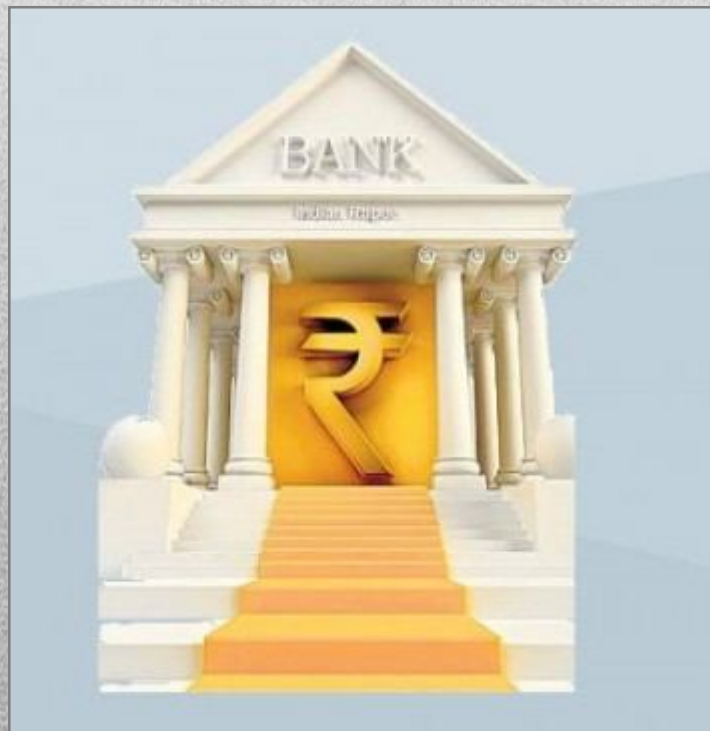


# POLICY ON DEPOSITS & INTEREST RATES



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## PREAMBLE

Acceptance of deposits from the public for the purpose of lending and investment within the regulatory guidelines is the basic function of a Bank. Depositors are the major stakeholders of the Banking System. The depositors and their interests form the key area of the regulatory framework for banking in India and this has been enshrined in the Banking Regulation Act, 1949. The Reserve Bank of India is empowered to issue directives / guidelines on interest rates on deposits and other aspects regarding conduct of deposit accounts from time to time. With liberalization in the financial system and deregulation of interest rates, banks are now free to formulate deposit products within the broad guidelines issued by RBI from time to time.

The objective of this policy is to outline the guiding principles for formulation of various deposit products offered by the Bank and terms and conditions governing the conduct of the account. This policy document recognises the rights of depositors and aims at dissemination of information with regard to various aspects of acceptance of deposits from the members of the public, conduct and operations of various deposits accounts, payment of interest on various deposit accounts, closure of deposit accounts, method of disposal of deposits of deceased depositors, etc., for the benefit of customers. It is expected that this document will impart greater transparency in dealing with the individual customers and create awareness among customers of their rights. The ultimate objective is that the customer will get services they are rightfully entitled to receive without any need for demanding the same.

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

## [A] DEPOSITS

### TYPES OF DEPOSIT ACCOUNTS:

While various deposit products offered by the Bank may be assigned different names and the deposit products may be categorised broadly into the following types of deposits schemes:

i) **"Demand deposits"** means a deposit received by the Bank which is withdrawable on demand which include the following:

- a) **"Current Account"** means a form of demand deposit wherefrom withdrawals are allowed any number of times depending upon the available balance in the account or up to a particular agreed amount and will also include other deposit accounts which are neither Savings Deposit nor Term Deposit;
- b) **"Savings deposits"** means a form of demand deposit which is subject to restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the Bank during any specified period;

ii) **"Term deposits"** means a deposit received by the Bank for a fixed period **under certain contract of period & rate of interest with the depositor which are** withdrawable only after the expiry of the fixed period which include deposits such as Recurring / Double Benefit Deposits / Short Term Deposits / Fixed Deposits /Monthly Income Certificate /Quarterly Income Certificate etc.

## **Opening of Account and Operation of Deposit Accounts**

- a) The Bank before opening any deposit account will carry out due diligence as required under "Know Your Customer" (KYC) guidelines issued by RBI and or such other norms or procedures adopted by the Bank including KYC Policy adopted by the Bank. If the decision to open an account of a prospective depositor requires clearance at a higher level, reasons for any delay in opening of the account will be informed to such prospective depositor and the final decision of the Bank will be conveyed at the earliest to him/her/them.
- b) The account opening forms and other material would be provided to the prospective depositor by the Bank. The same will contain details of information to be furnished and documents to be produced for verification and or for record, The Bank official opening the account is expected to explain the procedural formalities and provide necessary clarifications sought by the prospective depositor when he approaches for opening a deposit account.
- c) For deposit products such as Savings Bank Account **(except those which are permitted with zero balance)** and Current Deposit Account, the Bank will normally stipulate certain minimum balances to be maintained as part of terms and conditions governing operation of such accounts. Failure to maintain minimum balance in the account will attract levy of charges as may be specified by the Bank from time to time. For Saving Bank Account the Bank

may also place restrictions on number of transactions, cash withdrawals, etc., for a given period. Similarly, the Bank may specify charges for issue of cheques books, additional statement of accounts, duplicate pass book, folio charges, etc. All such details, regarding terms and conditions for operation of the accounts and schedule of charges for various services provided will be communicated to the prospective depositor while opening the account and displayed for customers' information on the notice board of the Bank premises.

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

Current Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies / Trusts, etc.

Term Deposits Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates / Societies / Trusts, etc.

- e) The due diligence process, while opening a deposit account will involve satisfying about the identity of the person, verification of address, satisfying about his occupation and source of income. Obtaining introduction of the prospective depositor from a person acceptable to the Bank and obtaining recent photograph of the person/s opening / operating the account are part of due diligence process. However, Bank will not insist on introduction for opening bank accounts of customers, in consonance with RBI guidelines.

- f) In addition to the due diligence requirements, under KYC norms the Bank **shall** obtain Permanent Account Number (PAN) or General Index Register (GIR) Number or alternatively declaration in Form No. 60 or 61 as specified under the Income Tax Act / Rules.

- g) Deposit accounts can be opened by an individual in his own name (known as account in single name) or by more than one individual in their own names (known as Joint Account). Savings Bank Account can also be opened by a minor jointly with natural guardian or with mother as the guardian (known as Minor's Account). Minors above the age of 10 will also be allowed to open and operate saving bank account with limited transactions independently.

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

jointly with natural guardian / guardian can be operated by natural guardian only.

1. The Bank may, on receipt of written application from the joint account holders or from the survivors may,
  - a) grant a loan/advance against the security of the term deposit receipt issued in the joint names or
  - b) make premature payment of the proceeds of the deposit
2. If fixed / term deposit accounts are opened with operating instructions 'Either or Survivor', the signatures of both the depositors is not required for payment of the amount of the deposits on maturity. However, the signatures of both the depositors have to be obtained, in case the deposit is to be paid before maturity.
3. 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 will be allowed without the concurrence of the legal heirs of the deceased joint holder. However, if the account holders had given a mandate to the Bank at the time of opening the account, stating that in the event of death of any one of the depositors before the due date of the term deposit, the surviving depositor shall be permitted premature withdrawal if he/she so desires. This, however, would not stand in the way of making payment to the survivor on maturity.
4. In case the mandate is 'Former or Survivor', the 'Former' alone can operate / withdraw the matured amount of the fixed term deposit, when both the depositors are alive. However, the signature of both the depositors may have to be obtained, in case the deposit is to be paid before maturity.

The joint account holders can give any of the following mandates for the disposal of balance in the above deposit accounts:

➤ **Either or Survivor**: If the account is in the name of two individuals say, A & B, the final balance along with interest, if applicable, will be paid to either of account holders i.e. A or B, on date of maturity or to the survivor on death of any one of the account holders without seeking concurrence of legal heirs of the deceased deposit holder.

➤ **Anyone or Survivor(s)**: If the account is in the name of two or more individuals say, A, B & C, the final balance along with interest if applicable, will be paid to any of account holders i.e. A or B or C, on the date of maturity. On the death of any one of account holder say A, the final balance along with interest if applicable, will be paid to any two of the surviving account holders i.e. B or C. On the death of any two of account Holder say A and B, the final balance along with interest if applicable, will be paid to surviving account holder i.e. C without seeking concurrence of legal heirs of the deceased deposit holder.

➤ **Former or Survivor:** If the account is in the name of two individuals say, A & B, the final balance along with interest, if applicable, will be paid to the former i.e. A on date of maturity and to the survivor on death of anyone of the account holders without seeking concurrence of legal heirs of the deceased deposit holder.

➤ **All Jointly :** If the account is in the name of two individuals say, A & B, the final balance along with interest, if applicable, will be paid to both the applicants jointly. On the death of any one of the account holders, the final balance along with the interest if applicable will be paid to the legal heirs of deceased customer and survivor jointly

- i) On a request of the depositor, the Bank will register mandate / power of attorney given by the depositor for authorizing another person to operate the account on his behalf.

## CLOSURE & RENEWALS OF DEPOSITS

The term deposit account holders at the time of placing their deposits can give instructions with regard to **closure of deposit** account or **renewal of deposit** for further period on the date of maturity. In absence of such mandate, the Bank will seek instructions from the depositor/s as to the disposal of the deposit by sending intimation before 15 days of the maturity date of term deposit.

1. If a deposit of tenure of 12 months & above has matured and if no instruction for renewal is received from the depositor within 14 days (both days inclusive) from the date of maturity, the deposit will be auto renewed for a further period of 1 year at the rate of interest prevailing as on the maturity date.
2. If a deposit of tenure of less than 12 months has matured and if no instruction for renewal is received from the depositor within 7 days (both days inclusive) the deposit will be auto renewed for a further period equal to the original tenure of the deposit, at the rate of interest prevailing as on the maturity date.

## STATEMENT OF ACCOUNT

A **statement of account** will be provided by the Bank to Savings Bank as well as Current Deposit Account Holders on demand.

## ANY BRANCH BANKING

As the Bank is functioning under CBS,

The deposit accounts may be operated at any other branch of the Bank, as may be stipulated by the Bank from time to time. Bank may levy charges on Any Branch Banking facilities as may be decided by the Bank from time to time in consonance with RBI guidelines.

## STANDING INSTRUCTION

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 or any other branch of the bank.

## INTEREST PAYMENTS

i) Interest shall be paid on deposits at the rate decided by the Bank from time to time.

ii) In terms of Reserve Bank of India directives, interest shall be calculated at quarterly intervals on term deposits and paid at the rate decided by the Bank depending upon the period of deposits. The calculation of interest may be on anniversary basis and/or otherwise as may be decided by the Bank from time to time. In case of monthly deposit scheme, the interest shall be calculated for the quarter and paid monthly at discounted value. The interest on term deposits is calculated by the Bank in accordance with the formulae and conventions advised by Indian Banks' Association.

iii) The rate of interest on deposits shall be prominently displayed in the branch premises **and on 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 **in the branch premises and on Bank's website**.

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

v) TDS on interest projected for the Financial Year shall be deducted in accordance with the provisions of the Income Tax Act, 1961. If the depositor is unable to furnish

PAN, the tax on interest will be deducted at a higher rate as per the provisions of the Income Tax Act. Maturity amount is subject to TDS.

vi) If any interest has already been paid at higher rates, such excess amount will be recovered **from the interest payable and/or the principal amount** while making the payment at the time of closure of FD.

(FOR DETAILS PLEASE REFER TO THE SECTION “[B] INTEREST RATES” IN THIS DOCUMENT )

#### **Nomination facility:**

➤ Nomination facility is available on all deposit accounts opened by the individuals. It is available to a Sole Proprietary Concern Account and also for articles kept in safe custody and safe deposit lockers.

➤ Nomination can be made in favor of one individual only. Hence nomination is not permitted in favor of Company, Firm, Trust, HUF, etc.

➤ Nomination so made can be cancelled or modified by the A/c Holder/s at any time. In case of Joint accounts, nomination or modifications of nomination **must** be made by all depositors, jointly.

➤ Nomination can be made in favor of a minor also. The depositor (s) while making the nomination should appoint another individual not being a minor to receive the amount of deposit on behalf of minor nominee in the event of death of depositor(s) during the minority of the nominee.

➤ 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.

➤ Bank shall advise the depositors to avail the nomination facility. The depositor will be informed of the advantages of the nomination facility while opening a Deposit A/c .The depositor has the discretion of putting nominee’s name on passbook/Deposit confirmation advice. If any person opening the account doesn’t want to give nomination, Bank will record the fact on the account opening form and proceed with account opening.

➤ The nominee, in the event of death of the depositor/s, would receive the balance outstanding in the account of the deceased as a trustee of legal Heirs.

#### **Introduction not mandatory for opening accounts**

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



### **Other Safeguards**

- a) Bank will also obtain PAN number of a depositor opening an account with an initial deposit of Rs 50,000/-and above. In case, the prospective customer is not able to submit PAN Card, account may be opened with official valid KYC documents and Form 60. However, in case of current accounts, the PAN Card has to be compulsorily obtained.
- b) FATCA Declaration
- c) BO (beneficiary ownership) declaration wherever applicable.
- d) Bank offers various choice of electronic channels to customer for Conducting their banking transactions which includes-ATM, Internet Banking, mobile banking, SMS banking, etc. Wherever such electronic Facilities are offered as a part of the basic account/product, bank will explain through appropriate channels, the risk associated for availing the facility.

### **ACCOUNT OPENING OF DIFFERENT CATEGORIES OF INDIVIDUALS:**

#### **a) Accounts Of Illiterate persons**

- The Bank will open deposit accounts, other than Current Accounts, of illiterate persons. The accounts of such persons will be opened provided he/she calls on the Bank personally along with a witness who is known to both the depositor and the Bank.
- At the time of withdrawal / repayment of the deposit amount and / or interest, the account holder should affix his / her thumb impression or mark in the presence of the authorized officer who will verify the identity of the person.
- The Bank will explain the need for proper care and safe keeping of the passbook etc. given to the account holder. The Bank will explain the terms and conditions governing the account to the illiterate person.

#### **(b)Account of Visually Challenged Persons**

- Bank will facilitate opening of Saving Bank accounts as well as Term Deposit accounts of persons with visual impairment. Such accounts will be operated by the accountholder personally.
- Such accountholders will have to be present before the branch official and affix thumb impression and they will be identified through their photograph to facilitate operations.
- Digital banking facilities via ATM and Internet banking are made available to enable visually challenged persons to operate their accounts. Other banking facilities such as cheque book facility, safe deposit lockers, retail loans, credit cards etc are also offered to visually challenged persons without any discrimination.

### **(c) Accounts of persons with autism, cerebral palsy, mental retardation & multiple disabilities**

- Savings bank and term deposits can also be opened in the name of persons with autism, cerebral palsy, mental retardation and multiple disabilities by the legal guardian appointed by the District Court/ Collector of District under Mental Health Act, 1987 or by the Local Level Committees set up under the National Trust for welfare of persons with autism, cerebral palsy, mental retardation and multiple disabilities under Disabilities Act, 1999.
- Hence a legal guardian so appointed can open and operate the bank account as long as he remains the legal guardian.
- Legal guardian, so appointed, will furnish an indemnity-cum-undertaking bond duly stamped as per the local law in force along with Guardianship Certificate.

### **(d) Accounts of Transgender persons:**

In case of a person claiming to be transgender and needs to open account or to do any banking transaction, the person will be recognized as "Third Gender" and the details shall be accepted in the AOFs/ or other applicable forms as such. The salutation of such person shall be "Mx". All transgender customers shall be treated equally to other male/ female customers without any discrimination and all kinds of banking services/products will be made available to them.

### **(e) Operation of Bank Accounts by Old/Sick/ Incapacitated Customers**

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

- a) An account holder is too ill to sign a cheque and is unable to be physically present at the branch to do transactions but can put his/her thumb impression on the cheque/withdrawal form- in such case, thumb or toe impression of the sick/old/incapacitated account holder is obtained, it will be identified by two independent witnesses known to the branch, one of whom will be a responsible bank official.
- b) An account holder who is not only able to be physically present at the branch but also is unable to put his/her thumb impression on the cheque/withdrawal form due to certain physical defect/incapacity- in such cases a mark will be obtained on the cheque/withdrawal form which will be identified by two independent witnesses, one of whom will be a responsible bank official. The customer will be asked to indicate to the branch as to who would withdraw the amount from the Bank on the basis of cheque/withdrawal form as obtained above and that person should be identified by two independent witnesses. The person who would be actually drawing the money from the branch will be asked to furnish his signature to the branch. In case, a person who has lost his both hands, the signature can be by means of a mark. This mark may be placed by the person in any manner. It could be toe impression also. It can be by means of mark which anybody can put on behalf of the person who has to sign, the mark being put by an instrument which has had a physical contact with the person who has to sign.

**(f) Accounts of Senior citizen and differently abled persons:**

The Bank with the permission of its Board may offer a higher rate of interest on Fixed Deposits to Senior Citizens. All kinds of term deposits accounts attracting special rates for senior citizen can be opened jointly with any other person. In all the cases, the senior citizen must be the first holder.

Bank will render all possible assistance to senior citizens in carrying out banking transactions by providing personalized services, ensuring proper seating arrangement in banking hall, services through single window mechanism, submission of Life certificates at any of the branches , ease in filing Form 15G/H ,permitting withdrawal of funds and issue of cheque book by persons authorized by senior citizens on production of authorization letter and passbook.

Doorstep banking may be provided on specific requests for senior citizens more than 70 years of age and differently abled or infirm persons ( having medically certified chronic illness or disability) including those who are visually impaired, for pickup of cash and instruments against receipt, delivery of demand drafts, submission of KYC documents , Life certificates at the premises /residences of such customers .

**(g) Opening of NRE/NRO accounts:**

Banks registered in States that have entered into a Memorandum of Understanding (MOU) with Reserve Bank of India (Reserve Bank) for supervisory and regulatory co-ordination and those registered under the Multi State Co-operative Societies Act, 2002 and complying with the various norms as mentioned in the Act are eligible for authorization to maintain NRE accounts.

➤ Accordingly, the Bank will allow opening banking accounts of Non Resident Indians under the directives / regulations / notifications of the Foreign Exchange Management Act (FEMA) 1999.

➤ The Bank allows opening of NRO account of foreign students studying in India. The detailed guidelines for opening of such accounts are given in the KYC Manual.

➤ The Bank will offer the following types of accounts for the NRIs:

- NRE Account
- FCNR Account
- NRO Account
- RFC Account

## OPENING/ OPERATION OF AN ACCOUNT UNDER THE REAL ESTATE (REGULATION AND DEVELOPMENT)ACT, (RERA)2016

As per RERA Act, 2016 the promoter is required to deposit seventy per cent of the amount realized for the real estate project from the allottees /buyers in a separate account to be maintained in a scheduled bank to cover the cost of construction and the land cost and to be used only for that purpose.

### **MINORS' ACCOUNTS**

- i) The minor can open Savings Bank Account and the same can be operated by the natural guardian or by minor himself / herself, if he/she is above the age of 10 years. The account can also be opened jointly.
- ii) On attaining majority, the erstwhile minor should confirm the balance in his/her account and if the account is operated by the natural guardian / guardian, fresh specimen signature of erstwhile minor duly verified by the natural guardian would be obtained and kept on record for all operational purposes.

### **ADDITION OR DELETION OF THE NAME/S OF JOINT ACCOUNT HOLDERS**

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

### **CUSTOMER INFORMATION**

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

### **SECRECY OF CUSTOMER'S ACCOUNTS**

The Bank shall not disclose details / particulars of the customer's account to a third person or party without the expressed or implied consent from the customer. However, there are some exceptions, viz. disclosure of information under compulsion of law, where there is a duty to public to disclose and where interest of the Bank requires disclosure.

## **PREMATURE WITHDRAWAL OF TERM DEPOSIT**

The Bank on request from the depositor, at its discretion may allow withdrawal of term deposit before completion of the period of the deposit agreed upon at the time of placing the deposit.

### **PENALTY FOR PREMATURE CLOSURE/RENEWAL:**

1. Penalty for PREMATURE CLOSURE will be levied at the rate of interest applicable for the period run, minus 1% **or such other rates as decided by the Bank**, subject to revision from time to time. No penalty will be levied for premature closure in case of death-claims.
2. Penalty for PREMATURE RENEWAL will be levied at the rate of interest applicable for the period run, minus 0.25% **or such other rates as decided by the Bank**, provided that the deposit remains with the Bank after re-investment for a period longer than the remaining period of the original contract.

## **PREMATURE RENEWAL OF TERM DEPOSIT**

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

Penalty for PREMATURE RENEWAL will be levied at the rate of interest applicable for the period run, minus 0.25% or any rate as may be decided by the Bank provided that the deposit remains with the Bank after re-investment for a period longer than the remaining period of the original contract.

## **PART WITHDRAWALS**

Depositor can request for PART WITHDRAWAL of the Fixed Deposit of any specific amount as notified by the Bank from time to time.

Depositor can choose to break FD in parts or in whole, through alternate channels like NETBANKING or MOBILE BANKING, as & when such facilities may be offered by the Bank.

Maturity amount is subject to PART WITHDRAWAL.

## RENEWAL OF OVERDUE TERM DEPOSITS

When a term deposit is renewed on maturity, on renewed deposit interest rate for the period specified by the depositor as applicable on the date of maturity would be applied. If request for renewal is received after the date of maturity, such overdue deposits will be renewed with effect from the date of maturity at interest rate applicable as on the due date, provided such request is received within 14 days from the date of maturity. In respect of overdue deposits renewed after 14 days from the date of maturity, interest for the overdue period will be paid at the rate applicable to Savings Bank Account.

Terms deposits are auto-renewed as shown below:

1. If a deposit of tenure of 6 months & above has matured and if no instruction for renewal is received from the depositor(s) within 14 days (both days inclusive) from the date of maturity, the deposit will be **auto renewed** for a further period of 1 year at the rate of interest prevailing as on the maturity date.
2. If a deposit of tenure of less than 181 days has matured and if no instruction for renewal is received from the depositor(s) within 7 days (both days inclusive) from the date of maturity, the deposit will be **auto renewed** for a further period equal to the original tenure of the deposit, at the rate of interest prevailing as on the maturity date.

In case the deposits remain un-renewed on account of mistake/error on the part of the Bank or its Officials, Bank shall pay interest on overdue deposits at the rate at which the deposits would have been renewed under the auto-renewal facility.

## ADVANCES AGAINST DEPOSITS

The Bank may consider request of the depositor/s for loan / overdraft facility against term deposits duly discharged by the depositor/s on execution of necessary security documents. The Bank may also consider loan against deposit standing in the name of minor, however, a suitable declaration stating that loan is for the benefit of the minor, is to be furnished by the depositor - applicant.

## SETTLEMENT OF DUES IN DECEASED **DEPOSITOR'S** DEPOSIT ACCOUNT

- I. If the depositor has registered nomination with the Bank; - the balance outstanding in the account of the deceased depositor will be transferred to the account of / paid to the nominee after the Bank satisfies about the identity of the nominee, etc.

- II. The above procedure will be followed even in respect of a joint account where nomination is registered with the Bank.
- III. In a joint deposit account, when one of the joint account holders dies, the Bank is required to make payment jointly to the legal heirs of the deceased person and the surviving depositor(s). 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; etc., the payment will be made as per the mandate to avoid delays in production of legal papers by the heirs of the deceased.
- IV. In the absence of nomination and when there are no disputes among the claimants, the Bank will pay the amount outstanding in the account of deceased person against joint application and indemnity by all legal heirs or the person mandated by the legal heirs to receive the payment on their behalf without insisting on legal documents up to the limit approved by the bank's board. This is to ensure that the common depositors are not put hardship on account of delays in completing legal formalities.

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

- I. In the event of death of the depositor before the date of maturity of deposit and amount of the deposit is claimed after the date of maturity, the Bank shall pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment, the Bank shall pay simple interest at the applicable rate of Savings Bank Account as on the date of maturity, for the period for which the deposit remained with the Bank beyond the date of maturity.
- II. In the case of death of the depositor after the date of maturity of the deposit, the bank shall pay interest at Savings Bank deposit rate from the date of maturity till the date of payment.

#### **INSURANCE COVER FOR DEPOSITS**

Deposits of accountholders are insured in accordance with the terms prescribed by Deposit Insurance and Credit Guarantee Corporation (DICGC) or such other agencies as mandated by law or regulation, from time to time.

#### **STOP PAYMENT FACILITY**

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

## **DORMANT ACCOUNTS**

Accounts which are not operated for a considerable period of time (24 months) will be transferred to a separate dormant / inoperative account status in the interest of the depositor as well as the Bank. The depositor will be informed of charges, if any, which the Bank may levy on dormant/inoperative accounts. The depositor can request the Bank to activate the account for operating it by complying with requirements as may be specified by the Bank from time to time.

## **UNCLAIMED DEPOSITS IN BANKS:**

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

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

In an effort to play a more pro-active role in finding the whereabouts of the account holders of unclaimed deposits, the list of such accounts which are inoperative for ten years or more will be displayed on our Bank's website. For Individual Customers, the list displayed on the website will contain the names of the account holder(s) and his/her address in respect of unclaimed deposits. For Non Individual Customers, the list so displayed on the website will contain the names of the Entity and its address in respect of unclaimed deposits.

## **SAFE DEPOSIT LOCKERS**

This facility is not offered through all bank branches and wherever the facility is offered, allotment of safe deposit vault will be subject to availability and compliance with other terms and conditions attached to the service. Safe deposit lockers may be hired by an individual (being not a minor) singly or jointly with another individual(s), HUFs, firms, limited companies, associates, societies, trusts etc. Nomination facility is available to individual(s) holding the lockers singly or jointly. Joint locker holders can give mandate for access to the lockers in the event of death of one of the holders on the lines similar to those for deposit accounts. In the absence of nomination or mandate for disposal of contents of lockers, with a view to avoid hardship to common persons, the bank will release the contents of locker to the legal heirs against indemnity on the lines as applicable to deposit accounts.



## REDRESSAL OF COMPLAINTS AND GRIEVANCES

Depositors having any complaint / grievance with regard to services rendered by the Bank has a right to approach authority(ies) designated by the Bank for handling customer complaint / grievances. The details of the internal set up for redressal of complaints / grievances **is available with the Branches and on Bank's website.**

### GENERAL CONDITIONS:

1. Due date is recorded on the receipt to enable the depositor either to receive the payment of the amount on maturity or to arrange for its renewal. No further intimation can be claimed as right by the depositor.
2. Bank reserves the right to accept deposits for such periods, rate of interest & amounts as may be decided by the Board from time to time.
3. The Bank shall have paramount lien on all deposits and reserves to itself the right to appropriate them towards any liability of the depositor.
4. Maturity/Closure proceeds of a FD account may be paid through-
  - (1) Transfer to an account with Bharat Bank or another Bank
  - (2) Payorder / Demand Draft
5. The closure proceeds of a Fixed Deposit held in the name of a Minor will be transferred to the account of the Minor or paid by a Payorder in favour of the Minor.
6. Depositor can request for a loan against the security of the Fixed Deposit (FD) together with the interest accrued thereon as per the terms & conditions prevailing for sanction of such loan.
7. Deposit receipt is not transferable.
8. The Bank shall provide equal and fair treatment to all depositors without any discrimination.
9. The Bank reserves to itself the right to alter, amend or to add to these rules at any time without prior notice.

### Prohibition on opening of accounts of entities dealing with Virtual Currencies (VCs)

Bank will not open, maintain accounts of individuals /entities associated with Virtual Currencies (VCs) or provide any services for facilitating any person or entity in dealing with or settling VCs.

## [B] INTEREST RATES

### Section-I

#### INTEREST RATE FRAMEWORK

Bank shall pay interest on deposits of money (other than current account deposits) accepted or renewed in Domestic, Ordinary Non-Resident (NRO), Non-Resident (External) Accounts (NRE) and Foreign Currency (Non-resident) Accounts (Banks) Scheme {FCNR(B)} deposit account on the terms and conditions mentioned below:

(a) The Interest rates shall be uniform across all branches and for all customers and there shall be no discrimination in the matter of interest paid on the deposits, between one deposit and another of similar amount, accepted on the same date, at any of its offices.

The rate of interest on deposits shall be as approved by the Board of Directors or any committee to which powers have been delegated.

(b) Interest rates payable on deposits shall be strictly as per the schedule of interest rates disclosed in advance.

(c) The Interest rates shall not be subject to negotiation between the depositors and the Bank.

(d) The interest rates offered shall be reasonable, consistent, transparent and available for supervisory review/scrutiny as and when required.

(e) All transactions, involving payment of interest on deposits shall be rounded off to the nearest rupee for rupee deposits and to two decimal places for FCNR (B) deposits.

(f) Deposits maturing on a Sunday / holiday / non-business working day

- i. If a term deposit is maturing for payment on a 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 maturity of the specified term of the deposit and the date of payment of the proceeds of the deposit on the succeeding working day.
- ii. In case of reinvestment deposits and recurring deposits, the Bank shall pay interest for the intervening non-business working day on the maturity value.

## Section II

### DOMESTIC RUPEE DEPOSITS

#### **1. Interest rate on domestic Current Account**

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

#### **2. Interest Rate on domestic Saving Deposits**

Interest on domestic rupee savings deposits shall be subject to the following:

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

(a) A uniform interest rate shall be set on balance up to Rupees one lakh, irrespective of the amount in the account within this limit.

(b) Differential rates of interest may be provided for any end-of-day savings bank balance exceeding Rupees one lakh.

#### **3. Interest Rates on domestic Term Deposits**

(a) The interest rates on term deposits shall vary only on account of one or more of the following reasons:

i) Tenor of Deposits

Bank shall have the freedom to determine the maturity / tenor of the deposit subject to the condition that minimum tenor of the deposit offered shall be seven days.

ii) Size of Deposits

Differential interest rate shall be offered only on bulk deposits, Provided that differential interest shall not be applicable on deposit schemes framed on the basis of the Bank Term Deposit Scheme, 2006.

iii) Non-availability of premature withdrawal option

Bank shall have the freedom to offer term deposits without premature withdrawal option, Provided that all term deposits accepted from individuals (held singly or jointly) and Hindu Undivided Families for amount of Rupees fifteen lakh and below shall have premature-withdrawal-facility.

(b) Payment of Interest on pre-mature withdrawal:

The interest rates applicable on term deposits withdrawn before the maturity date shall be as under:

- i) Interest shall be paid at the rate applicable to the amount and period for which the deposit remained with the Bank and not at the contracted rate.
- ii) No interest shall be paid, where premature withdrawal of deposits takes place before completion of the minimum period specified period i.e. 7 days.

**4. Payment of Additional Interest on domestic deposits**

(a) Bank shall, at its discretion, allow additional interest of one per cent per annum, over and above the rate of interest mentioned in the schedule of interest rates on savings or term deposits of banks staff and their exclusive Associations as well as on deposits of Managing Director who acts as the Chief Executive of the Bank drawing regular salary from the Bank, subject to the following conditions:

- i) The additional interest is payable till 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.
- ii) In 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.
- iii) In the case of employees taken on deputation from another bank, the co-operative bank from which they are deputed may allow additional interest in respect of the savings or term deposit account opened with it during the period of deputation.
- iv) In the case of persons taken on deputation for a fixed tenure or on a contract of a fixed tenure, the benefit will cease to accrue on the expiry of the term of deputation or contract, as the case may be.
- v) Bank Employees Federations, in which Bank employees are not direct members, shall not be eligible for additional interest.
- vi) The additional interest may be paid on the following deposits after obtaining a declaration from the depositor concerned, that the monies deposited or which may be deposited from time to time into such account belong to the depositor:
  - 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

- b. the spouse of a deceased member or a deceased retired member of the Bank's staff; and
- c. an Association or a Fund, members of which are members of the Bank's staff;

(b) Bank shall, at its 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.

(c) Bank shall, at its discretion, give its resident Indian retired staff, who are senior citizens, the benefit of additional interest rates as admissible to senior citizens over and above the additional interest payable to them by virtue of their being retired members of the Bank's staff.

#### **5. Interest on overdue domestic deposits**

If a term deposit matures and proceeds are unpaid, the amount left unclaimed with the Bank shall attract rate of interest as applicable to savings deposits.

#### **6. Floating rate domestic term deposits**

Floating rate domestic term deposits shall be linked to a directly observable and transparent market determined external benchmark.

#### **7. Periodicity of payment of interest on domestic savings deposits**

- (a) Interest on savings deposit shall be credited at quarterly or longer intervals.
- (b) 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.

#### **8. Interest payable on the domestic deposit account of deceased depositor**

(a) In the event of death of the depositor before or after the date of maturity of the deposit and the amount of the deposit is claimed after the date of maturity, the Bank will pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment, the Bank will pay interest at savings deposit rate for the period for which the deposit remained with the Bank beyond the date of maturity.

In the event of the death of the depositor/s, the amount of deposit is claimed before the date of maturity, interest at the rate applicable to the period for which the deposit has remained with the bank will be paid and there will not be levy of penal interest.

In case of NRE deposits when the claimants are residents, the deposit on maturity will be treated as Domestic Rupee deposit and interest will be paid for the subsequent period at a rate applicable to the domestic deposit of a similar maturity.

## **9. PREMATURE WITHDRAWAL OF TERM DEPOSITS:**

➤ The Bank on request from the depositor, at its discretion will allow withdrawal of term deposit before completion of the period of the deposit agreed upon at the time of placing the deposit. The Bank will inform the applicable penal interest rates for premature withdrawal of term deposits, to make depositors aware of the applicable rate along with the deposit rate. The penal charges for premature withdrawal will be applicable on the rate of interest applicable at the time of contract for the period for which the deposit remained with the Bank.

➤ If fixed/term deposit accounts are opened with operating instructions 'Either or Survivor'/Former or Survivor/ Anyone or survivor, etc., the signature of all the depositors will be obtained, in case the deposit is to be paid before maturity.

### **A) Premature withdrawal of term deposit in case of death of account holder:**

➤ In case, any of the depositors expires before the maturity, pre-payment of the fixed/term deposit will be allowed without the concurrence of the legal heir of the deceased joint deposit holder, only if there is a joint mandate from the joint depositors to this effect either at the time of opening the account or a written communication from the joint depositors subsequently. The premature withdrawal will be allowed at the rate of interest applicable on the date of deposit for the period the deposit remained with us and without any penalty.

➤ Premature withdrawal on death of the depositor is allowed for all type of Fixed Deposit account without any penal interest.

## **PENALTY FOR PREMATURE CLOSURE/RENEWAL:**

1. Penalty for PREMATURE CLOSURE will be levied at the rate of interest applicable for the period run, minus 1%, subject to revision from time to time. No penalty will be levied for premature closure in case of death-claims.

2. Penalty for PREMATURE RENEWAL will be levied at the rate of interest applicable for the period run, minus 0.25%, provided that the deposit remains with the Bank after re-investment for a period longer than the remaining period of the original contract.

➤ The Bank will allow closure of a RD only after 30 days from the last installment paid although the date of payment of last installment of the RD falls prior to the same, since otherwise such transaction would be considered as a premature closure.

➤ The Bank will charge RD penalty for each delayed installment @1.50% (flat rate) of the installment amount through the system.

(b) The components of penalty shall be clearly brought to the notice of the depositors at the time of acceptance of deposits. If not, no penalty shall be levied.

(c) 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.

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## SECTION - III

### **RUPEE DEPOSITS OF NON-RESIDENTS**

Rupee deposits of non-residents under Non-Resident (External) Rupee (NRE) Deposits and Non-Resident Ordinary (NRO) Deposits shall be accepted.

#### **Interest rates on Rupee Deposits - Non-Residents**

Interest on deposits of money accepted or renewed under NRE / NRO deposit scheme shall be on the terms and conditions specified in the ensuing paragraphs:

(a) Interest rates on NRE / NRO term deposits shall vary only on account of one or more of the following reasons:

##### *i) Tenor of Deposits:*

Bank shall have the freedom to determine the maturity / tenor of the deposit subject to the condition that minimum tenor of NRE term deposits shall be one year and that of NRO term deposits shall be seven days.

##### *ii) Size of Deposits*

Differential interest rate shall be offered only on bulk deposits

(d) Interest rates on NRE/ NRO deposits shall not be higher than those offered by the Bank on comparable domestic rupee term deposits.

(e) The benefit of additional interest rate on deposits on account of being co-operative banks own staff or senior citizens shall not be available to NRE and NRO deposits.

(f) Interest on savings deposits shall be credited at quarterly or longer intervals.

(g) If an NRE account holder, immediately on return to India, requests for conversion of the NRE term deposit into Resident Foreign Currency Account (RFC), interest shall be paid as under:

i) if the NRE deposit has not run for a minimum period of one year, interest shall be paid at a rate not exceeding the rate payable on savings deposits held in RFC accounts.

ii) In all other cases, interest shall be paid at the contracted rate.

#### **Prohibition on marking lien**

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



### **Penalty on premature withdrawal of NRE deposits**

- (a) The components of penalty shall be clearly brought to the notice of the depositors at the time of acceptance of the deposits.
- (b) No penalty shall be levied for premature withdrawal of NRE term deposits for conversion into Resident Foreign Currency (RFC) Account.
- (c) Penalties for premature withdrawal shall be levied for conversion of NRE deposit into FCNR (B) deposit and vice versa.

### **Interest payable on the NRE term deposit account of deceased depositor**

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 the rate applicable to a domestic term deposit of similar maturity.

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## SECTION - IV

### FOREIGN CURRENCY DEPOSITS

Foreign Currency deposits under Foreign Currency (Non-Resident) Accounts (Banks) Scheme shall be accepted by scheduled co-operative banks (Authorised Dealer – Category I) only.

#### **Foreign Currency (Non-Resident) Accounts (Banks) Scheme**

Interest on deposits of money accepted or renewed under the Foreign Currency (Non-Resident) Accounts (Banks) Scheme shall be in accordance with the terms and conditions specified in the ensuing paragraphs:

(a) Interest rates on term deposits under FCNR(B) scheme shall vary only on account of one or more of the following reasons:

#### *i) Tenor of deposits*

The maturity period for term deposits under the FCNR(B) scheme shall be as under:

- a. One year and above but less than two years
- b. Two years and above but less than three years
- c. Three years and above but less than four years
- d. Four years and above but less than five years
- e. Five years only

Bank shall not accept or renew FCNR(B) deposits over five years and no recurring deposits shall be accepted under the FCNR(B) Scheme.

#### *ii) Size of deposits*

Bank shall at its discretion, decide the currency-wise minimum quantum on which differential rates of interest may be offered.

(c) The interest rates on all deposits, including where differential rates of interest are offered, shall be subject to the overall ceiling prescribed at below.

Period of deposit	Ceiling rate
1 year to less than 3 years	LIBOR / Swap plus 200 basis points
3 years and above upto and including 5 years	LIBOR / Swap plus 300 basis points

(d) Interest on floating rate deposits shall be paid within the ceiling of swap rates for the respective currency/ maturity and in case of fixed rate deposits, interest shall be paid within the ceiling of LIBOR rates for the respective currency / maturity.

(e) The interest reset period shall be six months for all floating rate deposits.

(f) The LIBOR / SWAP rates as on the last working day of the preceding month shall form the base for fixing ceiling rates for the interest rates offered effective in the following month.

#### **VALIDITY**

This policy shall be valid till further review by the Board of Directors of the Bank.

\*\*\* End \*\*\*