

Deposit Policy

Banking is to acceptance of deposits from the public for the purpose of lending. With liberalization and deregulation of interest rates banks are now free to formulate deposit products within the broad guidelines issued by RBI. This policy document on deposits outlines the guiding principles in respect of formulation of various deposit products offered by the Bank and terms and conditions governing the conduct of the account.

The 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 Bankers' Fair Practice Code of Indian Banks' Association.

KNOW YOUR CUSTOMER (KYC) POLICIES/ GUIDELINES

- To avoid operational, legal and reputation risks and consequential losses.
- Bank follows K YC guidelines & procedures to
 1. Establish the true identity and address of the customers
 2. Obtain background information of customers.
 3. Safeguard from the risks of doing business with anybody whose identity cannot be determined.
 4. Protect from the risks of having business relationships with anyone who refuses to provide information, or who has provided information that contains significant inconsistencies.

IDENTIFICATION THROUGH DOCUMENTS PROVIDED BY THE CUSTOMER:

The Bank shall establish customers' identity with the help of officially valid documents.

"Officially valid document" as per PMLAR2013 means

- Passport, Driving License, PAN Card, Voter's Identity Card ,
 - Job Card issued by NREGA ADHAR card
 - Any document as notified by the Central Government in consultation with RBI.
- ***The discretion given to banks earlier stands withdrawn.***

TYPES OF DEPOSIT ACCOUNTS:

- i) **"Demand deposits"** a deposit withdrawable on demand.
- ii) **"Savings deposit"** is a demand deposit & subject to restrictions as to the number of withdrawals during any specified period
- iii) **"Current Account"** is a demand deposit where withdrawals are allowed any number of times depending upon the balance.
- IV) **"Term deposit"** means a deposit for a fixed period such as Recurring / Double Benefit Deposits/Fixed Deposits /Monthly Income deposit /Quarterly Income deposit etc.
- V) **"Notice Deposit"** means term deposit for specific period but withdrawable on giving at least one complete banking day's notice

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ACCOUNT OPENING AND OPERATION OF DEPOSIT ACCOUNTS:

1. To open any deposit account, follow KYC guidelines issued by RBI or procedures as per the Customer Acceptance Policy.
2. The account opening forms would be provided to the prospective depositor by the Bank.
3. Display minimum balances, penal charges for failure to maintain balances & other terms and conditions prominently.

Periodically update customer identification data:

Full KYC exercise to be done at least ONCE

- ✓ every two years for high risk customers
- ✓ every eight years for medium risk customers
- ✓ And every ten years for low risk customers.

OPERATION OF DEPOSIT ACCOUNTS:

- Bank will register mandate / POA on CUSTOMER'S request.
- The TDR holders can give instructions for closure or renewal of deposit .If not auto renewal is done for a similar period (maximum one year)
- A statement of account will be provided SB & Current Account Holders periodically Bank provides password encrypted monthly statement of account in PDF format who have registered their e- mail id.
- All Beneficial Owners shall be subjected to KYC
 - 1) For company, the beneficial owner is the natural person(s), having "Controlling ownership interest" means >25% of shares or capital or profits of the company.
 - 2) For a partnership firm, the beneficial owner has >15% of capital or profits.
 - 3) For a trust, author of the trust, the trustee, the beneficiaries with >15% interest.
 - Obtain PAN or alternatively declaration in Form No. 60 or 61.
 - Minors above the age of 10 can open and operate SB account subject to prevailing guidelines of the Bank.

Joint Accounts:

Either or Survivor: On maturity Paid to any of the survivors

If one expires before maturity Pay with the concurrence of the legal heirs of the deceased joint holder.

Anyone or Survivor/s (More than two)

Final balance paid to any of the survivors on death of any two account holders.

Former or Survivor/s Former will operate when both the depositors are alive.

1. Premature withdrawal consent of both when both of them are alive.

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2. Premature withdrawal (on death of one) surviving depositor and the legal heirs of the deceased
- **Levying of charges on minimum balances** in Inoperative A/Cs has been discontinued.
 - **Cash withdrawal at Non-base branches is permitted up to Rs 50,000/- only.** The cash payment will be made to account holder only, on production of his identity proof, and not to any third party.
 - Customers can avail missed call services by dialing 092-24-150-150.
 - **INTRODUCTION:** In case of KYC complied account not mandatory.

WRITING OF CHEQUES IN ANY LANGUAGE:

- Accept cheques in Hindi, English or Local Regional language.

INTEREST PAYMENT:

1. Savings Interest is deregulated by RBI and paid as decided by bank & calculated on daily closing balance.
2. Interest calculated at quarterly intervals on term deposits.
3. MIP: Interest calculated for the quarter and paid monthly at discounted value.

TDS

1. Statutory obligation to deduct tax at source if the total interest paid /payable on all term deposits held by a person exceeds Rs 10000/- per year .
 2. WEF 01.06.2015 interest on RD accounts come under TDS.
 3. If PAN No. is not submitted TDS @20% will be deducted...
 4. Obtain 15 G /15H (Senior Citizen) in the first week of April & mark in the system without fail. One copy of 15G/H to be submitted to the Income Tax Department.
- Additional Interest Senior Citizens 0.50% Staff 1.00%

MINOR'S ACCOUNTS: Below age of 18 yrs

1. If guardian is appointed by the Court, becomes major when he attains 21 years.
2. Minor A/C operated by Guardian can be opened.
3. NO CURRENT ACCOUNT is permitted.
4. Minor self operated SB A/C for literate minor above 10 Yrs.
5. NO cheque book facility.

ACCOUNTS OF MIGRATORY WORKER, TRANSFERRED EMPLOYEE:

May submit only one documentary proof of address (either current or permanent)
In case the proof of address is not the local address or address currently residing, take a declaration of the local address. This address may be verified by (i) letter (ii) telephonic conversation; (iii) visits; etc.

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ACCOUNTS OF FOREIGN STUDENTS

1. Open a Non Resident Ordinary (NRO) bank account of a foreign student on the basis of his/her passport.
2. Within a period of 30 days student should submit a valid address proof giving local address.
3. During the 30 days period USD 1,000 foreign remittances allowed and monthly withdrawal to Rs. 50,000/-.
4. On submission of the proof of current address, the account would be treated as a NRO Account.
5. Pakistani students will need prior approval of the RBI for opening the account.

ZERO BALANCE ACCOUNT

- Employees Of Central Govt / State Govt / Corporates /PSUs /Corporations /Educational institutions/Public/Private Ltd. Cos. having **Current account** with us may open **salary Savings account** with zero balance.

ACCOUNTS OF ILLITERATE PERSONS

- open deposit accounts other than Current Accounts
- No joint accounts of illiterate with literate persons. Exceptions : husband and wife

ACCOUNTS OF BLIND PERSONS

- open deposit accounts other than Current Accounts
- The next of the kin of a blind person may also be allowed to operate on his/her account duly authorized by Power of Attorney.

ACCOUNTS OF LUNATICS

Open deposit accounts operated only by a Guardian or a Receiver appointed by a Competent Court.

SECRECY OF CUSTOMER'S ACCOUNTS:

The Bank shall not disclose details except disclosure of information under compulsion of law.

PREMATURE WITHDRAWAL OF TERM DEPOSIT

At present Penal interest @ 1% be levied.

Not applicable for Term Deposits opened under CA Plus/ Auto Sweep/ Savifix schemes.

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Bulk Deposit:

All deposits of Rs 1 crore & above. Only specified Branches, as decided by the Zonal Offices.

PREMATURE WITHDRAWAL OF BULK DEPOSITS: NO

RENEWAL OF BULK DEPOSITS: HO permission

INTEREST ON OVERDUE BULK DEPOSITS Simple interest @ SB rate for overdue period.

ADVANCES AGAINST DEPOSITS:

Deposit standing in the name of minor By declaration stating that loan is for the benefit of the minor.

No loan will be given against 3rd party Fixed Deposit Receipt

SETTLEMENT OF DUES IN DECEASED DEPOSIT ACCOUNT

Nomination Obtained: The balance transferred to the nominee on proper identity of the nominee.

Up to claim Rs 15000/- without legal representation claims can be settled if there is no dispute among claimants.

Beyond Rs 15000/- without nomination FULL DISCRETION TO ALL BRANCHES. Procedure as under.

1. In case of Legal Representation, documents must be verified from Court through Bank's empaneled Advocate.
2. Satisfy that it is issued by the Court of competent jurisdiction.
3. Confirm that the Bank Deposit is mentioned in the Legal Representation or in the schedule.
4. Certified photo-copy of the Legal Representation
5. Necessary identity proof of the claimant
6. No sanction of higher authorities or Indemnity Bond or surety is required.
Permission of higher authorities be sought only if there is any doubt to be got clarified.

INTEREST PAYABLE ON TERM DEPOSIT IN DECEASED ACCOUNT:

- 1 Death before the date of maturity claimed after the date of maturity contracted rate till the date of maturity simple interest at the applicable rate beyond the date of maturity.
- 2 Death of the Depositor after the date of maturity pay interest at Savings Bank rate till the date of payment.

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SETTLEMENT OF CLAIMS IN RESPECT OF MISSING PERSONS:

The nominee express presumption of death after a lapse of seven years being reported missing. The claim will be settled if the Court presumes that he/she is dead.

INSURANCE COVER FOR DEPOSITS

All bank deposits are covered under the insurance scheme by DICGC subject to certain limits and conditions.

DORMANT / INOPERATIVE ACCOUNTS:

1. Accounts which are **not operated for a period of two years**
2. Branch Manager will permit "Credits" into "in-operative accounts" after complying with KYC requirements.
3. For authorizing "Debits" in "in-operative accounts", branches should obtain mandate from Zonal Office, after confirming to the Zonal Office through e-mail that fresh KYC documents obtained.
4. The unclaimed deposits beyond 10 years will be transferred to RBI account Depositor Education and Awareness Fund (DEAF).

Relevant Circular :HO IC 13355 dtd 15.10.2014