

**POLICY DOCUMENT**

**ON**

**BANK DEPOSITS**

**AT**



**CITIZENCREDIT** <sup>TM</sup>  
CO-OPERATIVE  
BANK LTD.

**2011**

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## **1. PREAMBLE**

This policy document on Bank deposits outlines the guiding principles in respect of formulation of various deposit products offered by the Bank and terms and conditions governing the conduct of the account. The document recognizes the rights of depositors and aims at dissemination of information with regard to various aspects of acceptance of deposits from the members of the public, conduct and operations of various deposit accounts, payment of interest on various deposit accounts, closure of deposit accounts, method of disposal of deposits of deceased depositors, etc. for the benefit of customers. It is expected that this document will impart greater transparency in dealing with 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 demand.

While adopting this policy, the Bank reiterates its commitments to individual customers outlined in the code of Bank's Commitment to Customers adopted by the Bank. 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 into the following types. Definition of major deposits schemes is as under:

- a. "Demand deposits" means a deposit received by the Bank which is withdrawable on demand.
- 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.
- c. "Term deposit" means a deposit received by the Bank for a fixed period withdrawable only after the expiry of the fixed period and includes deposits such as Recurring Deposits / Fixed Deposits (FD) / Monthly Income Plan (MIP) / Quarterly Interest Reinvestment Plan (QIRP) / Rapid Accrual Plan (30 days / 90 days) (RAP 30 / RAP 90), Fixed Deposit 365 days (FD 365), etc.
- d. "Current Account" means a form of 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 Deposit nor Term Deposit".

### **3. ACCOUNT OPENING & OPERATION OF DEPOSIT ACCOUNTS**

#### **Opening of Deposit Accounts**

##### ***A. Account Opening Procedures***

- a. The Bank before opening any deposit account will carry out due diligence as required under “Know Your Customer” (KYC) guidelines issued by RBI, Anti-Money Laundering rules and regulations and or such other norms or procedures that may arise from time to time. If the decision to open an account of a prospective depositor requires clearance at a higher level, reasons for any delay in opening of the account will be informed to him and the final decision of the Bank will be conveyed at the earliest to him.
- b. The Bank is committed to providing basic banking services to disadvantaged sections of the society. Banking services will be offered to them through no-frill accounts and accounts will be opened with relaxed customer acceptance norms as per regulatory guidelines.
- c. 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, it is expected of the Bank official opening the account to explain the procedural formalities and provide necessary clarification sought by the prospective depositor when he approaches for opening a deposit account.
- d. The regulatory guidelines require banks to categorise customers based on risk perception and prepare profiles of customers for the purpose of transaction monitoring. Inability or unwillingness of a prospective customer to provide necessary information / details could result in the Bank not opening an account.
- e. Inability of an existing customer to furnish details required by the Bank to fulfill statutory obligations could also result in closure of the account after due notice(s) is provided to the customer.
- f. Savings Bank Accounts can be opened for eligible person / persons and certain organizations / agencies (as advised by Reserve Bank of India from time to time).
- g. Current Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / Associations / Societies / Trusts / Limited Liability Companies, etc.
- h. Term Deposits Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / Associations / Societies / Trusts, Limited Liability Companies, etc.

- i. The due diligence process, while opening a deposit account will involve a personal interaction with the depositor, 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, who has a well maintained account with the Bank for at least six months and obtaining recent photographs of the person / s opening / operating the account are part of the due diligence process.
- j. In addition to the due diligence requirements, under KYC norms the Bank is required by law to obtain Permanent Account Number (PAN) or alternatively declaration in Form No. 60 or 61 as specified under the Income Tax Act / Rules.
- k. The account should be opened with the initial deposit in cash.

### **Introduction of New Depositors - Proper Introduction**

- a. The account of the prospective depositor should be introduced by a person acceptable to the Bank, who has a well maintained account with the Bank for at least six months.
- b. Branch Managers / staff members are not allowed to give introduction to accounts.
- c. Where the prospective depositor is unable to provide an introduction satisfactorily, he will have to provide sufficient proof of his antecedents before the account is opened.
- d. Customers should desist from introducing accounts of persons unknown to them.
- e. In the case of a customer who will be getting credits, say by way of salary, and making payments by cheques to Government/ semi-Government agencies/individuals, simple introduction along with photograph, may suffice.
- f. In case of accounts, which are likely to be used for putting through remittance transactions and for collection of cheques of substantial amounts besides business payments, the Bank will have to make deeper enquiries.

### **Introduction *in absentia***

- a. When an introducer does not personally call at the branch to introduce an account, the fact of having introduced a new account, will be confirmed from him in writing.
- b. In cases where the account opening forms bear the signatures of manager/officials of other branches of the Bank for introduction, apart from verifying the signatures of such introducers with the specimen signatures available on record, the Branch concerned will obtain written confirmation of the introduction from the officials of the branches who introduced the account. Till such time the confirmation is received, the Bank will not collect cheques/draft through the newly opened accounts.
- c. The same procedures will be adopted in cases where the introducers of accounts are not officials of the Bank and do not personally call at the Bank to introduce an account. The Bank will send a letter by post both to the customer and the

introducer and seek their confirmation for opening the account / giving introduction. Cheque book may be issued after receipt of confirmation from both.

### **Photographs of Account Holders and their Specimen Signatures**

1. Depositors should submit 2 recent passport size photographs at the time of opening of new accounts. Depositors need not submit separate photographs for accounts opened subsequently.
2. The following depositors will also have to submit photographs:
  - Guardians (for deposits in the name of the minor)
  - Pardanashin women
  - Non-Resident (External) (NRE) & Non-Resident Ordinary (Rupee) (NRO) account holders.
3. Illiterate Depositors will have to submit 3 photographs.
4. All depositors will have to submit their specimen signatures at the time of opening of accounts.

### **Address of Account Holders**

Depositors should give their full and complete address for the Bank's records along with proof of identity and address such as passport, PAN Card, Voter ID card, Driving licence, Ration card, etc. An independent confirmation of the address of the account holder will be obtained by the Bank in all cases.

### **Accounts of Proprietary Concerns**

In the case of proprietary concerns, at the time of opening of the account, the Bank will have to verify, in addition to the identity of the individual proprietors, the identity of the proprietary concern also. Accordingly, the Bank may call for and verify the following documents:

1. Identity as also the address proof of the proprietor, such as passport, PAN card, Voter ID card, Driving licence, Ration card with photo, etc. – any of these documents is to be submitted.
2. Proof of the name, address and activity of the concern, like registration certificate (in the case of a registered concern), certificate/licence issued by the Municipal authorities under Shop and Establishment Act, sales and income tax Returns, CST/VAT certificate, Licence issued by the Registering authority like Certificate of Practice issued by Institute of Chartered Accountants of India, Institute of Cost Accountants of India, Institute of Company Secretaries of India, Indian Medical Council, Food and Drug Control Authorities, etc. – any two of the documents are to be submitted. These documents should be in the name of the proprietary concern. Apart from these documents, any certificate/registration document issued by Sales Tax/Service Tax/Professional Tax authorities may also be considered for verification of the proof of name, address and activity of the proprietary concern.

## **Opening of NRO/NRE accounts**

The Bank may maintain NRO accounts arising from their redesignation as such, upon the existing resident account holders becoming non-resident and in such accounts only, periodical credit of interest will be permitted.

The Bank also maintains NRE Accounts. Indian rupees cannot be deposited in such accounts.

### ***B. Nomination***

- a. The Bank recommends that all depositors avail nomination facility. The nominee, in the event of death of the depositor/s, would receive the balance outstanding in the account as a trustee of legal heirs. The depositor will be informed of the advantages of the nomination facility while opening a deposit account.
- b. Nomination facility is available on all deposit accounts opened by individuals. Nomination is also available to an account opened by a sole proprietor.
- c. Nomination can be made in favour of one individual only.
- d. Nomination so made can be cancelled or changed by the account holder/s at any time. Nomination can be modified by the consent of the account holder/s.
- e. Nomination can be made in favour of a minor also. However, a major has to be appointed to receive the amount of the deposit of the nominee in the event of death of the account holder during the minority of the nominee.
- f. In the case of nomination made by an illiterate or blind account holder, the thumb impression of the account holder shall be attested by two witnesses.
- g. In case a depositor opening the account does not want to nominate, a specific letter to the effect that he does not want to make nomination shall be submitted to the Bank. In case the person opening the account declines to give such a letter, the bank shall record the fact on the account opening form and proceed with opening of the account if otherwise found eligible.
- h. The Bank shall acknowledge in writing, to the depositor or depositors concerned the filing of the relevant duly completed Form of nomination or cancellation of nomination or variation of nomination, as the case may be, in respect of a deposit.
- i. The Bank shall, in addition to the legend “Nomination Registered”, also indicate the name of the Nominee in the Pass Books / Statement of Accounts / Fixed Deposit Receipts, in case the customer is agreeable to the same.

### **C. *Mode of Operation***

- a. 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).
- b. Operation of 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 such guardian only.
- c. The joint account holders can give any of the following mandates for operation of the account and in the event of the death of any of the account holders, the balance in the credit of the account will be payable to the survivor:
  - i. Former or Survivor: If the account is held by two individuals say, A & B, the account will be operated by the former only. The final balance along with interest, if applicable, will be paid to the former or survivor on death of anyone of the account holders.
  - ii. Either or Survivor: If the account is held by two individuals say, A & B, the account may be operated by either of the account holders. The final balance along with interest, if applicable, will be paid to the survivor on death of anyone of the account holders.
  - iii. Anyone or Survivor/s: If the account is held by more than two individuals say, A, B and C, the account may be operated by any of the account holders. The final balance along with interest, if applicable, will be paid to the survivor on death of any two account holders.
  - iv. Jointly by or Survivor: If the account is held by two individuals say, A & B, the account has to be operated by both the account holders jointly at all times. The final balance along with interest, if applicable, will be paid to the survivor on death of anyone of the account holders.
- d. In case of term deposits, the above mandates will be applicable to or become operational only on or after the date of maturity of term deposits. This mandate can be modified by the consent of all the account holders.
- e. At the request of the depositor, the Bank will register mandate / power of attorney given by him authorizing another person to operate the account on his behalf.
- f. 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 case of absence of any instructions, deposits will be treated as an auto renewal deposit and will be renewed for a similar period.

- g. The deposit accounts may be transferred to any other branch of the Bank at the request of the depositor.

***D. Pass Book / Statement of Accounts***

A Pass Book will be issued to all Savings Bank Account Holders at the time of opening the account while a statement of account will be provided by the Bank to Current Deposit Account Holders periodically as per terms and conditions of opening the account.

***E. Issue of Cheque Books***

Fresh cheque books will be issued only against production of duly signed requisition slips from previous cheque book issued to the party. In case the cheque book is issued against a requisition letter, the drawer would be required to come personally to the bank or cheque book would be sent to him under registered post directly without being delivered to the bearer. Loose cheques will be issued to the account holder only if he comes personally with a requisition letter and on production of passbook.

***F. Charges***

- a. For Deposit products like Savings Bank Account 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 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 cheque books, additional statement of accounts, duplicate passbooks, folio charges, etc. All such details, regarding terms and conditions for operation of the account and schedule of charges for various services provided will be communicated to the prospective depositor while opening the account.

**4. INTEREST PAYMENTS**

- a. Interest shall be paid on saving account at the rate specified by Reserve Bank of India directive from time to time. However, term deposit interest rates are decided by the Bank within the general guidelines issued by the Reserve Bank of India from time to time.
- b. 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. 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.

- c. The rate of interest on deposits will be prominently displayed in the branch premises. Changes, if any, with regard to the deposit schemes and other related services shall also be communicated upfront and shall be prominently displayed.
- d. 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.

## **5. USE OF ELECTRONIC MODE OF PAYMENT FOR LARGE VALUE TRANSACTIONS**

The Reserve Bank of India has put in place electronic modes of Payments namely, Real Time Gross Settlement (RTGS) System, National Electronic Fund Transfer (NEFT) System and Electronic Clearing Service (ECS).

Value payments of any amount may be routed through NEFT while value payments above ₹ 2 lakhs may be routed through RTGS.

## **6. MINOR ACCOUNTS**

- a. Savings Bank Account can be opened by a minor jointly with natural guardian or with mother as the guardian (Status: known as Minor's Account). Savings account can also be opened by a minor represented by guardian or jointly with a major, where minor is represented by natural guardian.
- b. Accounts in the names of 2 minors are not permissible. Similarly, Joint account in the names of 2 minors jointly with parent/s is not permissible.
- c. Minors above the age of 14 will also be allowed to open and operate saving bank account independently. However, no overdrafts will be granted to these minors. A minor cannot open a current deposit account. Minors above the age of 14 will also be allowed to open and operate Savings account subject to restrictions on transactions and no cheque books will be provided to such accounts. The balance in such an account must not exceed ₹ 100000/-.
- d. In an account opened by a guardian (i.e. Savings or Term Deposit) in the name of a minor, the guardian's authority to operate on the account is automatically terminated as soon as the minor attains majority. From that date onwards the erstwhile minor, now a major, alone can operate the account.
- e. 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. A new account should be obtained after the minor attains majority.

## **7. ACCOUNTS OF ILLITERATE PERSONS**

- a. The Bank may at its discretion open deposit accounts other than Current Accounts of an illiterate person. The account of such person may be opened provided he / she calls on the Bank personally along with an introducer who should be an existing account holder who has a well maintained account with the Bank for at least a year.
- b. Normally, no cheque book facility is provided for such Savings Bank Account.
- c. At the time of withdrawal / repayment of deposit amount and / or interest, the account holder should affix his / her thumb impression or mark in the presence of the authorised officer who should verify the identity of the person. In the case of a male, the left hand thumb impression is required while in the case of a female, the right hand thumb impression is required.
- d. The Bank will explain the need for proper care and safe keeping of the passbook, etc. given to the account holder. The Bank official shall explain the terms and conditions governing the account to the illiterate person.

## **8. OPERATION OF BANK ACCOUNTS BY OLD / SICK / INCAPACITATED CUSTOMERS**

The cases of sick / old / incapacitated account holders fall into the following categories:

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

In order to facilitate old / sick / incapacitated bank customers to operate their bank accounts, the Bank may follow the below given procedure:

- a. Wherever thumb or toe impression of the sick / old / incapacitated account holder is obtained, it would have to be identified by two independent witnesses known to the bank, one of whom would be a responsible bank official.
- b. Where the customer cannot even put his / her thumb impression and also would not be able to be physically present in the bank, a mark obtained on the cheque /

withdrawal form which would have to be identified by two independent witnesses, one of whom would be a responsible bank official.

In such cases, the customer may be asked to indicate to the bank as to who would withdraw the amount from the bank on the basis of cheque / withdrawal form as obtained above and that person would be identified by two independent witnesses. The person who would be actually drawing the money from the bank would be asked to furnish his signature to the bank.

**9. OPENING / OPERATION OF BANK ACCOUNTS BY PERSONS WITH AUTISM, CEREBRAL PALSY, MENTAL RETARDATION AND MULTIPLE DISABILITIES**

The Bank will rely upon the Guardianship Certificate issued either by the District Court under Mental Health Act or by the Local Level Committees set up under the National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 for the purposes of opening / operating bank accounts. The Bank will also ensure that their branches give proper guidance so that the parents / relatives of the disabled persons do not face any difficulty in this regard.

**10. 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.

**11. RECEIPT OF FOREIGN CONTRIBUTIONS BY VARIOUS ASSOCIATIONS / ORGANISATIONS IN INDIA UNDER FOREIGN CONTRIBUTION (REGULATION) ACT, 1976**

The Foreign Contribution (Regulation) Act, requires that the associations having a definite cultural, economic, educational, religious and social programme and receiving foreign contribution should get themselves registered with the Ministry of Home Affairs, Government of India and receive foreign contribution only through such one of the branches of a bank, as an association may specify in its application for registration with the Ministry of Home Affairs.

Further, the said Act provides that every association referred to in sub-section (1) of Section (6) may, if it is not registered with the Central Government, accept any foreign contribution only after obtaining prior permission of the Central Government.

There are also certain organisations of a political nature, not being political parties (including their branches/units) specified by the Central Government under Section 5(1) of the Act. These organisations require prior Permission of the Central Government for

accepting any foreign contribution. In this regard, the Bank will take the following precautions:

- a. To afford credit of the proceeds of cheques / drafts representing foreign contribution only if the association is registered with the Ministry of Home Affairs, Government of India.
- b. To insist on production of a communication from the Ministry of Home Affairs conveying prior permission of the Central Government for acceptance of specific amount of foreign contribution in case the association is not registered under the Foreign Contribution (Regulation) Act, 1976.
- c. Not to afford credit to the account of such associations as are not registered with the Ministry of Home Affairs separately for the purpose of accepting foreign contribution under the Foreign Contribution (Regulation) Act, 1976.
- d. Not to afford credit to the account of such associations as have been directed to receive foreign contributions only after obtaining prior permission of the Central Government.
- e. Not to allow the credit of the proceeds of the cheques / demand drafts etc. to the organisations of a political nature, not being political parties (including their branches and units) unless a letter containing the prior permission of the Central Government under the Foreign Contribution (Regulation) Act, 1976 is produced by such organisations.
- f. To note the registration number as conveyed by the Ministry of Home Affairs to the various associations in the relevant records particularly the pages of the ledgers in which the foreign contribution accounts of associations are maintained to ensure that no unwanted harassment is caused to such associations.
- g. In case any cheque / demand draft has been tendered to the bank for realisation of its proceeds and credit to the account of the association / organisation by an association or organisation which is not registered or which requires prior permission, as the case may be, the concerned branch of the bank may approach the Ministry of Home Affairs for further instructions. In no case the Bank will credit the account of association / organisation of a political nature, not being a political party, as specified by the Central Government and of an unregistered association, unless the association / organisation produces a letter of the Ministry of Home Affairs conveying permission of the Central Government to accept the foreign contribution.
- h. Where prior permission has been granted such permission is to accept only the specific amount of the foreign contribution which would be mentioned in the relevant letter. The Ministry of Home Affairs is invariably endorsing a copy of the order of registration or prior permission for each association / organisation to the

concerned branch of the Bank through which the foreign contributions are to be received for credit to the Associations / Organisations deposit account.

**12. 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. The Bank shall declare their penal interest rates policy for premature withdrawal of term deposit. The Bank shall make depositors aware of the applicable rate along with the deposit rate.

**13. PREMATURE WITHDRAWAL OF TERM DEPOSIT FOR THE PURPOSE OF REINVESTMENT FOR A LONGER TERM**

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 on the date of deposit to the period for which the deposit remained with the Bank and not at the contracted rate. Further, the Bank shall not levy penalty for premature closure of an existing deposit for the purpose of reinvestment for a longer term.

**14. RENEWAL OF TERM DEPOSITS**

Depositors should indicate clearly while investing in a term deposit, whether they wish that the deposit be automatically renewed on maturity or the proceeds should be transferred to their account. In case of absence of instructions, the Bank will automatically renew the deposit for the same period that the deposit was held with the Bank. The depositor will be intimated with regards to the automatic renewal of his deposit.

**15. 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 the minor, however, a suitable declaration stating that loan is for the benefit of the minor, is to be furnished by the depositor – applicant.

**16. SETTLEMENT OF DUES IN DECEASED DEPOSIT ACCOUNTS**

- a. 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.

- b. The above procedure will be followed even in respect of a joint account where nomination is registered with the Bank.
- c. 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.
- d. In the absence of nomination and when there are no disputes among the claimants, the Bank will pay the amount outstanding in the account of the deceased person against joint application and indemnity by all legal heirs or the person mandated by the legal heirs to receive the payment on their behalf without insisting on legal documents up to the limit approved by the Bank’s board. This is to ensure that the common depositors are not put to hardship on account of delays in completing legal formalities.

**17. INTEREST PAYABLE ON TERM DEPOSIT IN DECEASED ACCOUNT**

- a. 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 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.
- b. 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 obtaining on the date of maturity from the date of maturity till the date of payment.

**18. PREMATURE TERMINATION OF TERM DEPOSIT ACCOUNTS OF A DECEASED PERSON**

In the event of the death of the depositor, premature termination of term deposits would be allowed. Such premature withdrawal would not attract any penal charge.

**19. TREATMENT OF FLOWS IN THE NAME OF THE DECEASED DEPOSITOR**

In order to avoid hardship to the survivor(s) / nominee of a deposit account, the Bank will obtain appropriate agreement / authorization from the survivor(s) / nominee with regard to the treatment of pipeline flows in the name of the deceased account holder. In this regard, the Bank could consider adopting either of the following two approaches:

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

**OR**

- b. The Bank could be authorized by the survivor(s) / nominee to return the pipeline flows to the remitter with the remark "Account holder deceased" and to intimate the survivor(s) / nominee accordingly. The survivor(s) / nominee / legal heir(s) could then approach the remitter to effect payment through a negotiable instrument or through ECS transfer in the name of the appropriate beneficiary.

## **20. SETTLEMENT OF CLAIMS IN RESPECT OF MISSING PERSONS**

The Bank will follow the below given procedure in case a claim is received from a nominee / legal heirs for settlement of claim in respect of missing persons:

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

## **21. STOP PAYMENT FACILITY**

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

## **22. INOPERATIVE / DORMANT ACCOUNTS**

Accounts which are not operated for a period of two years 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 will levy on dormant / inoperative accounts. The depositor can request the Bank to activate the account for operating it.

## **23. UNCLAIMED DEPOSITS**

Unclaimed deposit accounts which have not been operated upon for 10 years or more, as at the end of each calendar year, will be reported to the Reserve Bank of India.

Operations in such accounts will not be allowed in the usual course but after obtaining the authorisation of a higher official.

#### **24. INSURANCE COVER FOR DEPOSITS**

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

#### **25. 'KNOW YOUR CUSTOMER' (KYC) GUIDELINES AND ANTI MONEY LAUNDERING (AML) STANDARDS**

The Bank will follow the KYC guidelines as issued by the Reserve Bank of India relating to identification of depositors to prevent financial frauds, identify money laundering and suspicious activities, and for scrutiny / monitoring of large value cash transactions.

It may be appreciated that KYC norms/AML standards/CFT measures have been adopted to ensure that criminals are not allowed to misuse the banking channels.

#### **26. 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 strictly with the consent of the account holder.

#### **27. SECRECY OF CUSTOMER 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.

#### **28. REDRESSAL OF COMPLAINTS & 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 complaints / grievances. The details of the internal set up for redressal of complaints / grievances will be displayed in the branch premises. 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 date of complaint or he is not satisfied with the response received from the Bank, he has a right to approach Banking Ombudsman appointed by the Reserve Bank of India.