

Narmada Jhabua Gramin Bank

POLICY ON BANK DEPOSITS

PREAMBLE

One of the important functions of the bank is to accept deposits from the public for the purpose of lending. In fact, depositors are the major stakeholders of the banking system. The depositors and their interests form the key area of the regulatory framework for banking in India and this has been enshrined in the banking regulation act, 1949. The Reserve Bank of India is empowered to issue directives/advice on interest rates. Banks are now free to formulate deposit Products within the broad guidelines/Directions 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 the terms and conditions governing the conduct of the account. The document recognizes the rights of depositors and aims at dissemination of information with regard to various aspects of acceptance of deposits from the members of the public, conduct and operations of various deposit accounts, 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 of their rights. The ultimate objective is that the customers will get services they are rightfully entitled to receive without demand.

While adopting this policy, the bank reiterates its commitment to individual customers outlined in the 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.

2. TYPES OF DEPOSIT ACCOUNTS :

While various deposit products offered by the bank are assigned different names, the deposit products can be categorized broadly in to the following types. Definition of major deposit schemes are as under :

- i. **“Demand Deposit”** means a deposit received by the bank which is withdrawable on demand.
- ii. **“Savings deposit”** 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;
- iii. **“Current Deposit”** means a form of non-interest bearing demand deposit wherefrom withdrawals are allowed, any number of times, depending upon the balance in the account or up to a particular agreed amount and will also include other deposit accounts which are neither Savings Deposits nor Term Deposits.
- iv. **“Term Deposit”** means a deposit received by the Bank for a fixed period – withdrawable only after the expiry of the fixed period; subject to term & conditions stipulated by the Bank, from time to time and include deposits such as recurring/Double Benefit Deposit/Short Deposit/Fixed Deposit/CD Plus, SB Plus etc.
- v. **“Notice Deposit”** means Term Deposit for a specific period but withdrawals allowed on giving at least one complete banking day's notice;
- vi. **“Bulk Deposit”** means : Single Rupee term deposits of Rupees fifteen lakhs and above.
- vii. **“Composite Cash Credit”** means a type of loan product having a cash credit limit with a fully savings module designed to take care of farmer's interest.

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- viii. **“FCNR(B) account”** means a Foreign Currency Non-Resident (Bank) account referred to in Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.
- ix. **“NRE account”** means a Non-resident External deposit account referred to in Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.
- x. **“NRO account”** means a Non-resident ordinary deposit account referred to in Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.

3. ACCOUNT OPENING AND OPERATIONS 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. If the decision to open an account of a prospective depositor requires clearance at a higher level, reasons for any delay in opening of the account, will be informed to him/her and the final decision of the Bank will be conveyed at the earliest to him/her.
- b) The account opening forms and other material would be provided to the prospective depositor by the Bank for a change. The same will contain details of information to be furnished and documents to be produced for verification and or for record. It is expected of the Bank Official opening the account, 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 like SB A/c and Current Deposit (CD) A/c, the Bank will normally stipulate certain minimum balance to be maintained as part of the terms and conditions governing operations of such accounts which will be displayed on the branch notice board. Failure to maintain minimum balance in the account will attract levy of charges as specified by the Bank from time to time. For SB A/c the Bank may also place restrictions on the number of transactions, cash withdrawals, etc., for a given period. Similarly, the Bank may specify charges for issue of cheque books, additional statements of accounts, duplicate pass book, folio charges, etc. Statement of A/c is sent through email on customer’s request also it is made available on internet and ATM. 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. Bank will not charge any amount for closing a Current or Savings Bank account , if the customer chooses to close the account within 14 days of 1st deposit into his account.
- d) **Savings Bank Accounts** can be opened for eligible person/persons and certain organization/ agencies (as advised by RBI, from time to time)
Current Account can be opened by individuals/Partnership Firms/Private & Public Limited Companies/HUFs/Specified Associates/Societies/Trusts, etc.
Term Deposits The general information on various Deposits & Interest rates offered by our Bank is available on bank’s website.
- 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/her occupation and source of income and obtaining recent photograph of the person/s, opening/operating the account, as a part of the due diligence process.
 As per the provision of the prevention of money laundering act, 2002 and the rules made there under by the government, as well as guidelines issued by Reserve Bank of India (RBI) on KYC, obtaining identification documents for every customer is mandatory and introduction by a 3rd party is not a substitute for KYC documentation, except for the relaxation permitted by the RBI in case of persons belonging to low income group in rural, semi-urban and urban areas; subject to certain conditions such as “NO FRILLS”/BSBDA/Small A/cs under financial inclusion.

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- f) In addition to the due diligence requirements under KYC norms, the Bank is required by law to obtain the Permanent Account Number (PAN) or General Index Register (GIR) number or alternatively a 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 (status: known as account in single name) or by more than one individual in their own names (status: known as joint account). SB A/c can also be opened by a minor, jointly with natural guardian or with mother, as the guardian (status: known as minor's account). Minors of the age of 10 years & above will also be allowed to open and operate SB A/c, independently.
- h) Operation in Joint Account – The Joint Account opened by more than one individuals can be operated by any single individual or by more than one individual, jointly. The mandate for operating the A/c can be modified with the consent of all A/c holders. The SB A/c opened by a minor, jointly with natural guardian/guardian can be operated by natural guardian only.
- i) The Joint A/c Holders can give any of the following mandates for the disposal of balances in the above A/cs-
- i. **“Either or Survivor”** : If the account is held by two individuals, say A & B, the final balance alongwith interest, if applicable, will be paid to the survivor on death of anyone of the A/c holders.
 - ii. **“Former of Survivor”** : The instructions “Former or survivor” convey that the account will be operated upon by the “Former” “A” alone, so long as he is alive and after his death by the “survivor” “B”. “B” is not to operate the Account during the lifetime of “A”. “B” can operate the account only after the death of “A”. If “B” dies first, the account is to be operated upon solely by “A”, the legal representative of “B” will have no right to the balance in the account or to operate the Account. Only the legal representatives of the last Account Holder after his death are entitled to the balance in the Account.
 - iii. **“Anyone or survivor/s”** If the a/c is held by more than two individuals, say A,B and C, the final balance along with interest, if applicable, will be paid to any one if all of them are alive or to the survivor/s on the death of any of the a/c holders.
 - iv. **“Operated Jointly”** Account which has operational instructions “operated jointly”, the operations and all the instructions in this account shall be accepted under joint signatures of all account holders.

The above mandates will be applicable to or become operational only on or after the date of maturity, in case of term deposits. This mandate can be modified only by the consent of all the a/c holders.

- j) At the request of the depositor, the bank will register the mandate/power of attorney, given by him/her, authorizing another person to operate the account on his/her behalf.
- k) The term deposit a/c holders, at the time of placing their deposits, can give instructions with regards to closure of the Deposit A/c or renewal of deposit for a further period on the date of maturity. In general, there will be automatic renewal of the deposits for the same period as was for the last deposit.
- l) **Nomination facility** is available on all deposit accounts opened by the individuals. Nomination is also available to a sole Proprietary Concern Account. Nomination is not permitted in favour of company, firm, trust, HUF, etc. Nomination can be made in favour of one individual only. Nomination so made can be cancelled or changed by the A/c holder/s at any time. Nomination can be made in favour of a minor also. In case of joint A/cs, nomination or variation of nomination should be made by all depositors, jointly. Bank recommends that all depositors avail the nomination facility.

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- The nominee, in the event of death of the depositor/s would receive the balance outstanding in the A/c of the deceased as a Trustee of Legal Heirs. 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/term deposit receipt.
- m) In general, pass book will be provided by the Bank to depositors for SB A/c and statement of a/c to CD a/c holders periodically as per terms and conditions of opening the A/c.
 - n) The Deposit A/cs may be transferred to any other branch of the bank at the request of the account holders.
 - o) The depositors, having internet banking facility with funds transfer option, can book FDR online. An E-mail advice will be sent to the customer on registered E-mail ID and no physical advices will be sent for Term Deposits booked through Net Banking. In case no E-mail ID is registered, customer has to collect Term Deposit receipt from the Branch. Customer can check Term Deposit holdings on term deposit summary page on next working day. For liquidation of the deposit the customer is required to submit copy of E-mail advice. The Term Deposit Online facility will be limited to opening of TDR only. The customer need to visit the branch for all the other activities related to TDR like premature closure, Loan against TDR, Nomination etc.
 - p) Specific charges for issue of cheque books, additional/duplicate statement of account, passbook, copies of paid cheques, folio charges, ATM/Debit card charges, verification of signatures, return of cheques, change in mandate or style of account etc. will be recovered from time to time as applicable.
 - q) Under financial inclusion, "NO FRILLS"/BSBDA/Small A/cs should be opened either with "Nil" or very low minimum balances. The nature and number of transactions in such accounts may be restricted which will be made known to the customers at the time of opening of accounts in a transparent manner. These accounts are governed by RBI rules.
 - r) The term deposit receipt renewed under "Automatic Renewal Scheme" will not be handed over to the customer "unless" he submits the Original (Matured) Term Deposit Receipt to be kept on banks record.

4. **INTEREST PAYMENT :**

a) **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.

b) **Interest Rate on domestic Saving Deposits**

In addition to the conditions laid down in RBI Directions-2016, interest on 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.

In accordance of the directives, Bank shall pay interest on Saving Bank account as under :-

- i. Interest shall be paid on Savings A/c at the rate specified by RBI directives or the rate as prescribed by the bank in accordance to directives of RBI, from time to time –at quarterly intervals on daily products.

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- ii. Interest will be calculated on daily product basis and will be credited in the SB a/c in the months of May, August, November and February every year or at the time of closing of the SB a/c. Interest will be credited if it is minimum Rs. 1/-.
- iii. 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.

5. INTEREST PAYMENTS- Term Deposits MODE OF CALCULATION :

- A. 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 .
- B. Other directives are as under:
 - i. In terms of RBI 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. 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 the Indian banks association.
 - ii. Interest on term deposits shall be as applicable on the date of issue/ renewal of the Term Deposit Receipt. Interest would be calculated at quarterly or larger intervals (**and not monthly**). In the case of monthly income certificate (MIC) Scheme the interest is paid monthly at discounted value of the interest for one month.
 - iii. The rate of interest on Deposits will be prominently displayed in the branch premises/on bank's website from time to time. Changes in rates, if any, with regard to the deposit schemes and other related services shall also be communicated upfront and shall be prominently displayed.
 - iv. The bank has statutory obligations to deduct income tax at source if the total interest paid/payable on all Term Deposits held by a person during a financial year exceeds the amount specified under the Income Tax Act. The customer may give instructions to deduct TDS payable on the deposit, from operative account linked to the Term Deposit account; otherwise the amount of tax would be deducted from interest payable on term deposits and the maturity proceeds of the deposits will be less than that mentioned on term deposit. The bank will issue a Tax Deduction Certificate (TDS) for the amount of tax deducted. The depositor, if entitled for exemption from TDS can submit declaration in the prescribed format i.e. Form 15G/15H at the beginning of every financial year. Depositors must furnish their PAN number along with 15G/15H. Failure to furnish PAN will result in deduction of TDS at the prevailing rate advised by income tax department.
 - v. **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) for amount of Rupees fifteen lakh and below shall have premature-withdrawal-facility.

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C. Deposits maturing on non-business working day

- i. If a term deposit is maturing for payment on a non-business working day, Bank shall pay interest at the originally contracted rate on the original principal deposit amount for the 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, Bank shall pay interest for the intervening non-business working day on the maturity value.

(D) Consequence of transfer of branch of one bank to another bank

Deposits accounts transferred from one bank branch to another bank branch on account of takeover of bank branches in rural and semi-urban centres shall adhere to the following conditions:

- i. deposit accounts shall deemed to be transferred to the new bank and will continue to be governed by the terms of contract agreed to between the customer and the bank branch that is being taken over.
- ii. the same rate of interest shall be payable till maturity on such transferred deposits, as was payable at the time of takeover of the branch.

6. Mode of calculation of interest on Short deposits and fixed deposits:

<u>SHORT DEPOSITS</u> <u>(Repayable within six months)</u>	Interest would be paid for the actual number of days on the basis of 365 days in a year
<u>FIXED DEPOSITS</u> <u>(Repayable six months & above)</u>	Interest would be paid for the actual number of days on the basis of 365 days in a year.

******Note** :In respect of any “**Special deposit scheme**” announced by the bank, it will have different interest calculation method as per the scheme offer.****

7. PREMATURE WITHDRAWAL FROM/CLOSURE OF TERM DEPOSIT:

The Bank, on request from the depositor, may allow withdrawal of a term deposit before completion of the period of the deposit agreed upon at the time of making the deposit. While prematurely closing a deposit, interest on the deposit for the period that it has remained with the bank will be paid at the rate applicable to interest whichever is lower. In addition, the bank can levy penalty, as applicable from time to time. Further the bank may disallow premature withdrawal of large deposits held by entities other than individuals and HUFs. For payment before maturity, all the joint account holders have to discharge the Term Deposit Receipt. Other terms shall be as under:-

- a) No interest shall be paid, where premature withdrawal of deposits takes place before completion of the minimum period of 07 days.
- b) The components of penalty shall be clearly brought to the notice of the depositors at the time of acceptance of deposits.
- 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.
- d) No penalty for premature withdrawal shall be levied, where depositors of the branch desires premature withdrawal of deposit consequent to the transfer of business to another bank.

08. PREMATURE RENEWAL OF TERM DEPOSIT :

In case, the depositor desires to renew the deposit by seeking premature closure of an existing Term Deposit A/c, 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.

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While prematurely closing a deposit for the purpose of renewal, interest on the deposit for the broken period will be paid at the rate applicable to the period for which the deposit remained with the bank or contracted rate of interest whichever is lower and not the contracted rate.

09. RENEWAL OF OVERDUE TERM DEPOSITS :

When a Term Deposit is renewed on maturity, interest rate as applicable on the date of maturity would be applied on the renewed deposit for the period specified by the depositor.

10. Interest on overdue domestic deposits

- (a) The rate of interest to be paid on renewal of overdue term deposits shall be subject to above 9 and the stipulation contained in RBI Directions.
- (b) 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.

11. AUTOMATIC RENEWAL OF TERM DEPOSITS ON DUE DATE :

Unless there are specific instructions to the contrary, term deposits will be renewed for the same tenure as was for the matured term deposit and rate of interest would be as prevailing on due date. The TDR renewed under ARS would be given to the customer upon submission of E-mail advice/original TDR duly discharged.

12. Conversion of Term Deposits, Daily Deposits or Recurring Deposits for Reinvestment in Term Deposits

Branches on request from the depositor, should allow closure of a term deposit, a deposit in the form of daily deposit or recurring deposit, to enable the depositor to immediately reinvest the amount lying in the aforesaid deposits with the same branch, in another term deposit. Branches are required to pay interest in respect of such term deposit without reducing the interest by way of penalty provided that deposit remains with the bank after reinvestment for a period longer than the remaining period of the original contract.

However, as per instructions issued by RBI vide notification No RBI/2012-13/RPCD.RRB.BC.No52/03.05.33/2012-13 dated 14.12.2012 bank can change above mentioned conversion rules looking its Asset Liability Management (ALM).

13. ADVANCE AGAINST DEPOSIT :

The Bank may consider a request from the depositor/s for loan/overdraft facility against Term Deposit/s 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 from Guardian stating that loan is for the benefit of the minor, is to be furnished by the depositor – applicant.

14. SETTLEMENT OF DUES IN DECEASED DEPOSIT ACCOUNT :

- i. If the depositor has registered nomination with the bank; –the balance outstanding in the A/c of the deceased depositor will be transferred to the A/c of/paid to the nominee when valid claim on prescribed format is received and the Bank is satisfied about the identity of the nominee.
- ii. The above procedure will be followed even in respect of a joint A/c where nomination is registered with the Bank.
- iii. In Joint Deposit A/cs under operational instructions “operated jointly” where no nomination is made, when one of the Joint A/c 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 A/c Holders had given mandate for disposal of the balance in the A/c in the forms such as “either or survivor”, etc. the payment will be made as per the mandate to avoid delays on production of legal documents by the heirs of the deceased.

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- iv. In the absence of nomination and when there are no disputes among the claimants, the Bank will pay the amount outstanding in the A/c of deceased person against joint application and indemnity by all legal heirs or the person mandated by all legal heirs to receive the payment on their behalf without insisting on legal documents upto the limit approved by the bank's Board. This is to facilitate that the common depositors are not put to hardship on account of delays in completing legal formalities.

15. INTEREST PAYABLE ON TERM DEPOSIT IN DECEASED ACCOUNT :

- i. In the event of death of the depositor, before the date of maturity of the 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 prevailing on the date of maturity, for the period for which the deposit remained with the bank, beyond the date of maturity as per the bank's policy in this regard.
- ii. However, 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 prevailing on the date of maturity, from the date of maturity till the date of payment.

16. Payment of Additional Interest on domestic deposits

- a. Bank shall 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 a term deposits of bank's staff and their exclusive associations as well as on deposits of Chairman, General Manager, Regional Manager or such other Executives appointed for a fixed tenure, 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 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 may 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 give their resident Indian retired staffs, 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 banks' staff.

17. Discretion to pay interest on the minimum credit balance in the composite cash credit account of a farmer

Interest on the minimum credit balance in the composite cash credit account of a farmer during the period from the 10th to the last day of each calendar month shall be paid, subject to the conditions given in RBI Directions.

18. Accounts of Minors :

- a) A savings bank account of a minor may be opened to be operated upon by the natural guardian of the minor or by the guardian appointed by the court.
- b) A saving bank account may also be opened in:
 - i. The single name of a minor aged 10 years or more to be operated upon by the minor.
 - ii. The joint names of two minors who have completed the age of 10 years to be operated upon by them jointly.
 - iii. The joint names of two or more minors to be operated upon by a person who is the natural guardian of both or all the minors.

When a minor attains majority, the guardian ceases to be guardian and the account ceases to be that of a minor. The payment from the account will be made to the erstwhile minor, provided the branch is satisfied about his identity.

When a minor whose account is operated by the guardian, on his behalf, attains majority, a Balance Confirmation letter, duly signed by the erstwhile minor with his signature duly verified by the guardian shall be obtained. Having done this, it is not necessary to close the existing account and to open a new account, but note made in the system (Master Data) and the account opening form/card to indicate that it is a minor's account, will be cancelled and new account opening form will be obtained. Thereafter, the account will be operated upon only by the erstwhile minor who had attained majority.

19 ACCOUNT OF ILLITERATE/BLIND PERSON:

The Bank may at its discretion open deposit A/cs other than CD A/cs of illiterate persons. The A/c of such a person may be opened provided he/she calls on the bank personally, along with a witness, who is known to both the depositor and the Bank. Normally, no cheque book facility is provided for such SB A/c. At the time of withdrawal, repayment of deposit amount and/or interest, the A/c holder should affix his/her thumb impression or mark in the presence of the authorized officer of the branch, who should verify the identity of the person. The bank will explain the need for proper care and safe keeping of the pass book etc. given to the A/c holder. The bank official shall explain the terms and conditions governing the A/c to the illiterate/blind person.

20 ADDITION OR DELETION OF THE NAME/S IN AN ACCOUNT :

In joint A/c, the bank may at the request of all the joint A/c holders allow addition or deletion of name/s of Joint a/c holders, if the circumstances so warrant. In case of individual A/c, Bank may allow an individual depositor to add the name of another person as a Joint A/c holder.

21. CUSTOMER INFORMATION :

The customer information collected from the customers shall not be used for cross selling of services/products by the bank, their subsidiaries and affiliates. If the bank proposes to use such information, it would be strictly with the consent of the A/c holder.

22. SECRECY OF CUSTOMER'S ACCOUNTS :

The bank shall not disclose details/particulars of the customer's A/c to a third person or party without the express or implied consent from the customer. However, there are some exceptions viz disclosure of information as required by any law or by an order of the court, Regulatory Authority or Govt. Agency and where interest of the bank requires disclosure or larger public interest warrants such disclosure of information.

23. INSURANCE COVER FOR DEPOSITS :

All Bank deposits are covered under the insurance scheme offered by the Deposit Insurance & Credit Guarantee Corporation of India (DICGC), subject to certain limits and conditions. The details of insurance cover in force will be made available to the depositor.

24. STOP PAYMENT FACILITY :

The Bank will accept Stop Payment instructions from the depositors in respect of cheques issued /reported lost and not paid till receipt of stop payment instructions. Charges as specified will be recovered.

25. DORMANT/INOPERATIVE ACCOUNTS :

Saving bank A/cs well as Current A/cs would be treated as dormant/inoperative accounts if there are no transactions in the account for a period over two year. For classifying an account as inoperative both the types of transactions i.e. debit as well as credit transactions induced at the instance of customers as well as third parties would be considered.

An annual review shall be made for accounts in which there are no operations (i.e. no credit or no debit other than crediting of periodic interest or debiting of service charges) for more than two year and efforts would be made to trace out the customers/legal heirs. Record of follow up with the customers/legal heirs would be maintained.

The depositors may be informed through SMS on their registered mobile number with the bank, 3 month before the account is classified as dormant/inoperative and the consequences thereof and

- a. In the Joint a/c only the First holder may be notified through SMS on his/her registered mobile number with the bank, before the account is classified as dormant.
- b. The procedure to be followed for activating the account will be intimated and
- c. Activation of such accounts will not be charged.

* **The depositor can request the bank to activate the account for operating it**

- 26. CREDIT IN DORMANT/INOPERATIVE ACCOUNTS:-** stipulation of inoperative/dormant account due to non-operation will not apply while crediting proceeds of cheques/Direct Benefit Transfer/Electronic Benefit Transfer/Scholarships for students etc. into Zero Balance Accounts and accounts opened for the beneficiaries under various Central/State Government schemes . In order to reduce the risk of fraud etc., in such accounts, while allowing operations in these accounts, due diligence should be exercised by ensuring the genuineness of transactions, verification of signature and identity, etc. However, it has to be ensured that the customer is not inconvenienced in any manner.

27 The Depositor Education and Awareness Fund Scheme, 2014 –Section 26A of Banking Regulation Act, 1949:

The Bank will adhere to the provisions of the Depositor Education and Awareness Fund Scheme, 2014 issued by RBI from time to time.

28. REDRESSAL OF COMPLAINTS AND GRIEVANCES :

Depositor having any complaints/grievances with regard to services rendered by the bank have a right to approach authority(ies) designated by the Bank for handling customers' complaints/grievances. The Bank has in place customers' grievance redressal policy to assist depositors. Accordingly depositors not satisfied with the services of the bank may approach nodal officer for redressal of their complaints. Details of nodal officers are displayed at every branch/Regional office of the bank and are also available on bank's website. The branch officials shall provide all required information regarding procedure for lodging the complaint. In case the depositor does not get response from the bank within 30 days from the date of complaint or he/she is not satisfied with the response received from the bank, he/she has the right to approach Banking Ombudsman appointed by the Reserve Bank of India.

29. PROHIBITIONS AND EXEMPTIONS

❖ Prohibitions

Bank shall not:

- a. Pay any remuneration or fees or commission or brokerage or incentives on deposits in any form or manner to any individual, firm, company, association, institution or any other person except:
 - i. Commission paid to agents employed to collect door-to-door deposits under a special scheme.
 - ii. Commission paid to Direct Selling agents/Direct Marketing Agents as part of the outsourcing arrangements.
 - iii. Remuneration paid to Business facilitators or Business Correspondents.
- b. Offer prize/lottery/free trips (in India and/or abroad), etc or any other initiative having element of chance for mobilizing deposits. However, inexpensive gifts costing not more than Rupees 250/- which is the amount prescribed by the Indian Banks' Association (IBA) as part of the Ground Rules and Code of Ethics framed by them may, at the bank's discretion, be given to depositors at the time of accepting deposits.
- c. 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 mobilization.
- d. 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 by the bank for the particular period. Simple rate of interest per annum for the period of deposit should be indicated invariably.
- e. Accept interest-free deposit other than in current account or pay compensation indirectly.
- f. 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.
- g. Grant advances against term deposits maintained with other banks.
- h. Open a savings deposit account in the name of entities other than individuals, Karta of HUF and organisations/agencies listed in Schedule -I.
- i. Create any fund to be utilized for charitable purposes in consultation with the depositors.

❖ **Exemptions**

The provisions in the above paragraphs shall not be applicable to:

(a) A deposit received by the bank:

- i. From the institutions permitted to participate in the Call/Notice/Term Money Market both as lenders and borrowers.
- ii. for which it has issued a participation certificate;
- iii. under the Capital Gains Accounts Scheme, 1988, framed by the Government of India in pursuance of sub-section (2) of Section 54, sub-section (2) of Section 54B, sub-section (2) of Section 54D, sub-section (4) of Section 54F and sub-section (2) of Section 54G of the Income-Tax Act, 1961; and
- iv. Under the Certificate of Deposit Scheme.

(b) Payment of interest on delayed collection of outstation instruments like cheques, drafts, bills, telegraphic/mail transfers, etc.

SCHEDULE- I

(1)	Primary Co-operative Credit Society which is being financed by the bank.
(2)	Khadi and Village Industries Boards.
(3)	Agriculture Produce Market Committees.
(4)	Societies registered under the Societies Registration Act, 1860 or any other corresponding law in force in a State or a Union Territory except societies registered under the State Co-operative Societies Acts and specific state enactment creating Land Mortgage Banks.
(5)	Companies licensed by the Central Government under Section 8 of Companies Act, 2013 or Section 25 of Companies Act, 1956 or under the corresponding provision in the Indian Companies Act, 1913 and permitted, not to add to their names the words 'Limited' or the words 'Private Limited'.
(6)	Institutions other than those mentioned in section 26(h) and whose entire income is exempt from payment of Income-tax under the Income-Tax Act, 1961.
(7)	Government departments / bodies / agencies in respect of grants/ subsidies released for implementation of various programmes / Schemes sponsored by Central Government / State Governments subject to production of an authorization from the respective Central / State Government departments to open savings bank account.
(8)	Development of Women and Children in Rural Areas (DWCRA).
(9)	Self-help Groups (SHGs), registered or unregistered, which are engaged in promoting savings habits among their members.
(10)	Farmers' Clubs – Vikas Volunteer Vahini – VVV.