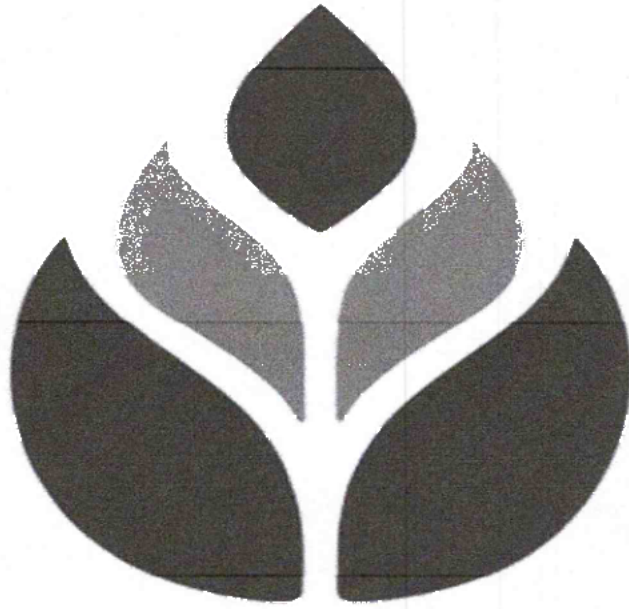




GUJARAT GRAMIN BANK

Deposit Policy

Version Control

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DEPOSIT POLICY

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DEPOSIT POLICY

1. 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 / advices 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, Bank is now free to formulate deposit products within the broad guidelines issued by RBI.

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

This document is a broad framework under which the Rights of common Depositors are recognized. Bank reserves the right to amend/modify this policy as and when deemed fit and proper at its sole discretion. Detailed operational instructions on various Deposit Schemes and related services are issued from time to time.



CHAPTER 1

2. TYPES OF DEPOSIT ACCOUNTS AND DEFINITIONS:

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 are as under: -

1. **"Demand Deposits"** means a Deposit received by the Bank which is withdrawable on demand.
 - a) **"Savings Deposits"** 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.
 - b) **"Basic Savings Bank Deposit (BSBD) Account"** is a demand deposit account opened for greater financial inclusion. Such accounts opened based on simplified KYC norms are additionally treated as a "Small Account" subject to conditions stipulated by RBI.

Features of BSBD Accounts:

- The Account will be KYC compliant and shall not have the requirement of any minimum balance.
- The services available in the account will include deposit and withdrawal of cash at Bank branch as well as ATMs/CDMs; receipt / credit of money through electronic payment channels or by means of deposit / collection of cheques drawn by Central / State Government agencies and departments.
- No limit on number and value of deposits that can be made in a month.
- Maximum of four withdrawals in a month, including ATM withdrawal would be free.
- Facility of ATM card or ATM-cum-Debit Card.
- Offering additional services will not make the account a non-BSBD account, so long as the prescribed minimum services are provided free of charge.
- The holder of a BSBD account shall not be eligible to open another BSBD account in the same Bank or any other Bank. Accordingly, before opening a new BSBD account or converting an existing savings bank account to a BSBD account, the Bank shall obtain a declaration from the customer that he / she does not have a BSBD account in any bank. If a customer has any other existing Savings Bank deposit account in our Bank, they will be required to close it within 30 days from the date of opening a Basic Savings Bank Deposit Account.



While opening BSBD accounts customers consent in writing shall be obtained that their existing non-BSBD account will be closed within 30 days of opening BSBD accounts and Bank is free to close such accounts after 30 days.

▪ A customer may convert his / her existing savings bank account to a BSBD account. The Bank shall convert the existing savings bank account to BSBD account within seven days of receipt of request in writing from the customer for such conversion. Such an option shall also be provided to customers through digital channels.

“Basic Saving Bank Deposit (BSBD) Small Accounts” are the same as Basic Savings Bank Deposit Account (BSBD) but are opened when the customer does not provide any Official Valid Document for full KYC. An individual who desires to open a BSBD-Small Account may be allowed to open such an account on production of a self-attested photograph and affixation of signature or thumb print, as the case may be, on Account Opening Form, in the presence of an official of the Bank.

Features of BSBD Small Accounts

- The aggregate of all credits in a financial year must not exceed Rupees one lakh.
- The total of debits by way of cash withdrawals and transfers will not exceed ten thousand rupees in a month.
- The balance at any point of time does not exceed Rupees fifty thousand.
- The accounts are initially valid for 12 months only. Further transactions will be permitted only if the customer submits KYC documents or proof of having applied for KYC documents. If the customer submits proof of having applied for KYC documents, the account will be allowed to continue for a period of 24 months from the date of opening of account. If the customer submits KYC documents, the account should be converted to BSBD/ Regular Savings Bank Account at the discretion of the customer. No transactions should be permitted after 24 months of opening the account if the customer fails to submit KYC documents.
- Maximum balance in the account should not exceed Rupees fifty thousand at any point of time. Total debits by way of cash withdrawals and transfers will not exceed Rupees ten thousand in a month. Total credits in such accounts should not exceed Rupees one lakh in a year.
- Foreign remittances cannot be credited to Small Accounts without completing normal KYC formalities.



- If at any time the balance exceeds Rs.50,000/- or the total credit summations during the year exceeds Rs.1,00,000/-, further transactions should not be allowed. Such accounts should either be converted to BSBD or Regular Savings Bank accounts on submission of KYC documents.
- d) "**Current Account Deposits**" means a form of non-interest bearing demand deposit where withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount and shall also be deemed to include other deposit accounts which are neither Savings Deposit nor Term Deposit.
 2. "**Term Deposit**" means an Interest bearing deposit received by the Bank for a fixed period and include Deposits such as Recurring /Cumulative/Annuity /Reinvestment deposits and Cash Certificates;
 3. "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.
 4. "Daily Product" means the interest applied on the end of day balance.
 5. "Domestic Rupee Deposits" mean rupee deposits maintained in India in the form of current account, savings deposits or term deposit.
 6. "Family" includes members as mentioned in the bank's Service/ Staff Regulations.
 7. "Hindu Undivided Family" (HUF) means HUF as defined under Income-tax Act, 1961.
 8. "Individual" means a natural person.
 9. "Member of the bank's Staff" means a person employed on a regular basis, whether full-time or part-time, and includes a person recruited on probation or employed on a contract of a specified duration or on deputation and an employee taken over in pursuance of any scheme of amalgamation but does not include a person employed on casual basis.
 10. Retired Member of the bank's Staff" means an employee retiring whether on superannuation or otherwise as provided in the bank's Service/ Staff Regulations.
 11. "Bulk Deposit" Single Rupee term deposits of Rupees One crore and above for Regional Rural banks and LABs.



Modes of Deposits:

Deposits in account can be made by way of cash, cheques, electronic transfers (RTGS, IMPS, UPI), ECS, or through any other means such as Internet/Mobile Banking which may come into usage after giving due notice by the Bank on its web site. Cash Deposits transactions at non-home branches are subject to certain restrictions and may also involve payment of service charges.

Modes of Withdrawal:

Withdrawals in account can be by way of Cheques, Withdrawal forms, through the use of ATM's, POS machines, by means of electronic transfer through Internet, by use of AePS, by giving Standing Instructions to the Bank, ECS. Cash withdrawal should be in round rupees. Bank does not carry out any financial transactions requested by the Customers through e-mail even if the request is made by a letter scanned as an attachment.

3. ACCOUNT OPENING & OPERATIONS OF DEPOSIT ACCOUNTS

3.1 Account Opening:

The Bank will provide its customers with details of various types of accounts that they may open with the Bank. Customers can make a choice on what type of account best suits them, based on their requirements and applicable guidelines.

- a) The Bank before opening any Deposit account will carry out due diligence as required under "Know Your Customer" (KYC), "Anti Money Laundering" 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 and the final decision of the Bank will be conveyed at the earliest to him.
- b) The Bank is committed to provide basic Banking services to disadvantaged sections of the society. Banking services will be offered to them through small accounts, BSBD accounts / PMJDY accounts. Small accounts will be opened with relaxed KYC norms as per regulatory guidelines. PMJDY Savings Bank account holders may be provided with overdraft facilities as per regulatory norms and guidelines provided by regulators from time to time. As per regulatory guidelines, a customer can have only one BSBD / PMJDY account and is not allowed to have any other Savings Bank Account.



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 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 including information to prepare a profile for Risk categorization of the Customer into High /Medium /Low when he approaches for opening a Deposit Account. The Bank may not open account where the prospective customer is unable to furnish information and or in the event of non-cooperation by him. 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.

d) For deposit products of Savings Bank Account and Current Deposit Account, the Bank would normally stipulate certain minimum balances to be maintained from time to time as part of Terms and Conditions governing operation of such accounts. In case of BSBD / PMJDY accounts relaxation in minimum balance norms as per regulatory guidelines will be provided. Failure to maintain minimum balance in the account may attract levy of charges or conversion of accounts to different product 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 given period. Similarly, the Bank may specify charges for issue of cheque 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 displayed by the Bank on its web site.

e) Savings Bank Account can also be opened by a minor under guardianship of guardian, either natural or court-appointed (Status: known as Minor's Account). Minors above 10 years of age who can sign uniformly can also open a savings account and operate independently.

Eligibility for Account Opening:

- a) **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).
- b) **As per Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions. 2025**, Bank shall not Open a Savings deposit account in the name of Government departments / bodies depending upon budgetary



allocations for performance of their functions / Municipal Corporations or Municipal Committees / Panchayat Samitis / State Housing Boards / Water and Sewerage / Drainage Boards / State Text Book Publishing Corporations / Societies / Metropolitan Development Authority / State / District Level Housing Co-operative Societies, etc. or any political party or any trading/business or professional concern, whether such concern is a proprietary or a partnership firm or a company or an association and entities other than individuals, Karta of HUF and organisations/agencies listed by RBI in **Schedule -I**.

Explanation. For the purposes of this clause, 'political party' means an association or body of individual citizens of India, which is, or is deemed to be registered with the Election Commission of India as a political party under the Election Symbols (Reservation and Allotment) Order, 1968 as in force for the time being.

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 28(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 programs / 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.



- c) **Current Accounts** can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies / Trusts, Departments of authority created by Government (Central or State), Limited Liability Partnership etc.

While opening the current account, Bank shall check the customer's exposure to Banking System as per extant guideline of RBI and open the account with compliance of the same. Hence necessary documents for opening Current account will be obtained by Branch and will be forwarded to respective Region Office, after approval from Region Office, Branch will open the current account.

- d) **Term Deposits Accounts** can be opened by Individuals / Partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates / Societies / Trusts, Departments of authority created by Government (Central or State), Limited Liability Partnership, etc.

The due diligence process, while opening a deposit account will involve satisfying the identity of the person, verification of address, satisfying his occupation and source of income. Obtaining a recent photograph (not in case of time deposit opened under existing relationship) of the person/s opening / operating the account is part of the due diligence process. In addition to the due diligence requirements, as per KYC norms, the Bank is required by law to obtain a Permanent Account Number (PAN) or declaration in Form No. 60 as specified under the Income Tax Act/Rules.

3.2 Operations of Deposit Accounts:

- 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) The Joint Account opened by more than one individual can be operated by single individual or by more than one individual jointly (Jointly by all/ Either or Survivor/ Anyone or Survivor/ Latter or Survivor / Former or Survivor). Operating instructions of this nature are obtained from the customer at the time of account opening or at a later date with due consent of all the account holders. The Savings Bank Account opened by minor jointly with natural guardian / legal guardian can be operated by natural guardian / legal guardian only.
- c) Individuals resident in India may be permitted to include non-resident close relative (s) (relatives as defined in Section 6 of the Companies Act, 1956) as a joint holder (s) in their resident Bank accounts on "Former or survivor" basis. However, such non-resident Indian close relatives shall not be eligible to



operate the account during the life time of the resident account holder. (RBI circular no. RBI/2011-12/173 dated 15.09.2011).

3.3 **Operational Instructions:**

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

- a) **Either or Survivor:** If the account is held by two individuals say, A & B, the final balance along with interest, if applicable, will be paid to survivor on death of anyone of the account holders. Account can be operated with sign of any one.
- b) **Anyone or Survivor/s:** If the account is held by more than two individuals say, A, B and C, the final balance along with interest, if applicable, will be paid to the survivor on death of any two account holders. Account can be operated with signature of any one.
- c) **Former or Survivor:** If the account is held by two individuals 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 survivor (B) on death of any one of the account holders. The clause "Former or Survivor" becomes effective only in case of death of the original depositor and the second named account holder (B) does not have right to revoke the instructions during the lifetime of the first named account holder (A).
- d) **Latter or Survivor:** If the account is held by two individuals say, A & B, the final balance along with interest, if applicable, will be paid to latter (B) on maturity and to survivor on death of any one of the account holders

Clarification: A joint account opened as "Either or Survivor" or "Anyone or Survivors" or "Former or Survivor" or "Latter or Survivor" will permit the surviving account holder(s) to have unimpeded access to the credit balance in the account for withdrawal if one of the co-account holders dies.

The above mandates can be provided to the Bank at the time of opening the account or can be changed at any time later during the term of Deposit. Such Mandates can be modified by the consent of all the account holders.

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. In the normal circumstances premature closure of a joint deposit shall be permitted only if all the deposit holders sign a request to that effect.



3.4 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. However, the name of the first (considered to be the principal holder) cannot be deleted. Moreover, in no case should the amount or duration of the original deposit undergo a change in any manner in case the deposit is a term deposit.

3.5 Nomination:

3.5.1. Nomination facility is available on all deposit accounts opened by the individuals singly or jointly. This is not available in accounts in the name of an Institution or Society or in any representative capacity as the holder of an office or otherwise. e.g. M.D. of a Company, Secretary of an Association, Partner of a Firm, Karta of aHUF etc. However, the facility of nomination is available in respect of deposits held in the name of a sole Proprietary Concern also.

3.5.2 Nomination can be made in favour of **one or more persons not exceeding four, either successively or simultaneously only**. (Ref. - The Gazette of India having number CG-DL-E-15042025-262453 dated 15-04-2025) Nomination so made can be cancelled or changed by the account holder/(s) any time.

- Where the nomination is made **successively** in favour of more than one person under point no. (ii), the nomination shall be effective only in favour of one person in the order of priority specified in section 45ZG.
- Where the nomination is made **simultaneously** in favour of more than one person under point no. (ii), the nomination shall be effective in favour of all such persons in proportion to which it is declared, and the following terms and conditions shall apply, namely
 - a) the nomination shall not be made in favour of more than four persons;
 - b) the nomination shall explicitly state the proportion of amount of deposit in percentage in favour of each nominee;
 - c) the nomination shall be made in respect of the whole amount of deposit;
 - d) if any nominee dies before receiving deposit from the bank, the nomination in respect of such nominee alone shall become ineffective and the amount of deposit purported to be nominated in favour of deceased nominee shall be treated as if nomination had not been made in respect of that portion of deposit,

and any nomination which does not comply with any of the terms and conditions specified in clauses (a) to (c), shall be invalid, as if nomination had not been made by the depositor or all the depositors together, as the case may be.”.



- Where one or more individuals hire a locker from the bank, whether such locker is located in the safe deposit vault of the bank, the individual or, as the case may be, all the individuals together, may nominate one or more persons not exceeding four, successively, to whom, in the event of the death of the sole hirer or the death of all the hirers, the bank may give access to the locker and liberty to remove the contents of the locker.
- As per, The Gazette of India having number CG-DL-E- 15042025-262453 dated 15-04-2025, in the Banking Regulation Act of 1949, after section 45ZF, the following section has been inserted, namely “45ZG”, which addresses the priority of nominations in cases where a depositor has nominated multiple individuals for the deposit: -

• 45ZG

- (1) Where the nomination is made in favour of more than one person successively under sub-section (1) of section 45ZA or sub-section (1) of section 45ZC or sub-section (1) of section 45ZE, the nomination shall be effective only in favour of one person in the following order of priority, namely: -
 - a) nomination of the first nominee shall be effective if that nominee survives the person or persons who made the nomination;
 - b) nomination of the second nominee shall become effective only after the death of the first nominee;
 - c) nomination of any nominee lower in the order of nomination shall become effective only after the death of all the nominees whose names are higher in the order of nomination.
 - (2) Where the order of nomination is not mentioned, persons shall be deemed to have been nominated in the order in which their names appear in the nomination.
 - (3) The provisions of this section shall not apply to the nominations made simultaneously in favour of more than one person under sub-section (1) of section 45ZA.”.
- 3.5.3 In case of depositors putting his/her thumb impressions on the prescribed forms for making nominations, cancellation or change thereof, the form is required to be attested by two witnesses. Nomination can be made in favour of a minor also.
- 3.5.4 Printing of name of Nominee is available in the Passbook/Term Deposit advices/statement of accounts, if a customer opts for this. Nomination facility is available for joint deposit accounts with operating instructions as 'E' or 'S' also. In the case of joint accounts, the nominee's right arises only after the death of all the depositors. Bank recommends that all depositors avail of the nomination facility for smooth settlement of claim by the legal heirs in unforeseen



circumstances. 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.

- 3.5.6 Bank recommends that all depositors avail Nomination facility. If depositors do not want to give nomination, they will give in writing that they do not want nomination in the account. The depositor will be informed of the advantages of the nomination facility while opening a deposit account.
- 3.5.7 An acknowledgment of Nomination details will be issued to the depositor/s on request .

3.6 Minor's Accounts:

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 provided the minor should be able to read and write and be capable in the opinion of Branch Manager/ Joint Manager of understanding what he/she does. However, no cheque books will be issued and no overdraft /loan will be granted to such Minor Accounts.

- a) The account can also be opened jointly with natural guardian / Legal guardian (appointed by the Court) or with mother as the guardian.
- b) On attaining majority, the erstwhile minor should confirm the balance in his/her account and if the account is operated by the natural guardian, fresh specimen signature and the photograph of erstwhile minor duly verified by the natural guardian would be obtained and kept on record for all operational purposes. Cheques issued by the guardian prior to the date of minor becomes major but presented after the minor becomes major would require confirmation from the minor.
- c) Time Deposits account may also be opened in name of minors.
- d) Minors can open account through BC points under Financial Inclusion Scheme.

3.7 Account of Illiterate/Blind Person:

The Bank may at its discretion open deposit accounts other than Current Accounts of illiterate person. The account of such 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. 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/blind person.

Joint account of an illiterate can be opened with a literate close relative i.e. father, son, husband, wife, mother and daughter but not with two cousins.



Joint account of two or more illiterates can be opened on following terms and conditions that All the joint account holders should be close relatives i.e. spouse, children, parents, brothers and unmarried sisters. — Not cousins. The operations in the account should be allowed jointly by all account holders, survivors or survivor. No cheque book facility should be provided in case of illiterate account and all the account holders should come personally to the branch for withdrawals.

A Blind/visually challenged person can open ordinary or cheque operated deposit account in his/ her sole name or jointly with other person(s) or in the names of sole proprietorship concerns / firms/ partnerships where a Blind / visually challenged person (s) is / are one of the account holders. The account of such 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. All banking facilities such as cheque book, ATM facility, INB, lockers, retail loans etc. are offered to visually challenged persons without any discrimination.

The facilities provided to Sick, Old and Incapacitated Persons (regarding operations of accounts through identification of thumb/ toe impression/mark by two independent witnesses and authorizing a person who would withdraw the amount on behalf of such customers) shall also be extended to Customers with visual impairment/disability.

3.8 Account of Persons with Autism, Cerebral Palsy, Mental Retardation and 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 under Mental Health Act, 1987 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 under Disabilities Act, 1999. Legal guardian, so appointed, will furnish such Guardianship Certificate as per the local law in force along with KYC of Guardian and person suffering from such disability.

3.9 Accounts of Prisoner(s)

Instances when prisoner or jail authorities approach for opening of SB account:

- a) In the absence of prescribed KYC documents, "Small Account" on production of a self-attested photograph and affixation of signature or thumb print as the case may be on the account opening form shall be obtained and the account opened.
- b) In case prescribed KYC documents are received, Regular/BSBD accounts shall be opened at the option of the prisoner(s).
- c) Necessary arrangements including deputing officials to the jail for obtaining signature/thumb impression or performing bio-metric authentication of the



Aadhaar number of prisoner(s) may be arranged with necessary assistance from the jail authorities.

- d) Provided that where the individual is a prisoner in a jail, the signature or thumb print shall be affixed in presence of the officer in-charge of the jail and the said officer shall certify the same under his signature and the account shall remain operational on annual submission of certificate of proof of address issued by the officer in-charge of the jail.

3.10 Opinion of IBA in case of a person who cannot sign due to loss of both hands

Opinion obtained by the Indian Banks' Association from their consultant on the question of opening of a bank account of a person who has lost both his hands and could not sign the cheque / withdrawal form is as under:

"In terms of the General Clauses Act, the term "Sign" with its grammatical variations and cognate expressions, shall with reference to a person who is unable to write his name, include "mark" with its grammatical variations and cognate expressions. The Supreme Court has held in AIR 1950 — Supreme Court, 265 that there must be physical contact between the person who is to sign and the signature can be by means of a mark. This mark can be placed by the person in any manner. It could be the toe impression, as suggested. 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".

3.11 Account of Transgender Persons:

Transgender persons can decide their self-identified gender such as male, female or third gender, which has been made available in all forms/applications etc.

All transgender customers shall be treated equally to other male/female customers without any discrimination.

3.12 Transfer of Account:

The deposit accounts may be transferred to any other branch of the Bank at the request of the depositor. The account number will continue to be same.

3.13 Account Statement:

A statement of account will be provided by the Bank to Savings Bank as well as Current Deposit Account Holders periodically as per Terms and Conditions of opening of the account. Alternatively, the Bank provides facility of Passbook also.



3.14 Interest Payment:

- **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.
- **Interest Rate on Domestic Savings Deposit:** - Interest is calculated on a daily product basis (interest applied on the end of day balance) at the rates as under:
 - The rates shall not be subject to negotiation between the depositor and the Bank. A uniform interest rate shall be set on balance up to Rupees one lakh, irrespective of the amount in the savings account within this limit.
 - Differential rates of interest may be provided for any end-of-day savings bank balance exceeding Rupees one lakh.
- **Periodicity of Payment of Interest on Domestic Savings Deposit**

The periodicity of credit interest in Rupee Savings Bank accounts, including NRE/NRO SB accounts is quarterly.

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

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.

Rate of interest will be prominently displayed in Branch Premises. The latest rate of interest is being displayed on Bank's website as and when there is a change.

3.15 Debit Card Hot Listing:

The Bank will accept ATM Card / Debit Card hot listing instructions from customers through Digital Mode, Customer Care Phone Banking channel - 24 hours a day and from branch channel during Business hours.

3.16 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.



3.17 Dormant Accounts/inoperative Accounts:

As per extant Reserve Bank of India (RBI) guidelines, an account would be treated as inoperative / dormant if there are no customer induced transactions in the account for over a period of two years. The status of account is changed to dormant in the system in the interest of the depositor as well as the Bank. If there is no operation in the account for one year, the account is treated as potentially dormant account and the depositor will be informed to operate the said account to prevent such account from becoming dormant. Operation in dormant accounts would be resumed / restarted /allowed after obtaining the revised KYC document as per the extant guidelines of the Bank. However, it will be ensured that the customer is not inconvenienced in any manner as a result of extra care taken.

3.18 Unclaimed Account/Deposit:

An Account / Deposit would be treated as unclaimed if it is inoperative for 10 Years or more. A list of such accounts / deposits shall be displayed on the Website of the Bank. The list so displayed on the Bank's website shall contain only the names of the account holder(s) and his / her / their address.

Such Unclaimed account would be transferred to a separate account status in the interest of the depositor and the Bank. No charges would be levied by the Bank for migrating an account from Dormant / Unclaimed to Operative account.

RBI has established "Depositors Education and Awareness Fund (DEAF-2014)" under Section 26 of Banking Regulation Act 1949, where all the credit balance lying in the unclaimed accounts required to be transferred. The Bank is liable to pay the amount to the depositor/claimant and claim refund of such amount from the Fund.

4. TERM DEPOSIT

Term Deposits, also known as Fixed Deposits or Time Deposits, are deposits accepted by the Bank for fixed period and are repayable on expiry of the fixed period. Interest is paid at quarterly rests to the depositor or compounded quarterly. At the specific request of the depositor, interest could be paid at monthly rests also, but at a discounted rate.

Tenor: -

Bank shall have the freedom to determine the maturity/tenor of the deposit subject to the condition that minimum tenor of Term Deposits shall be seven days. Our Bank is accepting Deposits for a minimum period of -7- days and maximum period of 10 Years (except in case of MACT deposit or directed by a court of law or tribunal)



4.1 Types of Term Deposit:

- a) **Fixed Deposit- Interest is periodically paid out:** - Deposits can be accepted for a period as prescribed by RBI from time to time. Interest shall be payable Quarterly / Monthly (at discounted rate).
- b) **Cumulative Term Deposit: - Interest accumulated on quarterly compounding basis:** - Deposits can be accepted for a period as prescribed by RBI from time to time. Interest is calculated on quarterly compounding basis. Interest on cumulative deposits is deemed as reinvested. No interest outflow is allowed under this scheme till the maturity of the Term Deposit.
- c) **Flexi Fixed Deposit (FFD):** - Selective schemes of Savings and Current Accounts have facility of Auto Sweep where balances above a certain threshold are swept out to Flexi Deposits in multiples of a sweep out amount (Threshold amount, sweep out amount and deposit period are scheme specific). Whenever the balance in a savings/current account fall short below (stipulated balance requirement) to clear any debits in the operative account, the FFD can be broken in last in first Out (LIFO) principle (in multiples of sweep out amount specific to scheme) as per the set process of the Bank.
- d) **Tax Savings Term Deposit:** - is a Term Deposit wherein the customer gets a Tax benefit under section 80 C Income Tax Act 1961 on the amount invested, although the interest paid on these deposits is taxable. Deposit can be made under RIRD/MIP/QIP Scheme. The deposit will be for a period of 5 years. Premature payment of Tax Savings Term Deposit is not permitted except in case of death of the depositor. No advance will be given against Tax Saver Fixed Deposits
- e) **Non-Callable Deposit: -**
 - i) As per Direction of RBI Bank can pay differential rate of interest on term deposit above Rs.1.00 crore and without premature withdrawal option.
 - ii) In light of above direction Bank has made Non-Callable Deposit where minimum deposit above Rs.1.00 crore with additional interest revised from time to time and without premature option.
 - iii) In exceptional condition premature withdrawal permission may be granted as per DAP. Exceptional Conditions are:
 - a. Branch made deposit erroneously.
 - b. Non-Callable auto renewed in non-callable scheme



- c. Customer wanted modification within 15 days of making of Non-Callable Deposit
- d. Customer's Death.
- e. Non-callable Deposit held in the name of Govt Bodies.
- iv) In case of Premature Withdrawal, the rate applicable to Non-Callable shall not be applicable and the deposit will be treated as Callable Term Deposit. Further 1% Penal Interest on callable deposit rate will be applicable for premature payment of deposits (i.e. the date of contract) for period for which the deposit has actually remained with the Bank or the Contracted Rate whichever is lower. Penalty will be not applicable in case of error made by the branch.
- f) **Tender Deposit, Guarantee money, Deposit of the amount of compensation etc. awarded by the Claims Tribunal etc. will be issued** in the name of the "Government Department - Account name of the Depositor" after obtaining application form, along with a letter from the depositor to the effect that the Deposit in question is taken as a security for due performance of his contract with the concerned government department and that the deposit might be held, renewed or released according to the instructions of the concerned department. Deposit receipt are delivered with a covering letter stating the party's (applicant's) name on whose account, it has been issued.

Deposits can also be accepted in respect of the awards made by Motor Accident Claims Tribunal. The interest on such deposits should be paid directly to the claimant or his guardian as the case may be. No loan or advance will be granted without the express permission of the court / Tribunal which ordered the deposit.

4.2 **Interest Payment:**

- 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. 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.

Provided also that differential interest shall not be applicable on deposits received under the Capital Gains Accounts Scheme, 1988 by commercial banks.

- 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 one crore and below shall have premature withdrawal facility.

- The interest rates applicable on term deposits withdrawn before the maturity date shall be as under:
 1. 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.
 2. No interest shall be paid, where premature withdrawal of deposits takes place before completion of the minimum period i.e., 7 days.

In terms of Reserve Bank of India directives, interest shall be calculated at quarterly compounding 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 on compounding basis 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.

Accordingly, Bank has adopted following methodology.

"In all cases of Domestic Term Deposits (period of deposit more than a year) where the terminal quarter is incomplete, interest should be calculated for complete quarter and the actual number of days, reckoning the year 365/366 days viz the calculation of interest on such deposits should be in order of completed quarters and days."

- i) Deposit placed for more than two quarters/six months but less than one-year interest will be calculated first for completed quarters and for terminal incomplete quarter, actual number of days reckoning the year at 365/366 days. Interest will be calculated and compounded at quarterly rests.
- ii) The Maturity Amount mentioned in the receipt is calculated without giving TDS effect. While calculating interest for half year (Quarterly compounded), the interest calculated for previous half year (quarterly compounded) minus TDS will be added to principal amount for calculating interest for current Half Year.
- iii) Deposit placed for more than one quarter/3 months to less than or equal to 181 days/6 months interest will be calculated first for completed quarter and thereafter for actual number of days if terminal quarter is incomplete reckoning year at 365/366 days. While calculating interest for days the



interest calculated for quarter will be added to principal amount for calculating interest for remaining days of terminal quarter.

iv) Deposit placed for period less than one quarter/3 months interest will be calculated for the actual number of days on the basis of 365/366 days in a year.

- Interest rates on NRE/ NRO deposits shall not be higher than those offered by the bank on comparable domestic rupee term deposits.
- The rate of interest on deposits will be prominently displayed in the branch premises and also on the Bank's official website. Changes, if any, with regard to the deposit schemes and other related services shall also be communicated upfront by way of public notice and/or on Bank's website and shall be prominently displayed. Interest is subject to TDS as per prevailing guidelines.
- All interest payments will be rounded off to the nearest rupee.
- 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 automatically renew the deposit as under.
 - If Deposit is placed for more than one year it will be automatically renewed for one year at the prevailing rate on due date.
 - If Deposit is placed for less than one year it will be automatically renewed for same period at the prevailing rate on due date

In case, the customer wishes to make changes in the tenure or wants premature proceeds of the Term deposit, the same is allowed at the written request of the customer. In case of deposits under callable scheme premature withdrawal of bulk deposit is done as per Bank's discretion.

4.3 Premature Withdrawal of Callable Term Deposit:

The Bank, on request from the depositor, at its discretion may allow withdrawal of Callable 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 from time to time. The components of penalty shall be clearly brought to the notice of the depositors at the time of acceptance of deposits and if not, no



penalty shall be levied.

Penal Interest Rate Policy for premature withdrawal of Term Deposit is as under:

- a) For premature withdrawal of all deposits interest will be paid one percent less than the rate which was applicable at the time of placing the Deposit for the period for which the deposit has actually run.
- b) Penalty is waived on settlement of claims in the deceased depositor's accounts and accounts with two or more joint depositors where one of the depositor has died, Interest is paid at applicable rate.
- 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) Penalty for prepayment of Term deposit for Rs. One Crore and above (for any period) will be allowed as per the discretion of Bank and after obtaining prior approval from the Head Office Authorities. In case of premature payment of deposits for Rs.1 Crore and above the following conditions will have to be complied with:
 - i) A penalty on premature close of deposit for Rs.1 Crore and above will be levied 100% from the applicable rate of interest for which the deposit has remained with the Bank.

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

In compliance with RBI directives, no interest is payable on pre-mature closure of NRE term deposits if the deposit remained with the bank for less than a year.

4.4 Renewal of Term Deposit before Maturity:

In case of callable deposits if 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 without penalty.

4.5 Renewal of Overdue Term Deposit:

As per the RBI guidelines issued vide RBI/2021-22/66 DoR.SPE.REC.29/13.03.00/ 2021-22 DATED- 02-07-21, if a Term Deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as under:

1. Whenever an overdue deposit is presented for renewal within 14 days of its maturity, the deposit will be renewed with effect from the date of maturity at interest rate applicable as on the due date.
2. Whenever an overdue deposit is presented for renewal after 14 days from its maturity, interest for the overdue period is to be paid as under:
 - The interest for the overdue period is to be calculated as per the interest rate applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower and interest will be added to the original maturity amount and new fixed deposit will be created with interest applicable as on the presentment date.
3. When the overdue deposit is presented for encashment, the amount left unclaimed with the bank shall attract rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower.

4.6 Advances against Deposit:

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 jointly with guardian however, a suitable declaration stating that loan is for the benefit of the minor, is to be furnished by the depositor - applicant.

No Loan facility shall be allowed to HUF and Minor in sole name.

4.7 Settlement of Dues in Deceased Deposit Account:

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 nominee after the Bank is satisfied about the identity of the nominee etc. Payment is made to nominee as representative of legal heirs.



The above procedure will be followed even in respect of a joint account where nomination is registered with the Bank.

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.

In a Term Deposit account held in joint names if operating instructions is "either or survivor", "Former or survivor" when one of the depositor dies, the payment will be made to survivor on maturity. If prepayment is demanded, it will be allowed only after obtaining consent of legal heirs of the deceased.

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.

4.8 Interest Payable on Term Deposit in Deceased Account:

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 till the date of payment, the Bank shall pay simple interest at the applicable rate as on the date of maturity, for the period for which the deposit remained with the Bank beyond the date of maturity.

However, in the case of death of the depositor after the date of maturity of the overdue deposit, the Bank shall pay interest at Savings Bank Deposit rate applicable on the date of maturity from the date of maturity till the date of payment.



CHAPTER - II

5. ACCOUNTS RELATED TO NON- RESIDENT INDIAN, PIO & OCI:

5.1 General information / Definition under FEMA:

- 1) “NRE account” means a Non-resident External deposit account referred to in Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.
- 2) “NRO account” means a Non-resident ordinary deposit account referred to in Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.

5.2 Non- Resident Indian:

Non-Resident Indian (NRI) is defined under FEMA as a person resident outside India, who is either a citizen of India or is a person of Indian origin (PIO).

Person Resident of India:

According to Sec 2(v) of FEMA, 1999, a person resident of India is defined as-

(i) a person residing in India for more than one hundred and eighty-two days during the course of the preceding financial year but does not include -

- A. a person who has gone out of India or who stays outside India, in either case
 - a) for or on taking up employment outside India, or
 - b) for carrying on outside India a business or vocation outside India, OF
 - c) for any other purpose, in such circumstances as would his intention to stay outside India for an uncertain period;
- B. a person who has come to or stays in India, in either case, otherwise than -
 - a) for or on taking up employment in India, or
 - b) for carrying on in India a business or vocation in India, or
 - c) for any other purpose, in such circumstances as would indicate his intention to stay in India for an uncertain period;



5.3 Person Of Indian Origin:

'Person of Indian Origin (PIO)' is a person resident outside India who is a Citizen of any country other than Bangladesh or Pakistan or such other country as may be specified by the Central Government, satisfying the following conditions.

- a) Who was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955); or
- b) Who belonged to a territory that became part of India after the 15th day of August, 1947; or
- c) Who is a child or a grandchild or a great grandchild of a citizen of India or of a person referred to in clause (a) or (b); or
- d) Who is a spouse of foreign origin of a citizen of India or spouse of foreign origin of a person referred to in clause (a) or (b) or (c)

5.4 (a) For Overseas Corporate Bodies (OCB) Accounts:

As per RBI Circular no A.P.(DIR Series) Circular No.14 (Sep 16, 2003), Overseas Corporate Bodies (OCBs) were derecognized in India as an eligible 'class of investor'.

Under the above regulation, OCBs shall not open and maintain Non-Resident (External) Rupee Account (NRE) and Non-Resident Ordinary Rupee (NRO) Deposit Account with authorized Bank in India and all existing NRE (Savings, Current) Accounts of the OCBs shall be closed forthwith and balances repatriated except where instructions have been given by the RBI not to allow operations in the accounts of specific OCBs without prior permission of RBI and such account shall continue to be operative. The existing NRE Deposits (Recurring or Fixed) and Non-Resident Ordinary Rupee (NRO) Deposit (Recurring or Fixed) Account may be permitted to continue till original maturity. The maturity proceeds of NRE Deposits shall be repatriated expeditiously and no new NRE / NRO Accounts in the name of OCBs shall be renewed.

Further, as per RBI Notification No. FEMA 101 /2003-RB dated 03/10/2003, an existing NRO (Saving) Account held or maintained in the name of an OCB shall be closed and balances transferred to non-interest bearing NRO (Current) Account. The disposal of balances in such NRO (Current) account shall require specific approval of the Reserve Bank except in the following cases:

- i) all local payments in rupees
- ii) remittance outside India of current income in India of the account holder net of applicable taxes.

Any loan or other facility granted against the security of a Recurring/Fixed



Deposit Account held in the name of an OCB, shall not be renewed and shall be closed by adjustment of the proceeds on maturity of the deposit.

In terms of AP (DIR Series) Circular No.13 dated November 29, 2001, the ban imposed on OCBs under PIS will continue. However, they shall continue to hold the shares and convertible debentures purchased under PIS till such time these are sold on Stock Exchange in India.

(b) Overseas Citizenship of India (OCI) commonly known as 'Dual Citizenship':

A foreign national, who was eligible to become a citizen of India on 06.01.1950** or was a citizen of India on or at any time after 26.01.1950 or belonged to a territory that became part of India after 15.08.1947 and his/her children and grandchildren, provided his/her country of citizenship allows dual citizenship in some form or other under the local laws, is eligible for registration as an Overseas Citizen of India (OCI).

Minor children of such person are also eligible for OCI, However, if the applicant had ever been a citizen of Pakistan or Bangladesh, he/she will not be eligible for OCI.

The OCI can open all types of accounts viz (NRE, FCNR (B), NRO). Please see the relevant regulation below.

Explanation: for the purpose of this sub-regulation, the expression 'Person of Indian Origin' includes an 'Overseas Citizen of India' cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955. (Read with https://www.mha.gov.in/PDF_Other/MergePIO_OCI.pdf dated 09/01/2015)

As can be seen the PIO includes OCI cardholder as per the regulation. Therefore, the OCI can open all the three types of accounts in India

5.5 General Guidelines:

- a) Only External source of funds can be credited to NRE Accounts.
- b) Residents cannot open Non-Resident and Non-Residents cannot open Resident Accounts.
- c) The NRIs and PIOs, includes OCI cardholder, can open all the three types of accounts- NRO, NRE & FCNR (B)- in India.
- d) NRE and NRO accounts may be held jointly in the names of two or more NRIs/ PIOs.



- e) Non-Resident Indians may be allowed to open joint account with Resident on FORMER or SURVIVOUR basis and Resident Indian may also be allowed to open joint account with NRIs on FORMER or SURVIVOUR basis, with close relatives as defined in regulation 6 of Companies Act 2013.
- f) The Non-Resident status should be continuously checked and ensured. When a Resident person becomes Non-Resident, his/ her existing Resident Account shall be designated as NRO A/c.
- g) Non-Resident accounts (NRO/ NRE) can be maintained in the name(s) of individuals with Indian Nationality/origin.
- h) The Non-Residents with foreign nationality and Non-Indian Origin are also eligible to open and maintain NRO accounts in India.
- i) Individual/entities of Pakistan and Bangladesh shall require prior approval of the Reserve Bank of India for opening NRE and FCNR (B) account. Individuals/ entities of Pakistan nationality/ origin and entities of Bangladesh origin require the prior approval of the Reserve Bank of India for opening NRO account.
- j) A Citizen of Bangladesh/Pakistan belonging to minority communities in those countries i.e. Hindus, Sikhs, Buddhists, Jains, Parsis and Christians residing in India and who has been granted LTV or whose application for LTV is under consideration, can open only one NRO account with an AD bank subject to the conditions mentioned in Notification No. FEMA 5(R)/2016-RB dated April 01, 2016, as updated from time to time. The opening of such NRO accounts will be subject to reporting of the details of the accounts opened by the concerned Authorised bank, to the Ministry of Home Affairs (MHA) on a quarterly basis as instructed vide AP (DIR Series) Circular No. 28 dated March 28, 2019.
- k) Individuals of Bangladesh nationality can open an NRO account subject to the individual(s) holding a valid visa and valid residential permit issued by Foreigner Registration Office (FRO)/ Foreigner Regional Registration Office (FRRO) concerned.
- l) An NRO (current/ savings) account can be opened by a foreign national of non-Indian origin visiting India, with funds remitted from outside India through banking channel or by sale of foreign exchange brought by him to India. The balance in the NRO account may be paid to the account holder at the time of his departure from India provided the account has been maintained for a period not exceeding six months and the account has not been credited with any local funds, other than interest accrued thereon.



- m) Income earned in the NRE accounts is exempt from income tax and income earned in NRO account is taxable.
- n) NRE accounts should be designated as resident accounts, at the option of the account holder, immediately upon the return of the account holder to India for taking up employment or on change in the residential status.
- o) NRO accounts may be designated as resident accounts on the return of the account holder to India for any purpose indicating his intention to stay in India for an uncertain period. Likewise, when a resident Indian becomes a person resident outside India, his existing resident account should be designated as NRO account.
- p) Persons resident in Nepal and Bhutan can open Indian rupee accounts with an authorized Bank in India.
- q) Balances in NRE is fully repatriable. Balances in NRO account of NRIs/ PIOs can be remitted up to USD 1 (one) million per financial year (April-March) along with their other eligible assets.
- r) Passport should be obtained to open an account. The signature on the account opening form for operations may be the same or different from that is available on the passport.
- s) Bank shall not mark any type of lien, direct or indirect. against NRE Saving Deposits.
- t) When a person resident in India leaves country (other than Nepal or Bhutan) for taking up employment, or for carrying on business or for any other purpose indicating his intention to stay outside India for an uncertain period, his existing resident account should be designated as a Non-Resident (Ordinary) account.
- u) **Non-availability of premature withdrawal option:** - Bank shall have the freedom to offer NRE/ NRO term deposits without premature withdrawal option.
- Provided that all NRE/ NRO term deposits accepted from individuals (held singly or jointly) for amount of Rupees one crore and below shall have premature withdrawal facility
- v) Interest rates on NRE/ NRO deposits shall not be higher than those offered by the bank on comparable domestic rupee term deposits.
- w) **Prohibition on Marking Lien:** - Bank shall not mark any type of lien, direct or indirect, against NRE saving deposits.



5.6 Non-Resident (ORDINARY) Rupee Account:

A. Eligibility for opening of NRO Account:

- Any person resident outside India for putting through bonafide transactions in rupees. Foreign national having Work Visa / Student Visa / Tourist Visa can also open NRO accounts if their stay in India is less than six months,
- The individuals of Bangladesh nationality may be allowed to open NRO account without the approval of the RBI subject to the following conditions:
 - The Bank concerned should satisfy itself that the individual is holding valid visa and valid residential permit issued by Foreigner Registration Office (FRO) / Foreigner Regional Registration Office (FRRO) concerned.
 - Business entity of Bangladesh & Individuals / Business entity of Pakistan should not be allowed to open NRO account without prior approval of RBI

B. Types of Accounts:

NRO accounts may be opened, held and maintained in the form of Current, Savings, Recurring or Fixed Deposit Accounts.

C. Joint Accounts with Residents:

The accounts may be held jointly with residents on 'Former or Survivor' basis. NRIs, PIOs and OCIs may hold an NRO account jointly with other NRIs, PIOs and OCIs.

D. Additional Rate of interest on NRE/NRO Deposit to the Staff:

No additional rate of interest on NRE/NRO deposits can be given to Staff deposit under NRE/NRO accounts.

E. Operations in the Accounts:

Permissible Credits / Debits: The Under mentioned credit and debit transactions may be allowed in the accounts.

Credits:

- a) Inward remittances from outside India, legitimate dues in India and transfers from other NRO accounts are permissible credits to NRO account.



- b) Proceeds of any foreign currency, which is fully convertible, tendered by the account holder during his temporary visit to India. Foreign currency exceeding USD 5000 or its equivalent in form of cash should be supported by Currency Declaration Form. Rupee funds should be supported by encashment certificate, if they represent funds brought from outside India.
- c) Transfers from other NRO accounts, proceeds of loan disbursed by Bank/s against security of NRO Term Deposits /NRE Term Deposits/FCNR.
- d) Sale proceeds of assets including immovable property acquired out of rupee/ foreign currency funds or by way of legacy/inheritance.
- e) Resident individual may make a rupee gift or may lend to a NRI/PIO/OCI who is a close relative of the resident individual [close relative as defined in Section 6 of the Companies Act, 1956] by way of crossed cheque /electronic transfer. The amount shall be credited to the Non-Resident (Ordinary) Rupee Account (NRO) a/c of the NRI/PIO/OCI and credit of such gift amount or loan amount may be treated as an eligible credit to NRO a/c. The gift amount or loan amount would be within the overall limit of USD 250,000 per financial year as permitted under the Liberalized Remittance Scheme (LRS) for a resident individual.

Legitimate dues in India of the account holder: This includes current income like rent, dividend, and pension interest etc.

Debits:

- The account can be debited for the purpose of local payments, transfers to other NRO accounts or remittance of current income abroad net of applicable taxes. Apart from these, balances in the NRO account cannot be repatriated abroad except by NRIs, PIOs and OCIs up to USD 1 million, subject to conditions specified in foreign exchange management (remittance of assets) regulations, 2016. Funds can be transferred to NRE account within this USD 1 million facility.
- Remittances from NRO to NRE Invariably comply with following instructions of RBI as regard to transfer of funds from NRO either to NRE account or effecting outward remittance: -
 - a) Obtain request application form from NRI/PIO/OCI for transfer of funds from NRO to NRE or for remittance outward
 - b) Undertaking from NRI/PIO/OCI that he has not made any remittance outward or transferred funds from NRO to NRE during the current financial year.
 - c) Alternatively, to obtain the details of such transfer from NRO Accounts held with other Bank or from our own branches in India during the current financial year.



- d) Obtain 15 CA and 15 CB for the transaction amount requested by NRI/PIO/OCI Record details of transaction in a register customer ID wise and or Account wise Respect the overall limit of USD one million per depositor per financial year and record the exchange rate while allowing INR remittance or fund transfer from NRO equivalent of USD one million.
- e) Income-tax - It shall be mandatory on the part of Authorized Dealers to comply with the requirement of tax laws, as applicable.

F. Operation in NRO Account by Power of Attorney Holder:

Power of Attorney for operations in the account can be granted in favor of a resident by the account holder(s) provided such operations are restricted to:

All local payments in Rupees including payments for eligible investments subject to compliance with relevant regulations made by the Reserve Bank and Remittance outside India of current income in India of the non-resident individual account holder, net of applicable taxes.

The resident Power of Attorney holder is not permitted to repatriate outside India funds held in the account other than to the non-resident individual account holder nor to make payment by way of gift to a resident on behalf of the non- resident account holder or transfer funds from the account to another NRO account.

5.7 NRO Term Deposit:

A. Tenor: -

Bank shall have the freedom to determine the maturity/tenor of the deposit subject to the condition that minimum tenor of NRO Term Deposits shall be seven days. Our Bank is accepting Deposits for a minimum period of -7- days and maximum period of 5 Years.

B. Renewal of Term Deposits / Overdue Deposit: -

Branches should constantly follow up report on due date diary for Term Deposit which can be generated from the CBS system and inform the account holder well in advance to seek his / her instructions for renewal so as to avoid loss of interest to the depositor.

C. Auto Renewal of Term Deposit: -

All Term Deposits are under Automatic Renewal Scheme and the branches shall follow the under mentioned guidelines'



- If the depositor does not come forward to renew FDR or does not give renewal instruction on due date, all term deposit of any maturity would be automatically renewed for one year and short deposit will be auto renewed for the same period for which original deposit was issued

D. Prepayment: -

Prepayment of Deposits under NRO Accounts is permitted subject to 1% penalty from the applicable rate at the time of placing the deposit, for the period for which the deposit has actually run. However penal interest will not be charged in case of premature withdrawal of Deposits provided such deposits are reinvested in the Term Deposits with maturity period longer than the remaining period of original contract of deposits Pre-maturely withdrawn.

E. Waiver of Penalty: -

In such cases the rate of interest applicable for premature payment without penalty will be rate ruling on the date of accepting of deposits (i.e. the date of contract) for period for which the deposit has actually remained with the Bank or the Contracted Rate whichever is lower.

If at a later date i.e. after such an automatic renewal, the depositor requests for pre-payment of the old deposits, before making payment the branch should obtain old receipt duly discharged and also obtain prepayment instructions for the automatically renewed FD and then pre pay the renewed FDR as per rules.

F. Request for Longer Maturity: -

When the Depositor at a later date i.e. after such automatic renewal requests for longer maturity, pre-payment as above is to be made without charging penalty and the new FDR may be issued as requested.

G. Nomination Facility: -

Facility of Nomination is available to NRO Deposits; the nominee may either be a Resident or Non-Resident.

6. NON-RESIDENT (EXTERNAL) RUPEE ACCOUNT:

6.1 NRE Term Deposit – Tenor: -

RBI permits authorized Banks to accept NRE Deposits between the maturity period range of one year to three years. However, Banks are also allowed to accept NRE Deposits above three years looking to their Asset-Liability point of view. Our Bank is accepting Deposits for a minimum period of -01- year and maximum period of 5 Years.



6.2 Joint Account: -

Opening of Joint Accounts in the names of two or more Non- Resident individuals is permitted provided all the account holders are persons of Indian Nationality or Origin (i.e. Non-Resident Indians).

Non-Resident Indians (NRI) are also permitted to open NRE account jointly with their resident close relative (relative as defined in Section 6 of the Companies Act, 1956) on 'former or survivor' basis. However, during the life time of the NRI/PIO/OCI account holder, the resident relative can operate the account only as a Power of Attorney holder.

Meaning of "relative as per section 6" - A person shall be deemed to be a relative of another, if, and only if,

They are members of a Hindu undivided family;

Or

They are husband and wife;

Or

The one is related to the other in the manner indicated in Schedule IA (list of close relatives- Book of Instruction on NRI)

Resident Indians are also permitted to open deposit accounts with their close relatives Non Resident Indians on "Former or Survivor" basis.

6.3 Nomination and Settlement of Deceased Accounts: -

Bank may allow remittance of funds lying in the NRE accounts of the deceased account holders to their non- resident nominees subject to the following conditions:

- a) A valid nomination has been registered on the Bank's records in favor of the nominee/s in conformity with the provisions of the Banking Companies (Nomination) Rules, 1985.
- b) The nominee continues to be non-resident at the time of the claim/ remittance sought for from India and that the deceased depositor was non-resident at the time of his/her death;
- c) All the legal heirs are non-residents. A signed declaration to the effect duly witnessed may be submitted by the nominee to the Branch.
- d) **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 a rate applicable to a domestic Term Deposit of similar maturity.



6.4 Waiver of Penalty:

In such cases the rate of interest applicable for premature payment without penalty will be rate ruling on the date of accepting of deposits (i.e. the date of contract) for period for which the deposit has actually remained with the Bank or the Contracted Rate whichever is lower.

6.5 Interest Rate on NRE Savings Deposit Account: -

Banks are free to determine their interest rates on savings deposits under Non-Resident (External) Rupee (NRE) Deposit accounts subject to condition that interest rates offered on NRE Saving Deposit will not be higher than those offered on domestic Saving Deposits.

6.6 Tax Exemption:

Interest income on balances standing to the credit of NRE Accounts is exempt from Income Tax. Likewise, balances held in such accounts are exempt from Wealth Tax.

6.7 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.



CHAPTER III

7. INTEREST RATE FRAMEWORK:

Bank pays interest on deposits of money (other than current account deposits) accepted or renewed in domestic, Ordinary Non-Resident (NRO) and Non-Resident (External) Accounts (NRE) deposit account on the terms and conditions specified in these directions:

- a) The rates are 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.
- b) Interest rates payable on deposits shall be strictly as per the schedule of interest rates disclosed in advance.
- c) Bank is maintaining the bulk deposit interest rate card in Core Banking system to facilitate supervisory review.
- d) The rates are not subject to negotiation between the depositors and the bank.
- e) All transactions, involving payment of interest on deposits shall be rounded off to the nearest rupee for rupee deposits.
- f) **Deposits maturing on Non-Business working day.** If a term deposit is maturing for payment on a non-business working day, interest will be 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.
- g) In case of reinvestment deposits and recurring deposits, Bank shall pay interest for the intervening non-business working day on maturity value. In respect of a term deposit maturing for payment on 2nd or 4th Saturday/Sunday or a holiday or a non-business working day, branches may pay interest at the originally contracted rate on the deposit amount for the 2nd or 4th Saturday/Sunday/holiday/non-business working day intervening between the date of expiry of the specified term of the deposit and the date of payment of the proceeds of the deposit on the succeeding working day.
- h) **Consequence of transfer of branch of one commercial bank to another commercial bank:-** Deposit 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:
 - Deposit accounts shall have 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.
 - 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.



7.1 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.

7.2 Interest Rate on Domestic Savings Deposit

In addition to the conditions laid down in Point no. 7 of these Directions, interest on domestic rupee savings deposit shall be subject to the following:

- Interest on domestic rupee savings deposits shall be calculated on a daily product basis as under:
 - A uniform interest rate shall be set on balance up to Rupees one lakh, irrespective of the amount in the account within this limit.
 - Differential rates of interest may be provided for any end-of-day savings bank balance exceeding Rupees one lakh.

7.3 Interest Rates on Domestic Term Deposits

In addition to the conditions laid down in Point no. 7 of these Directions, interest rates on term deposits shall vary only on account of one or more of the following reasons:

- 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.

- 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.



Provided also that differential interest shall not be applicable on deposits received under the Capital Gains Accounts Scheme, 1988 by commercial banks.

7.4 Non-availability of premature withdrawal option

Banks shall have the freedom to offer term deposits without premature withdrawal option.

Provided that all term deposits accepted by bank from individuals (held singly or jointly) for amount of Rupees one crore and below shall have premature withdrawal facility.

7.5 Payment of interest on pre-mature withdrawal:

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

- 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.
- No interest shall be paid, where premature withdrawal of deposits takes place before completion of the minimum period of seven days.

7.6 Payment of Additional Interest on domestic deposits

At the Bank's discretion, we 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, Chairman & Managing Director, Executive Director 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) Benefits of additional interest to Bank's staff member or retired staff member is available only in case of the staff member or retired staff members has an account singly or jointly with family member where the staff member/retired staff member is the "Principal Account Holder".
- iii) 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.

- iv) 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.
- v) 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.
- vi) Bank Employees' Federations, in which Bank employees are not direct members, shall not be eligible for additional interest.
- vii) 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.
 - d) 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 Bank staff.
- viii) Bank shall, at their discretion, formulate term deposit schemes specifically for resident Indian senior citizens, offering higher and fixed rates of interest as compared to normal deposits of any size.

Provided that this facility is not offered on the Term Deposit standing in the name of an HUF or the Karta of the Hindu Undivided Family (HUF), even if the Karta is a resident Indian Senior Citizen.

7.7 Discretion to pay interest on the credit balance in the composite cash credit account of a farmer

Interest, if any, on the credit balance in the composite cash credit account of a



farmer maintained with Bank shall be paid based on daily product of account in credit balance, subject to the conditions given in point No. 7 of these Directions.

7.8 Exclusions & Inclusions for additional interest payment to Sr. Citizens @ 0.50% :

Exclusions:

- All Non Individual/Corporate Customers/Non Resident Customers
- Accounts under NRE/NRO Schemes
- Accounts under subsidy Schemes
- Bulk Deposits (Deposit amount >1 cr)
- TD accounts closed within 7 days
- SB accounts
- Overdue

Deposits Inclusions:

- Individual Customers who attains the age of 60 years or more on the date of TD account opening or Renewal,
- As per scheme specific where Sr. Citizen Interest benefit is applicable as per Bank's guidelines.
- Additional interest @0.50% would be payable or as decided by the Bank from time to time.
- Separate interest table code to Sr. Citizen Interest benefit would be available for each eligible schemes. Additional interest should not be paid through customer or account preferential field in the CBS System.

8. 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 incentive 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 favoring client/s of private financiers or giving of an authority by power of attorney, nomination of other-wise, for such clients receiving such deposits on maturity.
- g. Grant advances against Term Deposits maintained with other Bank.
- h. Open a Savings Deposit account in the name of Government departments / bodies depending upon budgetary allocations for performance of their functions / Municipal Corporations or Municipal Committees / Panchayat Samitis / State Housing Boards / Water and Sewerage / Drainage Boards / State Text Book Publishing Corporations / Societies / Metropolitan Development Authority / State / District Level Housing Co-operative Societies, etc. or any political party or any trading/business or professional concern, whether such concern is a proprietary or a partnership firm or a company or an association and entities other than individuals, Karta of HUF and organizations/agencies listed in Schedule-I.
Explanation: For the purposes of this clause, 'political party' means an association or body of individual citizens of India, which is, or is deemed to be registered with the Election Commission of India as a political party under the Election Symbols (Reservation and Allotment) Order, 1968 as in force for the time being.
- i. Create any fund to be utilized for charitable purposes in consultation within 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.

9. OTHER IMPORTANT INFORMATION:

9.1 Customer Information:

The Bank ensures to maintain the secrecy of the customers' personal information. The information is used, if necessary, only internally or for creating awareness (telephonic/written) of the new products/services to the customers.

9.2 Rights to Depositors:

Bank is having an exclusive "Customers Rights Policy". The policy clearly spells out the rights of depositors.

9.3 Rounding off of transactions:

All transactions, including payment of interest on deposits/charging of interest on advances, shall be rounded off to the nearest rupee i.e., fractions of 50 paise and above shall be rounded off to the next higher rupee and fraction of less than 50 paise shall be ignored. However, the bank shall ensure that cheques / drafts issued by clients containing fractions of a rupee are not rejected or dishonored by them.



9.4 Secrecy of Customer Account:

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. The Bank may also disclose the customer information, as per the prevailing practice, amongst Banks to exchange credit information and credit opinion on the standing (general position) of the customers/ borrowers. The Bank follows the guidelines framed by IBA in this regard.

9.5 Suo-Moto Closure of Saving and Current Account:

The Bank shall close accounts, which are in contravention of the contract constituting the basis of Banker-Customer relationship, do not adhere to the prescribed rules and are considered undesirable and un-remunerative. These accounts shall be closed only after sending proper written notice to the customer with a notice period of 30 days, at the address of the customer as per Bank records. Examples of undesirable and un-remunerative features are:

- a) Drawing cheques without funds.
- b) Rash / fraudulent transactions routed through Bank account which may expose the Bank to unnecessary risks.
- c) Zero Balance Accounts.
- d) Dormant / Inoperative accounts as per extant RBI Directives.
- e) Accounts where transactions, such as huge cash transactions, are being made, disproportionate to the given profile of the customer.
- f) Accounts in which, in the opinion of the Bank, transactions having Money Laundering angle are being conducted.
- g) Accounts, in which, the Bank is not able to apply appropriate KYC measures due to non - furnishing of information by customer and / or non-cooperation in this regard.
- h) Non-compliance of Minimum Balance requirements for current and savings account as applicable to the relevant scheme / product.
- i) Issuing of "Stop Payment" instructions frequently.
- j) Number of transactions far in excess of stipulated limit without maintaining sufficient balance.
- k) Default in/Arrears of statutory dues and other payments.
- l) Frequent receipt of Attachment Orders/Notices from various Authorities.



- m) Frequent involvement in section 138 (N.I. Act) proceedings.
- n) Evidence of usage of funds and or receipts of funds for terrorists and disruptive activities against the State or society.
- o) Any directive from any Government or Regulatory Authorities for closure of account.
- p) An account has been opened by oversight or otherwise in contravention of the IBA code for Banking Practice containing, inter-alia, prohibition against opening of accounts in the name of certain bodies / organizations, the same should be closed after reasonable notice.
- q) Post issuance of notice by Bank, informing Bank's decision to close the A/c along with reason if there is no response within the stipulated time (30 days of notice), the branch may close the account and remit the balance by means of Banker's Cheque / Draft in his/her favor after deducting all usual service charges.

For further clarification and guidance please refer to KYC AML Policy.

9.6 Redressal of Complaints and Grievances:

Bank deals quickly and sympathetically with things that go wrong by:

- a) Handling complaints promptly.
- b) Guiding how to take complaint forward, if not satisfied.
- c) Providing suitable alternative avenues to alleviate problems arising out of technological failures.
- d) Correcting mistakes promptly and cancelling any Bank charges that are applied by mistake and compensate for any financial loss that may have incurred due to Bank's mistake, in terms of our compensation policy.
- e) Displaying in the branch for information
 - i. Name of the official at the branch who may be approached for resolution of grievance.
 - ii. Name and address of the Regional Manager / Principal Nodal Officer at RO/HO, Vadodara who can be approached, if grievance is not redressed at the branch.
 - iii. Name and contact details of the Banking Ombudsman under whose jurisdiction the branch falls.

If not satisfied with the service provided by the Bank, Depositors have right to register complaints/grievance, and approach authorities designated by the Bank for handling customer complaint / grievances. The details of the internal set up for redressal of complaints/grievances shall be displayed in the branch premises. The branch officials shall provide all required information regarding the procedure for lodging the



complaint. In case the depositor does not get a response from the Bank within one month from the 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 RBI.

9.7 Information – Transparency

Bank displays information on products, services as advised by RBI vide circular No. Circular RBI / 2013-14 / 589 RPCD. CO. RRB. BC. No. 100 / 03.05.33 / 2013-14 May 12, 2014 on Customer Service in Regional Rural Banks and displays in Branch premises a Comprehensive Notice Board (CNB) and updates the information on CNB along with effective date of change. Customers can get information on interest rates, fees and charges through various modes mentioned below.

- a) Notice Board in branch.
- b) Contacting branch or helplines.
- c) Bank's website.
- d) Asking designated staff / help desk.
- e) Referring to the Service Charges (Tariff) Schedule at branch / on website.

9.7.1 General Information

- a) Bank provides information on types of products and services offered and those that may suit customers' need.
- b) Bank provides clear information explaining the key features of the services and products customers are interested in, including applicable interest rates, fees, and charges.
- c) Bank informs the different channels through which products and services may be availed e.g., Branches, Business Correspondents, ATMs, Micro ATMs, Phone Banking, Mobile Banking, Net banking and update how to find out more about them.
- d) Bank asks for the information needed from customer to prove identity and address, for it to comply with legal, regulatory, and internal policy requirements.
- e) Bank provides information on customer rights and responsibilities especially regarding availing of nomination facility offered on all deposit accounts, articles in safe custody and safe deposit lockers.



- f) Bank provides Important Terms and Conditions for customers' record in respect of Savings Bank / Current Account and all other deposit accounts before opening the account.

9.7.2 Interest rates

Bank provides information on:

- a) The interest rates which apply to deposit accounts
- b) Periodicity at which interest is paid on deposits
- c) How interest is calculated/applied to deposit accounts.

9.7.3 Changes in interest rates

Bank informs changes in interest rates on deposit products periodically by any of the following means

- a) Website
- b) Notice Board displayed at branches

9.8 Service Charges (Tariff) schedule

a) Fees and charges

- Bank ensures that fees and service charges for various services are approved by the Board, or any competent authority duly authorized by the Board to take decisions in this regard and that they would be reasonable and non-discriminatory for similar class of customers.
- Bank places Service Charges (Tariff) Schedule on the website and makes a copy available at every branch for perusal. A notice about the availability of the Tariff Schedule is displayed at the branch.
- Bank provides details in Tariff Schedule of any charges applicable to the products and services chosen.
- Bank also provides information about the penalties leviable in case of non-observance / violation of any of the terms and conditions governing the product / services chosen.

b) Changes in fees and charges

- If Bank increases any fee or charge or introduces a new fee or charge, it will be notified through / notice board at the branch prior to the revised charges becoming effective. This information will also be made available on our website prominently.



9.9 Terms and conditions

- a. Bank advises the relevant terms and conditions for the products / services customer has asked to provide.
- b. All terms and conditions will be fair and set out the respective rights, liabilities, and obligations clearly and as far as possible in plain and simple language.

c. Changes in terms and conditions

- Bank informs of changes in terms and conditions through any one or more of the following channels one month prior to the revised terms and conditions becoming effective:
 - Website
- Normally, changes will be made with prospective effect after giving notice of one month.
- If Bank makes any change without notice, the change will be notified within 30 days. If such change is to customers' disadvantage, they may within 60 days of the notice, close account, or switch to any other eligible account without having to pay revised charge or interest.

9.10 Compliance:

- a. The schedule of Interest Rates payable on deposits be disclosed in advance for the information of the customers.
- b. The interest paid on deposits below Rs.1.00 crores to all the customers should be as per schedule and should not be subject to negotiation between the depositor and the Bank.
- c. In case the customer is having Cash Credit or Overdraft facilities in banking system, "No Current Account" should be opened of the concerned customer except if the same is permissible under RBI (RRBs – Credit Risk Management) Directions, 2025 vide RBI/DOR/2025-26/256 DOR.CRE. REC.175/07-02-004/2025-26 28-Nov.-2025 and as amended by RBI (RRBs – Credit Risk Management) Amendment Directions, 2025 vide RBI/2025-26/145 DOR.CRE.REC. 351/07-02-004/2025-26 11-Dec.-2025.
- d. In case of introduction of New Product, it is to be intensively monitored in the first 6 months after introduction.
- e. The Statutory/Regulatory guidelines issued by Regulator/Statutory Body/Bank Board be followed scrupulously.

9.11 Remittance

- i. Remittance of Funds for Value Rs. 50,000/- and above:



Banks shall ensure that any remittance of funds by way of demand drafts/ RTGS/ NEFT/ IMPS or any other mode for value of Rs.50,000/- and above is effected only by debit to the customer's account or against cheques or other instruments tendered by the purchaser and not against cash payment.

ii. Remittance through electronic mode:

In case of remittance through electronic funds transfer, the bank shall provide the option to the customer to choose between RTGS/NEFT/IMPS system at the time of initiation of the funds transfer as per the guidelines of the regulators. The option has been made available to all the customers who may originate remittance either at the branch or through internet or any other means.

iii. Providing Positive Confirmation to the Originator:

Bank has put in place appropriate mechanism to ensure that positive confirmation is sent to the remittance originator confirming the successful credit of funds to the beneficiary's account when funds are transferred through NEFT/RTGS/IMPS.

9.12 Insurance Cover for Deposit:

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 as under:

"The DICGC insures all deposits such as savings, fixed, current, recurring etc. Each depositor in a bank is insured upto a maximum of Rs.5,00,000/- (Rupees Five Lakhs) presently for both principal and interest amount held by him in the same right and same capacity as on the date of liquidation/cancellation of bank's license or the date on which the scheme of amalgamation/ merger/reconstruction comes into force."

The DICGC insures all deposits such as savings, fixed, current, recurring, etc. deposits except the following types of deposits:

1. Deposits of foreign Governments;
2. Deposits of Central/State Governments;
3. Inter-bank deposits;
4. Deposits of the State Land Development Bank with the State co-operative Bank;



5. Any amount due on account of and deposit received outside India
6. Any amount, which has been specifically exempted by the corporation with the previous approval of Reserve Bank of India

9.13 Periodicity of Review of the Policy (Sunset Clause):

The policy will be reviewed annually and effective till next review. Further, that in the event of receipt of any regulatory guidelines / instructions, such guidelines/instructions will form a part of the Policy.

