax saver fixed deposit is that it helps depositor save income under Section 80C of IT Act 1961

Depositors get benefit of tax deduction up to Rs. 1,50,000/- and the deduction benefit is available to individuals, HUF and Senior Citizens. This scheme can be offered only by scheduled bank. As Ujjivan Small Finance Bank has received Scheduled Bank License hence

the above-mentioned Fixed Deposit Scheme should be offered to be at par with other Banks as well as for fund mobilisation.

Third Party Deposits:

Third Party Deposit is a term deposit account where Fixed Deposits are booked under the existing Customer id of the depositor, The deposit stands in the name of the concerned Government Department / Organisation and advices are issued to the customers for further submission to the Govt agencies. A lien is marked in favour of the Government Department.

Platina Deposits:

Ujjivan Small Finance Bank has introduced Platina Fixed Deposit where our customers will get 15 basis points higher rate of interest over and above our regular term deposit accounts. All Resident Individuals, Non-Individuals, and Non-resident customers are allowed to open Platina Fixed Deposit accounts. Resident Senior Citizens and our Resident Senior Citizen customers get an additional interest rate.

5.2.2 Recurring Deposits including Non-Residents

Recurring deposits (RD) is a term deposit account where a customer invests fixed sum of amount per month in his recurring deposit account maintained with the bank and interest is earned as per the pre-determined rate usually the same as fixed deposit rate. These accounts can be funded by giving standing instructions by which bank withdraws a fixed amount on a fixed date of the month from the saving bank of the customer (as per his mandate), and the same is credited to RD account.

5.2.3 Deposit Scheme for Senior Citizens

The Bank has special deposit product for Senior Citizens which permits additional interest in respect of such deposits. For Non-Resident customers additional interest is not applicable. The bank offers Fixed Deposit (Traditional FD and Cumulative FD) and Recurring deposit for senior citizens. The Bank shall have simplified procedures for transfer of deposits to the nominee of such depositors in the event of death.

5.2.4 Deposit Scheme for Bank Staff Deposit

The Bank shall at its discretion, allow additional interest at a rate not exceeding one per cent per annum over and above the card rate of interest subject to following conditions:

The benefit of additional interest rate on deposits on account of being bank's own staff or senior citizens shall not be available to NRE and NRO deposits

- a. The additional interest is payable only so long as the person continues to be eligible for the same and in case of his ceasing to be so eligible, till the maturity of a term deposit account;

In the case of employees taken over pursuant to the scheme of amalgamation, the additional interest is allowed only if the interest at the contractual rate together with the additional interest

does not exceed the rate, which could have been allowed if such employees were originally employed by the Bank.

- b. In respect of a savings or a term deposit account opened in the name of:
1. a member or a retired member of the Bank's staff, either singly or jointly with any member or members of his/her family; or
 2. the spouse of a deceased member or a deceased retired member of the bank's staff; and
 3. an Association or a fund, members of which are members of the bank's staff;

For the purposes of sub-paragraph:

(i) "a member of the bank's staff" means a person employed on a regular basis, whether full-time or part-time, and includes a person recruited on probation or employed on a contract of a specified duration or on deputation and an employee taken over in pursuance of any scheme of amalgamation, but does not include a person employed on casual basis.

- a. In the case of employees taken on deputation from another bank, the bank from which they are deputed may allow additional interest in respect of the savings or term deposit account opened with it during the same period of deputation;
- b. In the case of persons taken on deputation for a fixed duration, or on a contract of a fixed duration, the benefit will cease to accrue on the expiry of the term of deputation or contract, as the case may be.

(ii) "A retired member of the Bank's staff" means an employee retiring whether on superannuation or otherwise as provided in the Bank's Service/Staff Regulations, but does not include an employee retired compulsorily or in consequence of disciplinary action;

(iii) "Family" means and includes the spouse of the member/retired member of the Bank's staff and the children, parents, brothers and sisters of the member/retired member of the bank's staff, who are dependent on such member/retired member, but does not include legally separated spouse; Bank Employees' Federations in which bank employees are not direct members are not eligible for additional interest.

(iv) For employees who resign from the bank, the staff account gets converted to a regular savings account. In case of an existing term deposit relationship of the staff with the bank, it will continue at the contracted rate till the first maturity.

The Bank shall provide additional interest as permitted for senior citizens to resident Indian retired staff (who are senior citizens) over and above the additional interest of not exceeding one per cent payable to them by virtue of their being retired members of the Bank's staff.

6. Opening and Operation of Deposit Accounts

The Bank shall launch any new domestic deposit mobilisation with the approval of the Board after ensuring compliance with the regulatory requirements.

6.1 Facilities for all Deposit accounts

The Bank shall provide its customers details of various types of Bank accounts that can be opened and highlight the key features for each type of account. The Bank shall ensure that the product material, brochures or any literature highlighting the terms and conditions as well as service charges/ fees of the product, is fair, clear and not misleading.

- The branch staff/ BC agents of the Bank shall carry out due diligence as required under "Know Your Customer" (KYC) guidelines issued by RBI and or such other norms or procedures adopted by the Bank before opening any deposit account as defined in the KYC/AML Policy of the Bank.
- The Bank shall open accounts providing basic banking services to unbanked / disadvantaged sections of the society with relaxed customer acceptance norms as per regulatory guidelines as elaborated in the KYC/AML policy of the Bank.
- The Bank shall undertake due diligence process, while opening a deposit account which involves identification of the person, verification of address, satisfying about his occupation and source of income. The Bank shall obtain fresh photographs from the customer proposing to open the account.
- The Bank shall categorize customers based on the risk perception and prepare profiles of customers for the purpose of transaction monitoring. Periodic re-KYC of customers based on their risk categorisation shall be carried out by the Bank in line with the AML/KYC policy.
- The Bank shall communicate to the customer the timeframe within which the account shall be opened. In case, if the account opening requires clearance at higher level, the Branch staff shall communicate the reasons for delay in opening of account.
- The Bank shall provide the prospective depositor with account opening forms and other material such as brochures indicating service charges, Code of Commitment to Customers. The Bank official opening the account shall explain the procedural formalities and provide necessary clarifications sought by the prospective depositor when he/she approaches for opening a deposit account.
- The Bank shall communicate to the prospective depositor all details regarding terms and conditions for operation of the accounts and schedule of charges and fees for various services provided while opening the account or from time to time as the case may be. The applicants can reach out to the branch or a Bank executive for any queries or clarification that they may have in relation to account opening.
- The Bank staff shall have the right to decline the opening of account if the account holder is not able or willing to provide necessary information regarding his address or identity.
- The Bank reserves the right, at its sole discretion, to open the bank account upon receipt of an application, and at such terms, as the Bank may prescribe from time to time.

6.1.1 Minor Accounts

The Bank shall instruct their branches to allow minors to open/ operate accounts jointly with parent/guardians till the minor becomes major. The Bank shall allow natural (mother or father) or legal guardians of the minor to operate the minor's account.

The Bank shall not grant overdraft /loan to such minors. The Bank shall ensure that minor accounts are not overdrawn and always remain in credit.

The Bank shall obtain from the account holder (erstwhile minor) on attaining majority, specimen signature, identification documents and his/her latest photograph to allow operations by the account holder of the account.

6.1.2 Accounts for persons with disabilities/illiterate persons/visually impaired person/Senior Citizens

Accounts for illiterate persons

The Bank shall allow a person to open any accounts provided the applicant shall be accompanied along with a witness, who is known to the Bank. The Bank shall not discriminate while opening accounts for illiterate / blind and follow the guidelines of RBI from time to time.

The Bank official shall be present in case of persons with disabilities/illiterate persons/visually impaired person visits the branch for withdrawals/ repayment of term deposit and the account holder is required to affix his/ her thumb impression/mark. The Bank shall allow operations in the account as elaborated in the policy - Code of Banks' Commitment to Customers/ Customer Service Policy of the Bank.

Disabled persons who are unable to write

The Bank shall open bank account for persons with disabilities and unable to write but capable of affixing thumb impression/ toe mark or any other mark or impression. The Bank shall allow the account holder/ any other person to operate the account subject to the conditions as mentioned in the Code of Banks' Commitment to Customers/ Customer Service Policy of the Bank.

(Reference: RBI Master Circular on customer service dated July 01, 2015)

Blind/Visually Impaired Person

The Bank shall ensure that there is no discrimination in offering any facility to a blind/ visually impaired person and shall allow all banking facilities such as cheque book facility including third party cheques, ATM facility, Net banking facility, retail loans, etc. to be offered to such customers.

Under-Guardian accounts for Disabled (adult) persons with autism, cerebral palsy, mental retardation and multiple disabilities:

The Bank shall allow opening of accounts of persons with Autism, Cerebral Palsy, Mental Retardation, Mental Illness and Mental Disabilities after appointing guardian/managers and shall also take note of the legal position and orders/certificates issued by the competent

authority, under the acts applicable to such account holders. The bank shall allow operations of Old, sick and incapacitated persons in reference to (*RBI Master Circular on customer service dated July 01, 2015*)

Senior Citizens:

Scheduled Commercial Banks shall, at their discretion, formulate term deposit schemes specifically for resident Indian senior citizens, offering higher and fixed rates of interest as compared to normal deposits of any size. Provided that this facility is not offered on the term deposit standing in the name of an HUF or the Karta of the Hindu Undivided Family (HUF), even if the Karta is a resident Indian senior citizen. The Bank shall open the accounts of senior citizens with a unique product code and shall offer the below mentioned facilities

a. **Cheque Book Facility**

- Minimum 25 cheque leaves every quarter shall be provided free of cost. (on request)
- Bank shall not insist on physical presence of senior citizens for getting cheque book and shall issue cheque book for requests received through Internet and Mobile Banking channels

b. **Automatic conversion of status of accounts**

Account shall be automatically converted to “Senior Citizen Account” when primary account holder attains 60 years of age based on the date of birth available in bank’s records

c. **Ease of filing Form 15G/H**

Banks shall provide senior citizens Form 15G/H once in a year (preferably in April) to enable them to submit the same, where applicable, within the stipulated time.

d. **Door Step Banking**

Senior citizens of more than 60 years of age shall be provided door step banking for basic banking facilities, such as pick up of cash and instruments against receipt, delivery of cash against withdrawal from account, delivery of demand drafts, and submission of Know Your Customer (KYC) documents

Transgender:

In case of a person claiming to be transgender and needs to open account or to do any banking transaction, the person will be recognized as “Third Gender” and the details shall be accepted in the AOFs/ or other applicable forms as such. All transgender customers shall be treated equally to other male/ female customers without any discrimination.

6.1.3 Operation of Joint Accounts

The Bank shall allow the deposit accounts to be opened by the account holder singly or jointly with any other eligible person. Joint accounts can be opened by more than one individual and

can be operated either singly or jointly, as specified by the all the account holders. The operating rules in a joint account can be modified only with the consent of all account holders.

The joint account holders can give any of the following mandates for operations of the account:

Either or Survivor: This is applicable for accounts with 2 holders. The account can be operated by any one of the account holders during the lifetime of the account holders and the survivor in case of death of any of the accountholders.

It is clarified that if fixed/term deposit accounts are opened with operating instructions ‘Either or Survivor’, the signatures of both the depositors need not be obtained for payment of the amount of the deposits on maturity. However, the signatures of both the depositors may have to 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, no pre-payment of the fixed/term deposit may be allowed without the concurrence of the legal heirs of the deceased joint holder. This, however, would not stand in the way of making payment to the survivor on maturity.

Anyone or Survivors: This is applicable for accounts with more than 2 account holders. The account can be operated by any one of the account holders during the lifetime of all the account holders and the survivors in the case of the death of any of the accountholders.

Former or Survivor: This is applicable for accounts with more than 2 account holders. The account can be operated by the first holder of the account and the survivors in the case of death of any of the accountholders. Joint accounts can be opened by two or more NRIs and/or PIOs or by an NRI/PIO with a resident relative(s) on ‘former or survivor’ basis. However, during the life time of the NRI/PIO account holder, the resident relative can operate the account only as a Power of Attorney holder.

Joint signatories: This is applicable for accounts with 2 or more account holders. The account shall be operated by all the account holders during the lifetime of all the account holders.

6.1.4 Addition / Deletion of 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 or allow an individual depositor to add the name of another person as a joint account holder. Primary holder cannot be deleted from the accounts. This is permissible only in the case of death of primary holder.

In other cases, with mutual consent of all the account holders, the secondary holders in the account can be modified.

The Bank shall at its discretion and at the request of the joint account holders of a deposit receipt allow the splitting of the joint deposit in the name of each of the joint account holders only provided that the period and aggregate amount of the deposit do not undergo any change.

In case of NRE deposits, it should be held jointly with non-residents only. However, a resident individual may be added as joint holder in NRE account under “Former or Survivor” mode of operations only. NRO accounts may be held by non-residents jointly with residents.

6.1.5 Mandate/ Power of Attorney holder

The Bank shall register mandate/ power of attorney given by the customer authorizing another person to operate the account on his/her behalf at the specific request of the depositor subject to adequate due diligence of the person being authorized to operate the account.

Operations on an NRE account may be allowed in terms of Power of Attorney or other authority granted in favour of a resident by the non-resident account holder, provided such operations are restricted to withdrawals for local payments or remittance to the account holder himself through banking channels

The resident Power of Attorney holder is not allowed to (a) open a NRE account; (b) repatriate outside India funds held in the account other than to the account holder himself; (c) make payment by way of gift to a resident on behalf of the account holder; (d) transfer funds from the account to another NRE account.

6.2 Facilities for Demand Deposit

The Bank shall open savings and current accounts for eligible persons in line with the applicable regulatory requirements, which shall be elaborated in the Product note on savings accounts and current accounts. Standing instructions can be given to the Bank for transfer/remittance of funds from one account to other account(s) maintained in the same branch, any other branch of the bank. The bank accepts mutilated / soiled notes from customers / non-customers for exchange. Process of acceptance of such notes has been defined as per RBI's note refund rules and circulated to all the branches for adherence.

All branches of the Bank offer the facility of exchange of soiled notes, exchange of mutilated and cut notes, exchange of coins including incurrent coins into notes or coins. The process of exchange would be as per RBI's Note Refund Rules.

6.2.1 Minimum Balance / Service charges

In respect to the BSBDA accounts, the Bank shall not stipulate any minimum balance to be maintained. In accounts other than BSBDA, the Bank shall stipulate the minimum balance to be maintained on a monthly/ quarterly/ annual basis, which shall be communicated upfront to the customer by way of the Schedule of Charges.

The Bank shall levy penal charges in the event of non-maintenance of minimum balance, which shall be notified to the customer clearly by SMS / email / letter, etc. If the customer does not restore the minimum balance within 1 month from the date of notice of the shortfall, the Bank shall recover the penal charges after due intimation to the customer. However, if the account is inoperative, the Bank shall not charge penal charges for minimum balance.

Information on other charges, where applicable, for services rendered by the Bank are provided in the Schedule of Charges that are included as part of terms and conditions governing

operation of such accounts, which shall be explained by the Bank staff and also given to the customer at the time of account opening.

For amendment of the service charges, bank will provide intimation through website display & branch notice board, 30 days in advance to the customers.

(Reference: RBI Master Circular on customer service dated July 01, 2015)

6.2.2 Passbook / Account Statements

The Bank shall offer pass book facility for all savings account holders or monthly statement of account to regular savings accounts and minor accounts. The passbook/statement of accounts shall have full address, MICR and IFSC codes of the branch, along with the bank helpline number.

The Bank shall regularly update the passbooks with brief, informative and intelligible entries. In case of customers who have opted for the monthly statement of accounts, the Bank shall provide the statements with informative and intelligible entries.

In case if the branch retains the passbook for updation, the Bank staff shall accept the passbooks against acknowledgement which indicates the date of receipt and the date by when the passbooks can be collected after due updation. The Bank staff shall return such passbooks only against the acknowledgment. The Bank shall keep the passbooks in the custody of the named responsible official, under lock and key overnight for passbooks remaining at the branch. *“The deposit accounts may be transferred to any other branch of the Bank at the request of the depositor.”*

In case of re-issue of passbook due to damage or misplaced by the customer, the bank shall issue a duplicate passbook as per the channels specified by the customer and charges would be levied as specified in the Schedule of charges.

In case of Account statement (physical) request by the Customer, the bank shall levy charges as specified in the Schedule of Charges.

In the interest of better customer service, it has been decided that banks shall at a minimum provide the relevant details in respect of entries in the accounts as indicated in the circular.

Banks shall also incorporate information about ‘deposit insurance cover’ along with the limit of coverage, subject to change from time to time, upfront in the passbooks.

(Reference: RBI guidelines on the Recording of Details of Transactions in Passbook/ Statement of Account dated June 22, 2017)

6.2.3 Stop Payment Facility

The Bank will accept stop payment instruction from the account holders in respect of cheques issued by them within the specified timeframe as per the channels specified by the Bank from time to time. Charges, as specified in the Schedule of Charges, will be applied. In case of loss of the cheques in transit or clearing or at the branch, the Bank staff shall immediately inform the customer so that he/ she can place the stop payment instructions in respect of such cheques. Such stop payment of instruction shall not be subject to any charges.

6.2.4 Interest Rates and Calculation of Interest

The Bank shall pay interest on savings account at the rates as decided by the Bank within the general guidelines issued by the RBI from time to time. The Bank would obtain prior approval of Asset Liability Management Committee for fixing interest rates on savings account.

Interest on domestic rupee savings deposits shall be calculated on a daily product basis as under:

- (i) A uniform interest rate shall be set on balance up to Rupees one lakh, irrespective of the amount in the account within this limit.
- (ii) Differential rates of interest may be provided for any end-of-day savings bank balance exceeding Rupees one lakh.

The Bank shall display the rate of interest on deposits in the branch premises/website. The Bank shall communicate upfront to the deposit account holder of any changes, if any, with regard to the deposit schemes and other related services.

The Bank shall determine the rate of interest on savings account on a daily available balance basis. The interest should be credited on regular basis whether the account is operative or not. The Bank shall pay the customer interest on his savings balance on quarterly basis. Interest on savings bank accounts, including those frozen by the enforcement authorities, shall be credited on regular basis irrespective of the operational status of the account.

For the purpose of interest calculation for actual number of days (in case interest is calculated for incomplete month), the denominator is taken as 365 days and 366 days in case if it is a leap year. The interest computation logic for Cumulative fixed deposits for Non-Leap Year and Leap Year is provided below.

Non- Leap year: $\text{Principal} \times (\text{ROI}) \times (\text{Tenure in days}/365)$

Leap Year: $\text{Principal} \times (\text{ROI}) \times (\text{Tenure in days}/366)$

For Fixed deposits interest calculation will be simple interest for the payout options and compounding interest for the non payout options (more than 180 days). i.e for deposits less than 180 days interest calculation will be simple interest without any payout options, for Monthly scheme interest calculation will be simple interest on the basis of number of months in a year.

and for payouts quarterly, half yearly and yearly interest calculation will be simple interest on the basis of number of days in a quarter, half year and year respectively. Compounding interest will be calculated for the completed quarters including number of days in a completed quarter and simple interest will be calculated for the remaining number of days or incomplete quarters.

Reference to RBI guidelines on “**Review of Instructions on Interest on overdue domestic deposits dated July 02, 2021**”, if a Term Deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower.

Interest calculation on recurring deposits

- For Recurring Deposits, interest is compounded quarterly on completion of exact quarters.
- In case of delay in payment of any instalment, the depositor shall be charged a penal monthly interest/ flat charge at the rate as may be specified by the Bank for the period of delay.
- In case of premature withdrawal of the recurring deposit, interest will be calculated at the rate applicable for the period that the recurring deposit has been held by the Bank less the applicable penal rate as per Bank policy.
- Interest will be calculated for the completed number of days that the deposit is with the Bank.
- The total interest chargeable to the depositor shall be recovered from the total amount of interest payable by the Bank at the time of maturity.

6.2.5 Nomination Facility for Deposit Accounts

Nomination facility is available on all deposit accounts opened by the individuals including joint accounts opened with or without ‘either or survivor’ mandate.

Nomination is also available to a sole proprietary concern account. (In case we are extending) Nomination can be made in favour of one individual only.

Nomination so made can be cancelled or changed by the account holder/s any time.

While creating, modifying or cancelling a nomination, the prescribed forms as per the Banking Companies Nomination Rules, 1985 which are available with the Bank would have to be used.

Attestation of two witnesses on the nomination forms would be required only if the form carries the thumb impression of the account holder. Attestation by the witness is not required in case the form is signed by the account holder.

The Bank shall publicize the nomination facility by printing compatible message on the availability and importance of nomination facility on the pass-book. The Bank shall devise a

small slip indicating the availability of nomination facility and the slip is inserted in the pass books. A specimen format of the slip is given below: -

"Nomination facility available for –Deposits; for details, please enquire at the Branch"

The availability of the above facility may also be indicated on the pass books. The Bank shall recommend nomination in respect of deposit accounts opened by individuals or sole proprietary concerns. The Bank shall ensure that the nomination is made only in favour of individuals and no association, trust or society shall be permissible as a nominee. The Bank staff shall communicate to the customer that there cannot be more than 1 nominee per deposit account. The Bank shall ensure that the account opening form has space for the nomination related fields. The Bank shall generally insist that the person opening a deposit account makes a nomination. In case the person opening an account declines to fill in nomination, the Bank official shall follow the procedure as elaborated in the Code of Customer's Commitment to Customers/ Customer Service policy.

The Bank shall have a proper system of acknowledging the receipt of the duly completed form of nomination, cancellation and/ or variation of the nomination, which shall be given to all the customers irrespective of whether the same is demanded by the customers.

The Bank shall indicate the name of the Nominee in the Pass Books/ Statement of Accounts / FDRs, in case the customer agrees for the same, in addition to the legend "Nomination Registered".

6.2.6 Insurance Cover for Deposits

The Bank shall inform the customers that all bank deposits are covered under the insurance scheme offered by Deposit Insurance and Credit Guarantee Corporation of India (DICGC) subject to a maximum of Rs 5 lakh. The Bank shall communicate to the customer that the limit of Rs 5 lakh is inclusive of both the principal and accrued interest on such deposit held by the customer in the same capacity and right in all branches of the Bank.

However, deposits held by banks, Central and State governments (including quasi government bodies, local autonomous bodies, Government Corporation) and foreign government are not covered under the scheme.

6.3 Facilities for Term Deposit

6.3.1 Interest Payment on Term Deposits

The Bank shall pay interest on term deposits at the rates as decided by the Asset Liability Management Committee and within the general guidelines issued by the RBI from time to time.

The Bank shall calculate interest at quarterly intervals on term deposits and paid at the rate decided by the Bank depending upon the period of deposits. In case of time deposits with

monthly interest pay-outs, the Bank shall calculate the interest for the quarter and pay the interest monthly at discounted value.

The rate of interest on deposits will be prominently displayed in the branch premises and also on the Bank's website. Changes, if any, with regard to the deposit schemes and other related services shall also be communicated upfront and shall be prominently displayed as mentioned in the Code of Commitment to Customers/ Customer Service Policy.

The Bank shall compute interest based on the actual number of days in a year. In case, the Deposit is spread over a leap and a non-leap year, the interest is calculated based on the number of days i.e., 366 days in a leap year & 365 days in a non-leap year for cumulative Deposits, the interest computation logic is provided in **Para 6.2.4 Interest Rates and Calculation of Interest, referred above.**

The Bank shall round off transactions including payment of interest on deposits to the nearest rupee i.e., fractions of fifty paise and above shall be rounded off to the next higher rupee and fractions of less than fifty paise shall be ignored.

Banks are, however, not allowed to discriminate in the matter of interest paid on deposits, between one deposit and another, accepted on the same date and for the same maturity, whether such deposits are accepted at the same office or at different offices of the bank. Interest rates paid by the bank should be as per the schedule and should not be subject to negotiation between the depositor and the bank.

Differential interest rate shall be offered only on bulk deposits.

Interest rates on NRE/ NRO deposits shall not be higher than those offered by the banks on comparable domestic rupee term deposits

Change in interest rate on deposits should be made known to customers as well as bank branches expeditiously

Payment of interest on term deposit maturing on Sunday/holiday/non-business working day

The Bank shall pay interest at the originally contracted rate on the original principal deposit amount for the Sunday/ holiday/ non-business working day, intervening between the date of the expiry of the specified term of the deposit and the date of payment of the proceeds of the deposit on the succeeding working day. In case of reinvestment deposits and recurring deposits, Scheduled Commercial Banks shall pay interest for the intervening non-business working day on the maturity value. **Payment of interest on accounts frozen by banks**

The Bank shall adhere to the following procedure in case of Term Deposit Accounts of customers frozen by the orders of the enforcement authorities:

(i) A request letter shall be obtained from the customer on maturity, which shall also include the term, for which the deposit is to be renewed. In case the depositor does not exercise his option of choosing the term for renewal, the Bank shall renew the same for a term equal to the original term.

(ii) No new receipt is required to be issued. However, a suitable note should be made regarding renewal in the deposit ledger.

(iii) Renewal of deposit should be advised by registered letter / speed post / courier service to the concerned Government department under advice to the depositor. The Bank shall also mention the rate of interest at which the deposit is renewed in the advice to the depositor.

(iv) If overdue period does not exceed 14 days on the date of receipt of the request letter, renewal should be done from the date of maturity. If it exceeds 14 days, the Bank should pay interest for the overdue period as per the Bank's policy and keep it in a separate interest free sub-account which should be released when the original fixed deposit is released.

Further, with regard to the savings bank accounts frozen by the enforcement authorities, the Bank should continue to credit the interest to the account on a regular basis.

6.3.2 Tax Deduction

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 shall give an acknowledgment at the time of receipt of Form 15-G/15-H submitted by customers for non-deduction of tax. The Bank shall put in place systems that will enable it to provide Form 16A to customers, pertaining to Tax Deducted at Source (TDS) as per time-frame prescribed under the Income Tax Rules.

The Bank shall deduct TDS at the applicable rates as per the Income Tax Act, 1961. The Bank shall not refund, any tax already deducted on interest in any case. The Bank shall also advise customers to claim tax refund from IT dept. in case TDS has been deducted because of non-submission of form 15G/15H.

6.3.3 Premature/Partial Withdrawal of Term Deposits

At the time of opening of the deposit, the Bank shall inform the customer of the premature withdrawal option, if available for the deposit being opened and the penal charges in respect of such withdrawal. The Bank shall also publicise this information by way of its website and the notice board at branches.

The Bank shall incorporate a clause in the account opening form for term deposit account itself to the effect that in the event of the death of the depositor, premature termination of term deposits would be allowed. The conditions subject to which such premature withdrawal would be permitted may also be specified in the account opening form. Such premature withdrawal would not attract any penal charge.

The Bank has the option to disallow premature withdrawal of large fixed deposits (fixed deposits over Rs. 15 lakh) held by account holders including individuals and HUFs provided it was made known to the customer at the time of opening of the account. The Bank shall ensure that all fixed deposits under Rs. 15 lakhs have the premature withdrawal option.

The Bank at its discretion shall allow withdrawal of term deposit before completion of the period of the deposit agreed upon at the time of placing the deposit on request from the depositor/s. Such premature withdrawal shall be subject to the penalty applicable on premature withdrawal.

The term deposit must run for a minimum tenor of 7 days from the date of depositor request in order to earn any interest. Premature withdrawals before this minimum tenor will result in zero interest payment to the client. For NRE FD premature within 1 year will result in zero interest payment to the client.

The components of penalty shall be clearly brought to the notice of the depositors at the time of acceptance of the deposits.

Partial withdrawal is allowed on all deposits apart from Tax Saver deposits. The interest rate applicable on such partially closed accounts will be as per the contractual rate as on that date.

Penalty on Premature Withdrawal of Term Deposit

Bank shall bring the penalty clause to the notice of depositor upon acceptance of deposit and the same shall be made available on Bank's website also.

In case of splitting of the amount of term deposit at the request from the claimant/s of deceased depositors or Joint account holders, no penalty for premature withdrawal of the term deposit shall be levied if the period and aggregate amount of the deposit do not undergo any change.

No penalty for premature withdrawal shall be levied, where depositors of the branch desires withdrawal of deposit consequent to the transfer of business to another bank i.e. deposit accounts transferred from one bank branch to another bank branch on account of takeover of bank branches in rural and semi-urban centres

6.3.4 Premature Renewal of Term Deposits

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

6.3.5 Renewal of Overdue Term Deposits

When a term deposit is renewed on maturity, the Bank shall apply the interest rate as applicable on the date of maturity on the maturity amount.

If the request for renewal is received within 14 days from the date of maturity, the Bank shall renew such overdue deposits with effect from the date of maturity at the interest rate applicable as on the due date.

In respect of overdue deposits renewed after 14 days from the date of maturity, the interest for the overdue period will be paid at the savings bank rate till the date of the request for renewal. The interest rate as applicable on the date of the request for renewal shall be applied in respect of renewal of such term deposits.

Reference to RBI guidelines on “**Review of Instructions on Interest on overdue domestic deposits dated July 02, 2021**”, if a Term Deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower.

Intimation before Maturity Date

The term deposit holders may give specific instructions to the Bank with respect to the disposal of the deposits at the time of account opening. If such mandate is not available, then the Bank will intimate depositors of term deposits by post, courier, email or SMS at the registered contact details of the depositor 15 days prior to the date of maturity of the deposit.

6.3.6 Advance against Term Deposits

The Bank may offer advances against term deposits to depositor/s, provided such term deposits receipts duly discharged by the depositor/s are available with the Bank along with the necessary security documents. The Bank shall charge such advances without reference to the marginal cost of lending rate if the advance is given against the term deposits and the deposit stands in the name of either singly or jointly:

- the borrower, either singly or jointly;
- one of the partners of a partnership firm and the advance is made to the said firm;
- the proprietor of a proprietary concern and the advance is made to such a concern; award whose guardian is competent to borrow on behalf of the ward and where the advance is made to the guardian of the ward in such a capacity.

7. Prohibitions

The Bank shall not

- pay interest/ countervailing interest on current accounts or margin money maintained in current accounts in any form or manner or accept any interest-free deposits except in current accounts
- pay interest on “deposit at call” receipts issued by it to the tenderers (contractors) for submission to Government Departments/Semi-Quasi Government bodies, local bodies, etc. against the money held in current account.
- employ/ engage any individual, firm, company, association, institution or any other person for collection of deposit or for selling any other deposit linked products on payment of remuneration or fees or commission in any form or manner except the use of Business Correspondents
- Banks as exemption to pay commission to Direct Selling agents/Direct Marketing Agents as part of the outsourcing arrangements

- pay brokerage in the form of commission or gift or incentives on deposits in any manner or in any other form to any individual, firm, company, association, institution or any other person except –
 - reasonable commission paid to agents employed to collect door-to-door deposits under a special scheme such as the use of services of intermediaries/ Business Correspondents in providing financial and banking services including collection of deposits
 - inexpensive gifts to customers costing not more than Rs. 250 and
 - incentives granted to staff members as approved by RBI from time to time.

- launch prize/lottery/free trips (in India and/or abroad), etc. oriented deposit mobilisation schemes including online remittance schemes
- resort to unethical practices of raising of resources through agents/third parties to meet the credit needs of the existing/prospective borrowers or to grant loans to the intermediaries based on the consideration of deposit mobilisation
- issue any advertisement/literature soliciting deposits from public highlighting only the compounded yield on term deposits without indicating the actual rate of simple interest offered for the particular period
- accept deposits from/at the instance of private financiers or unincorporated bodies under any arrangement which provides for either issue of deposit receipt/s favouring client/s of private financiers or giving of an authority by power of attorney, nomination or other-wise, for such clients receiving such deposits on maturity.
- grant advances against fixed deposit receipts or other term deposits of other banks on any other Third Party.
- open savings accounts in the name of Government departments/bodies depending upon budgetary allocations for performance of their functions/Municipal Corporations or Municipal Committees/ Panchayat Samitis/State Housing Boards/Water and Sewerage/Drainage Boards/State Text Book Publishing Corporations/ Societies/Metropolitan Development Authority/ State/ District Level Housing Co-operative Societies, etc. or any political party or any trading/business or professional concern, whether such concern is a proprietary or a partnership firm or a company or an association.

8. Dormant/ Unclaimed Deposits/ Inoperative Accounts

A savings as well as current account, which are not operated for a period of two years, would be treated as a dormant account. The depositor can make a request to the Bank in person to activate the account for operating it. A standardized Customer Request Form for activating a dormant account is available at the branches. The customer is expected to submit the same citing the reasons for not operating the account along with the documents for proof of identity and address.

The Bank shall conduct an annual review of accounts in which there are no customer induced transactions (Transactions initiated by the customer through branch, MB/IB or any other mode) including credits or debits other than levy of service charges of credit of interest, for the last one year. If dividend on shares is credited to Savings Bank accounts as per the mandate of the customer, the same should be treated as a customer induced transaction. As such, the account

should be treated as operative account as long as the dividend is credited to the Savings Bank account. The Savings Bank account can be treated as inoperative account only after two years from the date of the last credit entry of the dividend, provided there is no other customer induced transaction. Similarly, if account is opened for crediting scholarship amount and direct benefit transfer under Government schemes then these accounts shall be opened under a separate product codes and stipulation for classifying these accounts as inoperative /dormant shall not be applicable for such accounts.

The Bank shall send letters to the customers advising them to transact in the account, failing which the account would be classified as inoperative if there are no transactions for the succeeding one year. If the letters are returned undelivered, they may immediately be put on enquiry to find out the whereabouts of customers or their legal heirs in case they are deceased.

In case the account has turned inoperative due to shift of address of the customer, the branch officials shall assist the customer in transferring the account to any branch which is within the proximity of the customer. The branch officials shall try to contact any other persons related to the customer such as introducer, employer or any other persons whose contact details are available with the Bank.

The Bank shall not levy any charges for activation of the accounts. The Bank shall credit the interest on savings bank accounts on regular basis whether the account is operative or not.

A standardized Customer Request Form for activating an inoperative account is available at the branches. The customer is expected to submit the same citing the reasons for not operating the account along with the documents for proof of identity and address. The Bank shall ensure that the branch officials do not inconvenience the customers whose accounts are inoperative, in any form.

Operation in such accounts may 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.

The Bank shall ensure that the amounts lying in inoperative accounts ledger are properly audited by the internal auditors/ statutory auditors of the Bank.

Unclaimed deposit accounts mean accounts, which have not been operated upon the last ten years. In the case of money deposited for a fixed period, the said term of ten years would be reckoned from the date of the expiry of such fixed deposits.

The Bank shall display the list of unclaimed deposits/inoperative accounts which are inactive / inoperative for ten years or more on its website. The list so displayed on the websites shall contain only the names of the account holder(s) and his/her address in respect of unclaimed deposits/inoperative accounts.

8.1 Depositor Education and Awareness Fund (The Fund)

If any account has not been operated upon for a period of ten years or any deposit or any amount remains unclaimed for more than ten years shall be credited to the Fund, within a period of

three months from the expiry of the said period of ten years. The Fund shall be utilized for promotion of depositors' interest and for such other purposes which may be necessary for the promotion of depositors' interests as specified by RBI from time to time. The depositor would, however, be entitled to claim from the bank her deposit or any other unclaimed amount or operate her account after the expiry of ten years, even after such amount has been transferred to the Fund. The bank would be liable to pay the amount to the depositor/claimant and claim refund of such amount from the Fund.

Bank shall designate a single contact point for any correspondence/ queries in connection with the 'Depositor Education and Awareness Fund Scheme, 2014'.

9. Closure of Account

At the time of placing their deposits customers can give instructions with regard to closure of deposit account or renewal of deposit for further period on the date of maturity. The Bank shall retain the proceeds of the fixed deposit in a separate account on which savings bank rate of interest shall be paid to the depositor.

Accounts which are lien marked cannot be closed unless the lien is removed.

The Bank shall close the accounts either based on written instruction from the customer or suomoto by the Bank, where necessary, in line with the Code of Commitment of Customers, Customer Service Policy and the KYC/AML Policy of the Bank.

The Bank shall close the current/savings account upon customer's request within 3 working days of receiving instructions, subject to the customer completing all formalities and submitting all required documents.

In case of Re-booking; the bank shall allow the customer to fore-close the deposit & if the term deposit which needs to be re-booked has higher tenure than the existing deposit, no penal charges will be levied.

10. Secrecy of Customer's Accounts

The Bank shall maintain complete confidentiality of the customers' information and shall not disclose details/particulars of the customer's account to a third person or party. The Bank shall not share any such information for the purposes of cross-selling. In certain exceptions, the Bank shall share the customer information:

- Where disclosure is under compulsion of law
- Where there is duty to the public to disclose
- Where interest of bank requires disclosure and
- Where the disclosure is made with the express or implied consent of the customer.

The Bank shall obtain necessary information from the customer in order to ascertain the identity of the customer. Any additional information sought by the Bank shall only be on a voluntary basis and the Bank official shall explain to the customer the reasons on why such information is necessary/ required.

11. Settlement of Dues

11.1 Deceased depositors

Accounts with survivor/nominee clause

In the case of deposit accounts where the depositors had utilized the nomination facility and made a valid nomination, the Bank shall make the payment of the balance in the deposit account to the survivor(s) and the nominee of the deceased deposit account holder jointly. However, if the joint account holders had given mandate for disposal of the balance in the account in the forms such as either or survivor, former / latter or survivor, anyone of survivors or survivor, the payment will be made as per the mandate to avoid delays in production of legal papers by the heirs of the deceased account holder. In case of a joint account, the nominee will be entitled to receive the balance in the deposit account only in the event of death of all the depositors.

The Bank shall exercise due care and caution in establishing the identity of the survivor(s)/ nominee and the fact of death of the account holder, through appropriate documentary evidence. The Bank shall desist from insisting on production of succession certificate, letter of administration or probate, etc., or obtain any bond of indemnity or surety from the survivor(s)/nominee, irrespective of the amount standing to the credit of the deceased account holder.

The Bank shall confirm that there is no order from the competent court restraining the Bank from making the payment from the account of the deceased. The Bank shall inform the survivor(s)/ nominee that he/ she would be receiving the payment from the bank as a trustee of the legal heirs of the deceased depositor and that such payment to him shall not affect the right or claim which any person may have against the survivor(s) / nominee.

Accounts without the survivor/ nominee clause

In case where the deceased depositor had not made any nomination or for the accounts other than those styled as "Either or Survivor" (such as single or jointly operated accounts) the Bank shall keeping in view their risk management systems, fix a minimum threshold limit, for the balance in the account of the deceased depositors, up to which claims in respect of the deceased depositors could be settled without insisting on production of any documentation other than a letter of indemnity. The Bank shall release the balances of the deceased depositor to their legal heirs up to Rs. 25000 without any letter of indemnity or any other documentation.

Premature Termination of term deposit accounts

The Bank shall permit premature closure of a joint deposit only if all the deposit holders sign a request to that effect. In the case of Term deposits with operating instructions Either or Survivor, Former or Survivor, Later or Survivor and Anyone or Survivor, in the event of death of one of the joint holders and in the absence of relevant mandate, premature closure of such deposit will be allowed only if the legal heirs of the deceased agree for such premature closure. In cases where relevant mandate is available with the Bank, premature closure of such deposits shall be allowed in the favour of survivors.

Treatment of flows in the name of the deceased depositor

The Bank, if authorized by the survivor(s)/ nominee of a deceased account holder, shall open an account styled as 'Estate of Shri _____, the Deceased' where all the pipeline flows in the name of the deceased account holder could be allowed to be credited, provided no withdrawals are made.

Alternatively, the Bank, if authorized by the survivor(s)/ nominee, shall return the pipeline flows to the remitter with the remark "Account holder deceased" and shall intimate the survivor(s) / nominee accordingly.

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

Payment of interest in case of death of depositor

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

The Bank shall pay interest on term deposits in the name of the deceased depositor/s at the contracted rate till the date of maturity in the event of death of the depositor takes place before the date of maturity of deposit and amount of the deposit is claimed by survivor/ nominee after the date of maturity. The Bank shall pay interest at savings deposit rate obtaining on the date of maturity from the date of maturity till the date of payment in the case of death of the depositor after the date of maturity of the deposit, the Bank shall pay interest at savings deposit rate obtaining on the date of maturity from the date of maturity till the date of payment.

Time limit for settlement claims

The Bank shall 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.

The Bank shall provide the claim forms on its Bank's website to facilitate timely settlement of deceased claims.

11.2 Missing Persons

The Bank shall settle the claims up to Rs.5 lakh by survivors/ nominees in respect of persons missing for 7 years or more from date of FIR on production of fir copy, non-traceable report and letter of indemnity. In respect of the claims above Rs. 5 lakh, the Bank shall obtain legal opinion and settle such claims as detailed in para 11.1 of this policy subject to production of evidence/ documentation of the missing person as deemed adequate by the Bank. (The

settlement of claims in respect of missing persons would be 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.

12. Redressal of Complaints and Grievances

If the customer is unhappy or has any complaint regarding the products/ services offered to him/ her, the designated authority of the Bank shall handle customer complaint/ grievances raised by depositors.

The Bank shall display the names of the Regional Nodal Officers (Regional Manager – Service Quality) for redressal of complaints / grievances in the branch premises and internal set up for redressal of complaints shall be displayed on the Bank's website. The branch officials shall provide all required information regarding procedure for lodging the complaint. The customer's grievance shall be handled in the manner as elaborated in the Customer's Grievance Redressal Policy of the Bank.

13. Reporting requirements

The following matters shall be reported to the Customer Service Committee of the Board by the Head of Branch Banking and Financial Products:

- a) Details of the deposit strategy with the review on its performance

And

- b) Minutes of the previous meetings and action on the suggested matters

The Bank shall, within 30 days after close of each calendar year submit a return in the prescribed form as included in the Regulatory Reporting Framework and Calendar of the Bank, to RBI as at the end of each calendar year (i.e., 31st December) of all accounts in India which have not been operated upon for 10 years.

The Board shall be informed on a quarterly basis about the changes made in the products, process, systems, etc.

14. Record Keeping

The Bank shall retain all customer records at least for a period of 10 years from the date of the transaction so as to permit the reconstruction of the customer transaction. The Bank shall also retain the KYC records of the customer at least for a period of 10 years from the date of cessation of the relationship with the customer.

15. Policy Review and Updates

The policy shall be reviewed by the Board as and when required or at least annually for incorporating regulatory updates and changes, if any.

Last date of review: May 12, 2022

16. Regulatory References

RBI Master Direction – Interest Rate on Deposits **Directions, 2016 (Updated as on November 11, 2021)**

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- RBI Master Circular on Interest Rates on Domestic, NRO and NRE Accounts dated July 1, 2015
- RBI Master Circular on Customer Service in Banks dated July 1, 2015
- RBI guidelines on Small Finance Banks dated November 27, 2014
- IBA Model Deposit Policy
- IBA Model Customer Rights Policy
- IBA Code of Banking Practice
- Statement on Developmental and Regulatory Policies - October 4, 2017-Banking Facility for Senior Citizens and Differently abled Persons dated 9th November, 2017
- Depositor Education and Awareness Fund Scheme, 2014 - Section 26A of Banking Regulation Act, 1949 dated May 27, 2014
- Unclaimed Deposits/ Inoperative Accounts in Banks - Display list of Inoperative Accounts dated February 2, 2015
- Unclaimed Deposits/Inoperative Accounts in banks – Treatment of certain savings bank accounts opened for credit of Scholarship amounts and credit of Direct Benefit Transfer under Government Schemes dated September 17, 2013
- **Review of Instructions on Interest on overdue domestic deposits dated July 02, 2021**
- **Opening of Current Accounts by Banks - Need for Discipline dated October 29, 2021**
- [DOR.No.BP.BC.30/21.04.048/2020-21 dated December 14, 2020](#)