



**ఆంధ్ర ప్రదేశ్ గ్రామీణ బ్యాంక్**  
**ANDHRA PRADESH GRAMEENA BANK**  
(Scheduled Bank owned by Government)  
Head Office: Guntur  
Resources Mobilization Department

Cir. No: **460**

Ref. No. RM/24

Date 31.03.2026

## Policy on Bank Deposits

All the Branches and Regional Offices are hereby informed that The Board has approved the amendments in compliance with the RBI directions to the Cir. No. 58- "Policy on Bank Deposits" dated 04.06.2025 with effect from 01.04.2026 to 30.04.2027.

Further, any future modifications or amendments to the policy shall automatically form part and parcel of the existing policy framework and will be duly communicated from time to time.

All Branches / Offices are advised to carefully go through the policy guidelines and strictly adhere to the instructions, ensuring prompt and courteous customer service.

All Branch Heads shall educate their staff members on the guidelines contained in the policy and any amendments issued from time to time, by conducting staff meetings at regular intervals to ensure proper implementation of the guidelines without any deviations.

Clarifications, if any, may be sought from the Resources Mobilization Department, Head Office, Guntur, through the respective Regional Offices, as per extant guidelines.

Detailed Policy on Bank Deposits & Modifications incorporated as annexed herewith.

B.Rama Krishna  
General Manager

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## ANNEXURE

S.No.	Existing	Proposed
1	<p><b>8.Account Opening and Operation of Deposit Accounts</b></p> <p>8.2 The bank is committed to provide basic banking services to disadvantaged sections of the society. Banking services will be offered to them through Basic Savings Bank Small Accounts (BSBDS) and accounts will be opened with relaxed customer acceptance norms as per regulatory guidelines</p>	<p>As per Vide RBI/2025-26/107 DOR. MCS. REC. No.314/01-01-036/2025-26 December 04, 2025- Reserve Bank of India (Regional Rural Banks - Responsible Business Conduct) Amendment Directions, 2025</p> <p>8.2 The bank is committed to provide basic banking services to disadvantaged sections of the society. Banking services will be offered to them through Basic Savings Bank Small Accounts (BSBDS) and accounts will be opened with relaxed customer acceptance norms as per regulatory guidelines are as follows,</p> <p>The Basic Savings Bank Deposit (BSBD) Account is designed as a savings account to provide affordable banking facilities to the public at large. The Bank shall offer a BSBD account which shall be considered a normal banking service available to all. The Bank shall offer the following basic minimum facilities in a BSBD account, free of charge, without any requirement of minimum balance to be maintained in such an account.</p> <p>8.2.1 Deposit of cash.</p> <p>8.2.2 Receipt of money through any electronic channel or deposit / collection of cheques.</p> <p>8.2.3 No limit on number and value of deposits that can be made in a month.</p> <p>8.2.4 ATM Card or ATM-cum-Debit Card. Further, no charges shall be levied towards annual fee, either at the time of issuance or renewal.</p> <p>8.2.5 Cheque book with minimum 25 cheque leaves per year.</p> <p>8.2.6 Internet and mobile banking facility.</p> <p>8.2.7 Passbook or monthly statement of account in lieu of passbook, either in print or by email, as per request of the account holder. Further, issuance of a continuation passbook, on exhaustion of the pages in the previous passbook, shall not attract any charge.</p> <p>8.2.8 Minimum of four free withdrawals, including transfers and ATM transactions (done either at the RRB's own ATM or another bank's ATM), in a month. Digital payment transactions excluding ATM transactions, i.e., Point of Sale transfers, NEFT, RTGS, UPI, IMPS, etc., shall not be</p>

Business is Paramount; Compliance is Supreme



S.No.	Existing	Proposed
		<p>counted as withdrawals for this purpose. The charges on digital payment transactions shall be in accordance with guidelines issued by Department of Payment and Settlement Systems, Reserve Bank / National Payments Corporation of India / Government of India, as applicable.</p> <p>8.2.9 The facilities of ATM / ATM-cum-Debit card or internet / mobile banking or cheque book shall be offered to a customer provided he / she requests for the same, whether at the time of opening the account or subsequently. The bank shall not insist that a customer necessarily avails these facilities while opening and/ or operating the BSBD account.</p> <p>8.2.10 In the case of existing BSBD accounts, an RRB shall extend the newly introduced free facilities at clause (5) to (7) of above upon receipt of a request from the customer. The bank shall facilitate existing BSBD account holders to submit such requests through physical as well as digital channels.</p> <p>8.2.11 The bank may provide additional facilities beyond the above minimum in a BSBD account, with or without charges, in a non-discretionary and nondiscriminatory manner with transparent disclosure to the customer. However, while doing so, the bank shall not require the customer to maintain a minimum balance in the BSBD account. The availment of such additional facilities shall be at the option of the customer.</p> <p>8.2.12 Opening and operation of BSBD accounts shall be subject to the instructions on Know Your Customer / Anti Money Laundering issued by the Reserve Bank vide 'Reserve Bank of India (Regional Rural Banks - Know Your Customer) Directions, 2025', as amended from time to time. Further, BSBD accounts opened by or operated on behalf of minors shall be subject to the instructions stipulated to open for Minor accounts in the policy.</p> <p>8.2.13 The Bank, while opening a BSBD account, shall not impose any requirement of an initial minimum deposit.</p> <p>8.2.14 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</p>

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		<p>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.</p> <p>8.2.15 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.</p> <p>8.2.16 The Bank shall publicize the availability of BSBD account and its features to customers. The Bank shall also convey the differences between BSBD account and various savings bank account variants offered by it when a customer approaches it to open a deposit account.”</p>
2	<p>8.17. Nomination facility is available on all deposit accounts opened by individual(s). Nomination is also available to an account opened by a sole proprietor. In deposits, nomination can be made in favour of <b>one individual only</b>. Nomination so made can be cancelled or changed by the account holder/s any time. While making a nomination, cancellation or change thereof, it is required to be witnessed by a third party if the account holder is illiterate. Nomination can be modified by the consent of account holder/s. Nomination can be made in favour of a minor also. In such cases at the time of making nomination, depositor has to give a name of person (called appointee) who is a major and will receive the amount of deposit on behalf of the nominee in the event of death of the account holder during the minority of the nominee.</p>	<p>As per the Gazette of India Vide <b>CG-DL-E-15042025-262453</b> -THE BANKING LAWS (AMENDMENT) ACT, 2025 , 15.04.2025 and RBI/DOR/2025-26/267/ DOR. MCS. REC. No.186/01-01-036 /2025-26, November 28, 2025 - “Reserve Bank of India (Regional Rural Banks - Responsible Business Conduct) <i>Directions, 2025</i>”</p> <p>8.17 Nomination facility is available on all deposit accounts opened by individual(s). Nomination is also available to an account opened by a sole proprietor. In deposits, nomination can be made in favour of <b>one or more persons not exceeding four, either successively or simultaneously</b>.</p> <p>I) Where the nomination is made successively in favour of more than one person , the nomination shall be effective only in favour of one person in the order of priority.</p> <p>a) nomination of the first nominee shall be effective if that nominee survives the person or persons who made the nomination;</p> <p>b) nomination of the second nominee shall become effective only after the death of the first nominee;</p> <p>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</p>

S.No.	Existing	Proposed
		<p>nomination.</p> <p>Note: 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.</p> <p>II) Where the nomination is made simultaneously in favour of more than one person, 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,</p> <ol style="list-style-type: none"> <li>a. the nomination shall not be made in favour of more than four persons;</li> <li>b. the nomination shall explicitly state the proportion of amount of deposit in percentage in favour of each nominee;</li> <li>c. the nomination shall be made in respect of the whole amount of deposit;</li> <li>d. if any nominee dies before receiving deposit from the banking company, 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,</li> </ol> <p>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.”.</p> <p>Nomination so made can be cancelled or changed by the account holder/s any time. While making a nomination, cancellation or change thereof, it is required to be witnessed by a third party if the account holder is illiterate.</p> <p>Nomination can be modified by the consent of account holder/s.</p> <p>Nomination can be made in favour of a minor also. In such cases at the time of making nomination, depositor has to give a name of person (called appointee) who is a major and will receive the amount of deposit on behalf of the nominee in the event of death of the account holder during the minority of the nominee.</p>



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		<p><b>Explanation:</b></p> <p>For the purpose of these Directions, it is clarified that if an individual is keeping an account for his/ her proprietorship business, it will be deemed as that individual's account and the nomination facility shall be offered in such accounts.</p>																				
3	<p>11.9 Interest on Overdue Term Deposits (v)</p> <table border="1"> <thead> <tr> <th>Designation</th> <th>Amount of Interest @ SB ROI (Amt. in Rs)</th> </tr> </thead> <tbody> <tr> <td>Regional Manager (V/IV)</td> <td>Up to 25000</td> </tr> <tr> <td>General Manager (Resources Mobilization)</td> <td>&gt;25000 to 100000</td> </tr> <tr> <td>Chairman</td> <td>&gt;100000 to 1000000</td> </tr> <tr> <td>Board of the Bank</td> <td>&gt;1000000</td> </tr> </tbody> </table>	Designation	Amount of Interest @ SB ROI (Amt. in Rs)	Regional Manager (V/IV)	Up to 25000	General Manager (Resources Mobilization)	>25000 to 100000	Chairman	>100000 to 1000000	Board of the Bank	>1000000	<p>As per Board vide Resolution No.203 dated: 05.08.2025</p> <p>11.9 : Interest on Overdue Term Deposits &amp; Mismatch in Maturity Values on the Maturity Date or Overdue Term Deposits</p> <p>11.9 (v)</p> <table border="1"> <thead> <tr> <th>Designation</th> <th>Amount of Interest @ SB ROI (Amt. in Rs)</th> </tr> </thead> <tbody> <tr> <td>Regional Manager (V/IV)</td> <td>Up to 25000</td> </tr> <tr> <td>General Manager (Resources Mobilization)</td> <td>&gt;25000 to 100000</td> </tr> <tr> <td>Chairman</td> <td>&gt;100000 to 2500000</td> </tr> <tr> <td>Board of the Bank</td> <td>&gt;2500000</td> </tr> </tbody> </table>	Designation	Amount of Interest @ SB ROI (Amt. in Rs)	Regional Manager (V/IV)	Up to 25000	General Manager (Resources Mobilization)	>25000 to 100000	Chairman	>100000 to 2500000	Board of the Bank	>2500000
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4	<p>32.2 Payment of Additional Interest</p> <p>32.2.3 : Un- Specified</p>	<p>As per RBI/DOR/2025-26/252 DOR. SOG (SPE) .REC .171/13.03.00/ 2025-26 November 28, 2025 -Reserve Bank of India (Regional Rural Banks - Interest Rate on Deposits) Directions, 2025</p> <p>32.2.3 Additional interest of one per cent per annum, over and above the rate of interest mentioned in the schedule of interest rates on savings or term deposits to their exclusive associations as well as on deposits of Chairman, Chairman &amp; Managing Director, Executive Director, or such other Executives appointed for a fixed tenure, subject to the following conditions:</p> <p>a. 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</p>																				

S.No.	Existing	Proposed
		<p>the maturity of a term deposit account.</p> <p>b. 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.</p> <p>c. 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 deposit account opened with it during the period of deputation.</p> <p>d. 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, in which bank employees are not direct members, shall not be eligible for additional interest.</p>
5	<p><b>39 . Validity of the Policy</b></p> <p>This policy shall be valid for a period of one year or reviewed by the board again whichever is earlier. The policy may be extended for a further period not exceeding three months from the date of expiry of the policies with the specific approval of the Chairman of the bank.</p>	<p>As per Policy on Bank Deposits dated: 04.06.2025</p> <p>39. This policy shall be valid from 01.04.2026 to 30.04.2027 or reviewed by board again whichever is earlier. The policy may be extended for a further period not exceeding three months from the date of expiry of the policies with the specific approval of the Chairman of the bank.</p>



# **Policy on Bank Deposits**

**2026-27**



**ANDHRA PRADESH GRAMEENA BANK**

**HEAD OFFICE: GUNTUR**

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## 1. PREAMBLE

Banking has always been defined as business of accepting deposits from the public for the purpose of lending. In fact, depositors are the major stake holders of the Banking System. The depositors and their interest form the key area of the regulatory framework for Banking in India and this has been enshrined in the Banking Regulation Act, 1949. Central Bank to the nation i.e. 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, Banks are now free to formulate deposit products within the broad guidelines issued by RBI.

## 2. SCOPE OF THE POLICY

The Policy is formulated in line with The Policy on Deposits of the Sponsor Bank i.e., Union Bank of India. The policy document on deposits outlines the guiding principles in respect of formulation of various deposit products by the bank and terms and conditions governing the conduct of the account. The policy not only recognizes the rights of the depositors but also encompasses roles and responsibilities of the Bank towards depositors. It also aims at dissemination of information with regard to various aspects of acceptance of deposits from the public & institutions, conduct and operations of various deposit accounts, payment of interest on various deposit accounts, closure of deposit accounts, method of disposal of deposits of deceased depositors, etc., for the benefit of customers.

While adopting this policy, the bank reiterates its commitment to individual customers outlined in banking Fair Practices code of Indian Bank's Association. This document is a broad framework under which the rights of common depositors is recognized. Detailed operational instructions on various deposit schemes and related services will be issued from time to time.

The customer perception has changed from traditional banking and products to personalized products & services with ease of operations. To match the expectations of customers as well as prospects and to adopt the changes taking place in the market, Bank shall require paradigm shift to drive the impact necessary to keep pace with the market and changing market scenario. Business built by the transformation and redesigning our structure, will support us not only in growing our CASA base but also augment overall deposit position of the Bank.

This policy on deposits & interest payment paves the path for race towards our goals and outlines the guiding principles behind formulation of various deposit products offered by the bank and terms and conditions governing the conduct of the Accounts.

## 3. OBJECTIVE OF THE POLICY

It is a well-known and accepted fact that customer will take services/products from those who they trust the most. It is expected that this document will impart greater transparency in dealing with the customers of different sections and strata of the economic system and create awareness among customers of their rights. This document is a broad framework under which the rights of common depositors are recognized. The ultimate objective is that the customer will get services they are rightfully entitled to receive without demand and delay.



#### 4. PROVISIONS & APPLICABILITY OF THE POLICY

This policy lays out the broad guidelines under which key functional areas related to deposits are covered. Detailed operational instructions on various deposit schemes and related services are being issued from time to time.

In case of any regulatory guidelines are issued during the policy period which requires immediate implementation, the same shall be implemented immediately but shall be included in the ensuing policy.

##### 4.1. KNOW YOUR CUSTOMER (KYC) GUIDELINES OF RBI

Know Your Customer [KYC] is the platform on which Banking system operates to avoid the pitfalls of operational, legal and reputational risks and consequential losses by scrupulously adhering to the various procedures laid down for opening and conduct of account.

The Bank shall adopt appropriate Know Your Customer Policies, procedures and internal controls reasonably designed to:

- Determine and document the true identity and address of the customers who establish relationships, open accounts or conduct significant business transactions and obtain basic background information on customers.
- Obtain and document any additional customer information, commensurate with assessment of the money laundering risks posed by customer's expected use of Bank's products and services.
- Avoid doing business with any individual or entity whose identity cannot be determined or who refuses to provide information or who have provided information that contains significant inconsistencies which cannot be resolved after due investigation.
- The regulatory guidelines require Bank to categorize customers based on risk perception and prepare profiles of customers for the purpose of transaction monitoring. 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 and the final decision will be conveyed at the earliest.

#### 5. TYPES OF DEPOSIT ACCOUNTS & DEFINITIONS:

While various deposit products offered by the bank are assigned different name, the deposit products can be broadly categorized into the following types.

Definition of major deposit schemes are as under:

- (i) **“Demand deposit”** means a deposit received by the bank, which is withdrawable on demand;
- (ii) **“Savings deposit”** means a form of interest-bearing demand deposit which is a deposit account whether designated as “Savings Account”, “savings Bank Account”, “Savings Deposit Account”, “Basic Savings Bank Deposit Account (BSBDA)” or other account by whatever name called which is subject to the restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the bank during any specified period.
- (iii) **“Current Account”** 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.



- (iv) Interest on the minimum credit balance in the composite cash credit account of a farmer during the period from the 10th to the last day of each calendar month shall be paid as per interest rate on savings deposits.
- (v) “**Term deposit**” means an interest bearing deposit received by the bank for a fixed period and shall also include deposits such as Recurring /Cumulative/ Annuity / Fixed/ Reinvestment deposits and Cash Certificates.
- (vi) “**Bulk Deposit**” means: Single Rupee term deposits of Rupees one crore and above. It can be callable, or non-callable depending upon the request of the customer. The interest rate applicable to these deposits will be the ALCO approved rates on day to day basis.
- (vii) “**Daily product**” means the interest applied on the end of day balance.
- (viii) “**Domestic Rupee Deposits**” means rupee deposits maintained in India in the form of current account, savings deposits or term deposit.
- (ix) “**Individual**” means a natural person.
- (x) Two types of Bulk Deposit schemes are currently available in our Bank:

Type of Deposit	Amount		Period	
	Minimum	Maximum	Minimum	Maximum
Callable Deposit	1 Crore	No Limit	7 Days	120 Months
Non-Callable Deposits	1 Crore	No Limit	1 Year	1 Year

- (xi) “**Non-Callable Term Deposit**” means term deposits without premature closure facility. Premature closure of non-callable term deposit can only be allowed in circumstances as given below;

- I. death of depositor/first depositor in case of joint account
- II. bankruptcy of the depositor/s
- III. in case of specific order from Government/Regulator
- IV. in case of court order
- V. In case of any other special circumstances / exigencies.

## 6. DEPOSITS

Deposits in account can be made by way of cash, cheques, electronic transfers like NEFT, RTGS, UPI, ECS, or through any other means. Cash Deposits at home and non-home branches are subject to certain restrictions and may also involve payment of charges.

## 7. WITHDRAWALS

Withdrawals in permitted accounts 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 biometric cards, by giving Standing Instructions to the Bank, ECS/NACH Instructions or through any other means which may come into usage after giving due notice on the Bank's web-site. Cash withdrawal should be in round rupees. Bank does not carry out any financial transactions requested by the Customers through e-mail or call to Branch/Branch Manager or its staff even if the request is made by a letter scanned as an attachment.



## 8. ACCOUNT OPENING AND OPERATION OF DEPOSIT ACCOUNTS

- 8.1 The bank before opening any deposit account will carry out due diligence as required under “Know Your Customer” (KYC) guidelines issued by RBI, Anti Money Laundering rules and regulations and or such other norms or procedures as per the Customer Acceptance Policy of the bank. Know your Customers Business (KYC-B) is an integral and important part of KYC process through which the Bank comes to know its customers, the nature of customers’ business/occupation and inflows /outflows associated with that business, this is requisite information to provide customized business products and solutions. KYC-B is also to be done at the time of account opening. Policy on KYC compliance & Anti Money Laundering Measures and other guidelines issued by bank should be followed while doing KYC of the customers. If the decision to open an account of a prospective depositor requires clearance at a higher level, reasons for any delay in opening the account will be informed to him and the final decision of the bank will be conveyed at the earliest to him.
- 8.2 The bank is committed to provide basic banking services to disadvantaged sections of the society. Banking services will be offered to them through Basic Savings Bank Small Accounts (BSBDS) and accounts will be opened with relaxed customer acceptance norms as per regulatory guidelines are as follows,

The Basic Savings Bank Deposit (BSBD) Account is designed as a savings account to provide affordable banking facilities to the public at large. The Bank shall offer a BSBD account which shall be considered a normal banking service available to all. An RRB shall offer the following basic minimum facilities in a BSBD account, free of charge, without any requirement of minimum balance to be maintained in such an account.

- 8.2.1 Deposit of cash.
- 8.2.2 Receipt of money through any electronic channel or deposit / collection of cheques.
- 8.2.3 No limit on number and value of deposits that can be made in a month.
- 8.2.4 ATM Card or ATM-cum-Debit Card. Further, no charges shall be levied towards annual fee, either at the time of issuance or renewal.
- 8.2.5 Cheque book with minimum 25 cheque leaves per year.
- 8.2.6 Internet and mobile banking facility.
- 8.2.7 Passbook or monthly statement of account in lieu of passbook, either in print or by email, as per request of the account holder. Further, issuance of a continuation passbook, on exhaustion of the pages in the previous passbook, shall not attract any charge.
- 8.2.8 Minimum of four free withdrawals, including transfers and ATM transactions (done either at the RRB’s own ATM or another bank’s ATM), in a month. Digital payment transactions excluding ATM transactions, i.e., Point of Sale transfers, NEFT, RTGS, UPI, IMPS, etc., shall not be counted as withdrawals for this purpose. The charges on digital payment transactions shall be in accordance with guidelines issued by Department of Payment and Settlement Systems, Reserve Bank / National Payments Corporation of India / Government of India, as applicable.
- 8.2.9 The facilities of ATM / ATM-cum-Debit card or internet / mobile banking or cheque book shall be offered to a customer provided he / she requests for the same, whether at the time of opening the account or subsequently. The bank shall not insist that a customer necessarily avails these facilities while opening and/ or operating the BSBD account.
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- 8.2.11 The bank may provide additional facilities beyond the above minimum in a BSBD account, with or without charges, in a non-discretionary and nondiscriminatory manner with transparent disclosure to the customer. However, while doing so, the bank shall not require the customer to maintain a minimum balance in the BSBD account. The availment of such additional facilities shall be at the option of the customer.
- 8.2.12 Opening and operation of BSBD accounts shall be subject to the instructions on Know Your Customer / Anti Money Laundering issued by the Reserve Bank vide ‘Reserve Bank of India

(Regional Rural Banks - Know Your Customer) Directions, 2025', as amended from time to time. Further, BSBD accounts opened by or operated on behalf of minors shall be subject to the instructions stipulated to open for Minor accounts in the policy.

- 8.2.13 The Bank, while opening a BSBD account, shall not impose any requirement of an initial minimum deposit.
- 8.2.14 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.
- 8.2.15 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.
- 8.2.16 The Bank shall publicize the availability of BSBD account and its features to customers. The Bank shall also convey the differences between BSBD account and various savings bank account variants offered by it when a customer approaches it to open a deposit account.”
- 8.3 The account opening forms and other material on Bank's part would be provided to the prospective depositor by the Bank. The same will contain details of information to be furnished and documents to be produced for verification and/or for record. It is expected of the bank official opening the account to explain the procedural formalities and provide necessary clarification sought by the prospective depositor when he approaches for opening a deposit account.
- 8.4 The regulatory guidelines require banks to categorize customers based on risk perception and prepare profiles of customers for the purpose of transaction monitoring. Inability or unwillingness of a prospective customer to provide necessary information/details could result in the bank denying to open an account.
- 8.5 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) to the customer.
- 8.6 For deposit products like Savings Bank Account and Current Deposit Account, the bank will normally stipulate certain minimum balances to be maintained as part of terms and conditions governing operation of such accounts. Failure to maintain minimum balance in the account will attract levy of charges as specified by the bank from time to time. For Saving Bank Account, the Bank may also place restrictions on the number of transactions, cash withdrawals etc. during given period. Similarly, the bank may specify charges for issuance of cheque books, additional statement of accounts, duplicate passbook, folio charges, SMS charges etc. All such details regarding terms and conditions for operation of the account and schedule of charges for various services provided will be communicated to the prospective depositor while opening the account.
- 8.7 Savings Bank Accounts can be opened for eligible person / persons and certain organizations / agencies (as approved by Reserve Bank of India from time to time).
- 8.8 Current Accounts can be opened by individuals / proprietorship/ partnership firms/ Private and Public Limited Companies / HUFs / Specified Associates / Societies/ Trusts, Departments / Authority created by Government (Central or State), Limited Liability Partnership etc.
- 8.9 Term Deposits Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates / Societies / Trusts, Departments / Authority created by Government (Central or State), Limited Liability Partnership etc.
- 8.10 The due diligence process while opening a deposit account will involve satisfying about the identity of the person, verification of address, satisfying about his occupation and source of income. Obtaining introduction (if required) of the prospective depositor from a person acceptable to the bank and obtaining recent photograph of the person/s opening/operating the account are part of due diligence process.



- 8.11 In addition to the due diligence requirements, under KYC norms, the Bank is required by law to obtain Permanent Account Number (PAN) or alternatively declaration in Form No. 60 or 61 as specified under the Income Tax Act / Rules.
- 8.12 Deposit accounts can be opened by an individual in his own name (known as account in single name) or by more than one individual in their own names (known as Joint Account). The Savings Bank Account opened by minor jointly with natural guardian/guardian can be operated by such guardian only. Minors above the age of 10 years will also be allowed to open and operate saving bank account independently provided the minor should be able to read and write and be capable in the opinion of the branch manager/authorised officer of understanding of what he/she does. However, no overdraft/loan will be granted to such minors.
- 8.13 Operation of Joint Account - The Joint Account opened by more than one individual can be operated by single individual or by more than one individual jointly. The mandate for operating the account can be modified with the consent of all account holders. The Savings Bank Account opened by minor jointly with natural guardian/legal guardian can be operated by such natural/legal guardian only.
- 8.14 The joint account holders can give any of the following mandates for the disposal of balance in the above accounts:
- 8.14.1 **Either or Survivor:** if the account is in the name of two individuals says, A & B, the final balance along with interest, if applicable, will be paid to either of account holders i.e. A or B, on date of maturity or to the survivor on death of any one of the account holders.
- 8.14.2 **Anyone or Survivor:** If the account is in the name of two or more individuals say, A, B & C, the final balance along with applicable interest (if any) , will be paid to any of accountholders i.e. A or B or C, on the date of maturity.
- 8.14.3 On the death of any one of account holder say A, the final balance along with interest if applicable, will be paid to any two of the surviving accountholders i.e. B or C. On the death of any two of account holder say A and B, the final balance along with interest if applicable, will be paid to surviving accountholder i.e. C.
- 8.14.4 **Former or Survivor:** If the account is in the name of two individuals say, A & B, the final balance along with interest, if applicable, will be paid to the former i.e. A on date of maturity and to the survivor on death of anyone of the account holders.
- 8.14.5 **Later or Survivor:** If the account is in the name of two individuals say, A & B, the final balance along with interest, if applicable, will be paid to the latter i.e. B on date of maturity and to the survivor on death of anyone of the account holders.
- 8.14.6 The above mandates will be applicable to or become operational only on or after the date of maturity of term deposits. This mandate can be modified by the consent of all the account holders. Now if the joint depositors prefer premature withdrawal of deposits in accordance with the mandate of 'Either or Survivor', 'Anyone or Survivor' , 'Former or Survivor', or Later or Survivor, bank may allow premature withdrawal of term deposits to the surviving depositor/s without seeking concurrence of legal heirs of the deceased deposit holder, provided all the depositors have given a specific joint mandate for the said purpose at the time of opening the account or any time subsequently during the tenure of the deposit. 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.
- 8.15 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.



8.16 In case of absence of any instructions deposits will be treated as an auto renewal deposit and would be renewed for a similar period as that of matured deposit at the prevailing rate on due date. (Except certain specified deposits like Tax Saver deposits etc.)

8.17 Nomination facility is available on all deposit accounts opened by individual(s). Nomination is also available to an account opened by a sole proprietor. In deposits, nomination can be made in favour of **one or more persons not exceeding four, either successively or simultaneously.**

I) Where the nomination is made successively in favour of more than one person, the nomination shall be effective only in favour of one person in the order of priority.

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.

Note: 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.

II) Where the nomination is made simultaneously in favour of more than one person, 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,

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 banking company, 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.”.

Nomination so made can be cancelled or changed by the account holder/s any time. While making a nomination, cancellation or change thereof, it is required to be witnessed by a third party if the account holder is illiterate.

Nomination can be modified by the consent of account holder/s.

Nomination can be made in favour of a minor also. In such cases at the time of making nomination, depositor has to give a name of person (called appointee) who is a major and will receive the amount of deposit on behalf of the nominee in the event of death of the account holder during the minority of the nominee.

**Explanation:** For the purpose of these Directions, it is clarified that if an individual is keeping an account for his/ her proprietorship business, it will be deemed as that individual's account and the nomination facility shall be offered in such accounts.

8.18 Bank recommends that all depositors avail of the nomination facility. The nominee, in the event of death of the depositor/s, would receive the balance outstanding in the account as a trustee of the legal heirs. The depositor will be informed of the advantages of the nomination facility while opening a deposit account.

8.19 If the person opening the account does not want to nominate anybody, a specific letter to that effect that he does not want to make nomination is to be obtained from the person.



In case the person opening the account declines to give such a letter, the fact shall be recorded on the account opening form and account will be opened if he is otherwise found eligible.

- 8.20 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 may issue a Pass Book to Savings Bank account holders.
- 8.21 The deposit accounts may be transferred to any other branch of the Bank at the request of the depositor.
- 8.22 Inability of an existing depositor to furnish details required by the Bank to fulfill statutory obligations could also result in closure of the account after giving due notice(s).
- 8.23 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).

## 9. CASA DEPOSITS

CASA deposits refer to Current Accounts Deposits and Savings Accounts Deposits. This policy inter alia contains the broad framework for CASA deposits. Detailed operational instructions and features of various deposit schemes are being issued from time to time. Under CASA Bank will provide variants of current and savings deposits to cater to needs of different customer groups based on their requirements, balances maintained and charges on various services availed through the accounts. Details of all the Deposit Schemes are also available in Bank's website.

### 9.1 OPENING OF SMALL ACCOUNTS:

Banks have to allow the persons to open "Small Accounts" who do not have any of the officially valid documents, provided the persons fulfilling the following -

- i. A 'Small Account' can be opened based on a self-attested photograph and putting her/his signature or thumb print in the presence of an official of the bank.
- ii. Such accounts have limitations regarding the aggregate credits (not more than Rs.1,00,000/- [Rupees one lakh only] in a year), aggregate withdrawals and transfers (not more than Rs.10,000/- [Rupees ten thousand only] in a month) and balance in the accounts (not more than Rs.50,000/- [Rupees fifty thousand only] at any point in time).
- iii. These small accounts would be valid normally for a period of twelve months. Thereafter, such accounts would be allowed to continue for a further period of twelve more months, if the account holder provides a document showing that she/he has applied for any of the officially valid document, within twelve months of opening the small account.

## 10. EXTENSION OF ALTERNATE DELIVERY CHANNELS TO SAVINGS BANK & CURRENT ACCOUNT HOLDERS

The Bank offers multiple electronic channels to customers for conducting their banking transactions. The choice of electronic channels includes ATM, Internet banking, mobile banking including Whats App Banking & UPI facility. Wherever such electronic facilities are offered as a part of the basic account/product, bank will obtain specific consent of the customers for availing the facility.

## 11. INTEREST PAYMENTS



11.1. No interest shall be paid on deposits held in current accounts.

Provided that balance 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.

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

(i) A uniform interest rate shall be set on balance up to ₹1 lakh, irrespective of the amount in the account within this limit.

(ii) Differential rates of interest may be provided for any end-of-day savings bank account balance exceeding ₹1 lakh.

11.3. Interest in Savings Bank Accounts is paid at quarterly intervals in the months of April, July, October and January every year.

Interest on savings bank accounts, including those frozen by the enforcement authorities, shall be credited at prescribed intervals irrespective of the operational status of the account.

11.4. Term deposit interest rates are decided by the bank within the general guidelines issued by the reserve Bank of India from time to time. Interest rates on Domestic term deposits shall vary only on account of one or more of the following reasons:

#### I. TENOR OF DEPOSITS:

Subject to the condition that minimum tenor of the deposit offered shall be seven days.

#### II. SIZE OF DEPOSITS:

Differential interest rate shall be offered only on bulk deposits.

#### III. NON- AVAILABILITY OF PREMATURE WITHDRAWAL OPTION:

Term Deposit without premature withdrawal option.

**Provided** that all callable term deposits shall have premature-withdrawal facility.

11.5. Interest is calculated at quarterly (compounding) intervals on domestic term deposits and paid at the rate decided by the bank depending upon the period of deposits. Interest on deposits repayable for less than **181 days**, shall be paid proportionately for the actual number of days reckoning the year at 365 days.

On Fixed deposits for duration of **181 days** or more, interest should be calculated in the following manner,

a) For completed quarters on quarterly (compounding) basis.

b) For the incomplete quarter i.e. for days, if any-for actual number of days on the basis of 365 days in a year.

In case of monthly deposit scheme, the interest shall be calculated for the quarter and paid monthly at discounted value.

11.6. Staff members/Retired staff members/spouse of deceased staff members who are senior citizen will get additional rate of 1.50% p.a. over the rates payable to general public.

11.7. Resident Senior Citizens will get additional interest of 0.50% for the term deposits of the total principal amount. Depositors will get the benefit of additional interest of 0.50% over the contracted rate, on attaining Senior Citizen status during the currency of the term deposits.



Resident Super Senior Citizens (individuals who is 80 years or above) will get additional interest of 0.75% over and above the rate applicable to general public i.e. 0.25% above RoI for Senior Citizen, for the term deposit(s) of the total principal amount. Depositors will get the benefit of additional interest from the date of attaining Super Senior Citizen status even during the currency of the existing term deposits.

#### 11.8. DEPOSITS MATURING ON NON- BUSINESS WORKING DAY(S) / HOLIDAY(S)

- i) In case of Fixed deposits/Short Term deposits, Bank shall pay interest at the originally contracted rate on the principal amount for the non-business working day(s)/holiday(s), intervening between the date of maturity of the specified term of the deposit and the date of payment of the proceeds of the deposit on the succeeding working day.
- ii) In case of reinvestment deposits and recurring deposits, Bank shall pay interest for the intervening non-business working day(s)/holiday(s) on the maturity value at originally contracted rate.

#### 11.9. INTEREST ON OVERDUE TERM DEPOSITS

- (i) If a Term Deposit matures and the proceeds are neither renewed nor paid, the amount shall be kept in a separate office account of the Bank and treated as overdue deposits. Such overdue deposits left unclaimed with the Bank
- (ii) When presented for payment shall be paid the maturity value together with the interest for the intervening period i.e. from the date of maturity to the date of payment at the rate applicable to savings deposit as on the date of payment or the contracted rate of interest on the matured Term Deposit, whichever is lower.
- (iii) If the request for renewal is received for such overdue deposit within 14 days from the date of maturity (both days inclusive), the deposit will be renewed from the date of maturity at the interest rate applicable for deposits as on the date of maturity.
- (iv) In case the request for renewal is received after 14 days from date of maturity (both the days inclusive), the term deposit will be renewed from date of request at the interest rate applicable on the date of renewal. However, interest for the intervening period i.e. from the date of maturity to the date of renewal will be paid at the rate applicable to savings deposit as on the date of payment or the contracted rate of interest on the matured Term Deposit, whichever is lower.
- (v) Delegation to extend the permission to the branches to pay Savings Bank Rate of Interest and Mismatch in maturity values on the maturity date / Overdue Term Deposits due to technical errors are as mentioned below:

Designation	Amount of Interest @ SB ROI (Amt. in Rs)
Regional Manager (V/IV)	Up to 25000
General Manager (Resources Mobilization)	>25000 to 100000
Chairman	>100000 to 2500000
Board of the Bank	>2500000

- (vi) The rate of interest on deposits will be prominently displayed in the branch premises. Changes, if any, with regard to deposit schemes and other related services shall also be communicated upfront by way of public notice and/or Bank's web site and shall be prominently displayed.



- 11.10 The bank has statutory obligation to deduct tax at source if total interest paid/ payable on all term deposits held by a person exceeding the amount specified under the Income Tax Act. The bank will issue a tax deduction certificate (TDS Certificate) for the amount of tax deducted. The depositor, if entitled for exemption from TDS can submit declaration in the prescribed format at the beginning of every financial year. Failure to furnish PAN will result in deduction of the TDS at rates as advised by Income Tax Department. If the total interest paid to the depositor in a financial year exceeds the threshold limit as specified by Income Tax Department, tax will be deducted at source and no declaration will be accepted as per Income Tax rules/laws.

## 12. MINORS' ACCOUNTS

Saving Bank account and Term Deposit Accounts including Recurring Deposits can be opened in the name of minor (known as Minor's Account) by natural guardian or guardian appointed by court (legal guardian). Savings Bank Account or Term Deposit Account can also be opened in the name of a minor jointly with natural guardian or with mother as the guardian (known as Minor's Account).

Minors above the age of 10 years will be allowed to open and operate savings bank account independently with the following terms and conditions-

- 12.1. There will be no minimum balance requirement in the account.
- 12.2. The account will always remain in credit and will not be allowed to be overdrawn under any circumstances.
- 12.3. Cheque book will be issued to minor account holder. However, the cheque book would be allowed to be used for the sole purpose of self-cash withdrawal from the account. Minor account holder cannot issue/draw cheque favoring a third party.
- 12.4. No overdrafts will be granted to these minors.
- 12.5. KYC norms & due diligence of minor should be ensured while opening and operating these accounts. On attaining majority, the erstwhile minor should confirm the balance in his/her account and if the account is operated by the natural guardian / guardian, fresh specimen signature of the erstwhile minor duly verified by the natural guardian would be obtained and kept on records.

## 13. ACCOUNT OF ILLITERATE PERSONS

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

## 14. ACCOUNTS OF TRANSGENDER PERSONS:

In case of a person claiming to be transgender and needs to open account or to do any banking transaction, the person will be recognized as "Third Gender" and the details shall be accepted



in the AOFs/ or other applicable forms as such. All transgender customers shall be treated equally to other male/ female.

There are no restrictions for persons of the Queer community to open a joint bank account and also to nominate a person in queer relationship as a nominee to receive the balance in the account, in the event of death of the account holder.

#### 15. ACCOUNT OF VISUALLY CHALLENGED PERSONS

Bank will facilitate opening of Saving Bank accounts as well as Term Deposit accounts of persons with visual impairment. Such accounts will be operated by the accountholder personally. Cheque book facility will be made available. Such accountholders will have to be present before the branch official and affix thumb impression and they will be identified through their photograph to facilitate operations. Bank is also committed in introducing technology banking facilities progressively via ATM & Internet banking in keeping with the availability of supporting technology which will enable visually challenged persons to operate their own accounts.

#### 16. ACCOUNT OF PERSONS WITH AUTISM, CEREBRAL PALSY, MENTAL RETARDATION & MULTIPLE DISABILITIES

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

#### 17. 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.

#### 18. CUSTOMER INFORMATION

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

#### 19. SECRECY OF CUSTOMER'S ACCOUNTS

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

#### 20.A. PENALTY ON PREMATURE WITHDRAWAL OF DOMESTIC TERM DEPOSIT:



- 20.A.1. In case of premature closure/withdrawal of term deposits with face value of Rs.5.0 lakhs and above, which have run for a period of 7 days and above, a penal interest of 1%, unless stated otherwise, shall be charged on run period interest rate.
- 20.A.2. The components of penalty shall be clearly brought to the notice of the depositors at the time of acceptance of the deposits. If not, no penalty shall be levied.
- 20.A.3. 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.

## 20. B. PREMATURE WITHDRAWAL OF TERM DEPOSIT

The Bank, on a request from the depositor, at its discretion may allow withdrawal of term deposit before completion of the period of the deposit agreed upon at the time of placing the deposit. The bank shall make depositors aware of the applicable rate along with the deposit rate. The bank has in place following policy for premature withdrawal of term deposit:

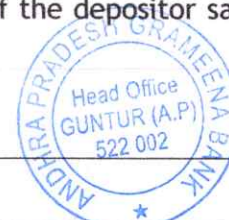
- i. Unless expressly prohibited under a deposit scheme, premature withdrawal of deposit will be allowed, irrespective of the period, it has run, but no interest will be paid on term deposits, which remain with the bank for less than 7 days.
- ii. For term deposits which have run for 7 days and above, interest will be paid at the rate applicable on date of deposit for the period for which it has actually remained with the bank or the contracted rate whichever is lower with penalty charge if any for premature withdrawal for the term deposits.
- iii. Penal Interest shall be applicable for NRO deposits also and provision of penal interest shall be applicable for the new as well as renewed retail term deposits.

## 21. PREMATURE RENEWAL / EXTENSION OF TERM DEPOSIT

In case the depositor desires to renew the deposit by seeking premature closure of an existing term deposit account, the bank will permit the renewal at the applicable rate on the date of renewal, provided the deposit is renewed for a period longer than the balance period of the original deposit. While prematurely closing a deposit for the purpose of renewal, interest on the deposit for the period it has remained with the bank will be paid at the rate applicable on the date of deposit to the period for which the deposit remained with the banker contracted rate of interest whichever is lower, without any penalty.

## 22. RENEWAL OF TERM DEPOSITS

- i. Depositors can give instructions at the time of opening the account for payment of maturity proceeds to their accounts or by draft or for renewal of the deposit for the period of their choice. In the absence of any instructions from customer, the bank will renew the deposit on due date for the same period for which the matured deposit was placed. However, the depositor will have a choice to change the auto renewal period within 14 days from the date of maturity with value dated effect for such period. Request for change of the auto renewal period received after 14 days from the date of maturity will be treated as premature renewal of deposit.
- ii. However, auto renewal option is not available for bulk deposits (deposit of Rs 1.0 crores and above).
- iii. After death of the depositor, renewal (as per mandate given at the time of opening of account) / auto renewal in the account shall be treated as null/void. (In absence of death intimation, if a deposit is renewed/ auto renewed after death of the depositor same will be



treated as null/void). Interest for the said deposit will be paid at the rate applicable to savings deposit as on the date of payment.

### 23. ADVANCE AGAINST DEPOSITS

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

### 24. PREMATURE REPAYMENT OF TERM DEPOSITS IN BANKS WITH "EITHER OR SURVIVOR" OR "FORMER OR SURVIVOR" MANDATE.

In case of Term Deposits with Either or Survivor or Former or Survivor mandate, banks are permitted to allow premature withdrawal of the deposit by the surviving joint depositor on the death of the other, only if there is a joint mandate from the joint depositors to this effect.

The joint deposit holders may be permitted to give the mandate either at the time of placing fixed deposit or anytime subsequently during the term/tenure of the deposit. If such a mandate is obtained, banks can allow premature withdrawal of term/fixed deposits by the surviving depositor without seeking concurrence of the legal heirs of the deceased joint deposit holder. It is also reiterated that such premature withdrawal will not attract any penal charge.

### 25. SETTLEMENT OF DUES IN DECEASED DEPOSITOR'S ACCOUNT

- a. Bank will follow a simplified procedure for settlement of accounts of deceased account holders. The claims in respect of deceased depositors and release of payments to survivor(s)/nominees will be made within a period not exceeding 15 days from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claimant(s) to the bank's satisfaction.
- b. If the depositor has registered a nomination with the Bank - the balance outstanding in the account of the deceased depositor will be transferred to the account of / paid to the nominee after the Bank satisfies itself about the identity of the nominee after submission of required documents from the nominee.
- c. The above procedure will be followed even in respect of a joint account where nomination is registered with the Bank.
- d. 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 holders had given mandates for disposal of the balance in the account in the forms such as either-or survivor, former / latter or survivor, anyone or survivors or survivor; etc., the payment will be made as per the mandate.
- e. 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 by all legal heirs or the person mandated by the legal heirs to receive the payment on their behalf without insisting on legal documents up to the limit approved by the bank's board. This is to ensure that the common depositors are not put to hardship on account of delays in completing legal formalities. For the amount outstanding over the prescribed limit the necessary legal formalities as prescribed by the Bank from time to time need to be completed.
- f. In the case of balances lying in Current account standing in the name of a deceased individual depositor/sole proprietorship concern interest to be paid from the date of death of the



depositor, whichever is later, till the date of repayment to the claimants at the rate of interest applicable to savings deposit as on the date of payment.

## 26. INTEREST PAYABLE ON TERM DEPOSIT IN DECEASED DEPOSITOR'S ACCOUNT

- 26.1. In the event of the death of the depositor before the date of maturity of the deposit and amount of the deposit is claimed after the date of maturity, the Bank shall pay interest at the contracted rate till the date of maturity. **After date of maturity**, interest will be paid at the rate of interest applicable to savings deposit as on the date of payment for the period for which the deposit remained with the Bank beyond the date of maturity.
- 26.2. If the amount of deposit is claimed before the date of maturity, interest at the rate applicable to the period for which the deposit has remained with the bank will be paid **without any penalty**.
- 26.3. However, in the case of death of the depositor after the date of maturity of the overdue deposit, the bank shall pay interest as per Bank's policy on overdue deposit.

## 27. CLOSURE OF ACCOUNTS:

- 27.1. Accounts can be closed on written request of the depositor. Request for closure of account should state the reason for closure. The pass book, unused cheque leaves and ATM cum Debit card (after cutting into two pieces across the magnetic strip) must accompany such request. Joint accounts can be closed only at the request of all such joint signatories.
- 27.2. Under normal circumstances, we will not close depositors account without giving at least 30 days' notice indicating the reasons for such closure. In such cases, account holder will be required to make alternate arrangements for cheques already issued and desist from issuing any fresh cheques on such account.

## 28. INSURANCE COVER FOR DEPOSITS

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

Bank while offering deposit products linked to insurance benefits will give choice to the customer for availing the insurance benefit and will explicitly specify the insurance cost if the depositor opts for insurance cover.

## 29. STOP PAYMENT FACILITY

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

## 30. DORMANT ACCOUNTS

Accounts which are not operated for a period of two years will be classified as dormant accounts in the interest of the depositor as well as the bank. The depositor will be informed of charges, if any, which the bank will levy on dormant/inoperative accounts. The depositor can request the bank to activate the account for operating it after complying with the conditions as per KYC norms.

## 31. NON-RESIDENT ACCOUNTS



As defined by FEMA, Non Resident Indian (NRI) means person residing outside the India who is a citizen of India or a person of Indian origin or overseas citizen of India (OCI), NRI may open following types of accounts.

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

### 31.3 RUPEE DEPOSITS:

Rupee deposits accepted from Non-resident Indians and persons of Indian Origin are maintained in the form of NRO & NRE accounts. Only individuals can open these accounts.

**31.3.1. Non Resident Ordinary Account (NRO):** NRIs can open non-resident ordinary deposit accounts for collecting their funds from local bonafide transactions. NRO accounts being rupee accounts, the exchange risk on such deposits is borne by the depositor themselves. When a resident becomes an NRI, his/her existing rupee accounts are designated as NRO accounts. NRO accounts can also be opened to meet the requirements of foreign nationals’ resident in India. These accounts can be maintained as current, savings or Term deposit accounts. The interest rates applicable in these deposits are in accordance with RBI guidelines. However, the interest earned is subjected to tax as per IT act. While the principal amount of NRO deposits is non repatriable, current income and interest earned is repatriable.

**31.3.2. Non Resident (External) Rupee Account (NRE):** These accounts are opened with funds remitted to India through a banking channel from abroad. These accounts are maintained as current, savings or term deposit. NRE term deposit is accepted for a minimum period of one year as per RBI directives. Local payment can be made freely. This is a repatriable account and transfer of fund from another NRE or account is also permitted. Since these accounts are maintained in rupees, the depositor is exposed to exchange risk for conversion into foreign currency. The interest rates payable on NRE deposits have been deregulated w.e.f 16.12.2011.

### 31.3.3 PERMISSIBLE DEBITS AND CREDITS IN NRO ACCOUNTS

#### Credits:

- a. Proceeds of remittances received in any permitted currency from outside India through banking channels or any permitted currency tendered by the account-holder during his temporary visit to India or transfers from rupee accounts of non-resident banks.
- b. Legitimate dues in India of the account holder.
- c. Transfers from other NRO accounts.
- d. Any amount received by the account holder in accordance with the rules or regulations made under the FEMA and RBI regulations.

#### DEBITS

- a. All local payments in rupees including payments for investments subject to compliance with the relevant regulations made by the Reserve Bank.



- b. Remittance outside India of current income in India of the account holder net of applicable taxes.
- c. Transfers to other NRO accounts.
- d. Settlement of charges on International Credit Cards issued by authorized dealer/ banks in India to NRIs or PIOs, subject to the limits for repatriation of balances held in NRO accounts specified in regulation 4(2) of Foreign Exchange Management (Remittance of Assets) Regulations, 2016.

#### 31.3.4. PERMISSIBLE DEBITS AND CREDITS IN NRE ACCOUNTS:

##### Permitted Credits:

- a. Proceeds of remittances to India in any permitted currency.
- b. Proceeds of personal cheques drawn by the account holder on his foreign currency account and of traveler cheques, bank drafts payable in any permitted currency including instruments expressed in Indian rupees for which reimbursement will be received in foreign currency, deposited by the account holder in person during his temporary visit to India, provided the Bank/Branch is satisfied that the account holder is still resident outside India, the travelers' cheques/ drafts are standing/ endorsed in the name of the account holder and in the case of travellers' cheques, they were issued outside India.
- c. Proceeds of foreign currency/ bank notes tendered by account holder during his temporary visit to India, provided.
  - (i) the amount was declared on a Currency Declaration Form (CDF), where applicable, and
  - (ii) The notes are tendered to the bank/branches in person by the account holder himself and the bank/branch is satisfied that account holder is a person resident outside India.
- d. Transfers from other NRE/ FCNR (B) accounts.
- e. Interest accruing on the funds held in the account.
- f. Current income in India due to the account holder, subject to payment of applicable taxes in India.
- g. Maturity or sale proceeds of any permissible investment in India which was originally made by debit to the account holder's NRE account or out of remittances received from outside India through banking channels. Provided that the investment was made in accordance with the foreign exchange regulations in force at the time of making such investment.
- h. Refund of share/ debenture subscriptions to new issues of Indian companies or portion thereof, if the amount of subscription was paid from the same account or from other NRE account of the account holder or by remittance from outside India through banking channels.
- i. Refund of application/ earnest money/ purchase consideration made by the house building agencies/ seller on account of non-allotment of flat/ plot/ cancellation of bookings / deals for purchase of residential/ commercial property, together with interest, if any (net of income tax payable thereon), provided the original payment was made out of NRE account of the account holder or remittance from outside India through banking channels and the bank is satisfied about the genuineness of the transaction.
- j. Any other credit if covered under general or special permission granted by Reserve Bank.

#### 31.3.5 PERMITTED DEBITS:



- a. Local disbursements.
- b. Remittances outside India.
- c. Transfer to NRE accounts of the account holder or any other person eligible to maintain such account.
- d. Investment in shares/ securities/ commercial paper of an Indian company or for purchase of immovable property in India provided such investment/ purchase is covered by the regulations made, or the general/ special permission granted by the Reserve Bank.
- e. Any other transaction if covered under general or special permission granted by the Reserve Bank.

#### 31.4. INTEREST RATES ON RUPEE DEPOSITS-NON-RESIDENTS

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

- a. Interest rates on NRE/NRO term deposits shall vary only on account of one or more of the following reasons:
  - i. **Tenor of Deposits:**  
Minimum tenor of NRE term deposits shall be one year and that of NRO term deposits shall be seven days.  
Maximum tenor of NRE and NRO term deposits shall be 10 years.
  - ii. **Size of Deposits**  
Differential interest rate shall be offered only on bulk deposits
  - iii. **Non-availability of Premature withdrawal option:** Banks 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.
- b. Interest rates on NRE/ NRO deposits shall not be higher than those offered by the banks on comparable domestic rupee term deposits.
- c. The benefit of additional interest rate on deposits on account of being bank's own staff or senior citizens shall not be available to NRE and NRO deposits.
- d. Interest on savings deposits shall be credited at quarterly intervals.
- e. If an NRE account holder, immediately on return to India, requests for conversion of the NRE term deposit into Resident Foreign Currency Account (RFC), interest shall be paid as under:
  - i. If the NRE deposit has not run for a minimum period of one year, interest shall be paid at a rate not exceeding the rate payable on savings deposits held in RFC accounts.
  - ii. In all other cases, interest shall be paid at the contracted rate.

#### 31.4.2. PROHIBITION ON MARKING LIEN

Bank/Branches shall not mark any type of lien, direct or indirect, against NRE saving deposits

#### 31.4.3. PENALTY ON PREMATURE WITHDRAWAL OF NRE DEPOSITS

Subject to the following:

- a. In case of premature closure/withdrawal of NRE term deposits which have run for a period of 1 year and above, a penal interest of 1%, unless stated otherwise, shall be charged on run period interest rate.
- b. Penal Interest on premature withdrawal shall also be applicable on NRO deposits.
- c. The components of penalty shall be clearly brought to the notice of the depositors at the time of acceptance of the deposits.



- d. No penalty shall be levied for premature withdrawal of NRE term deposits for conversion into Resident Foreign Currency (RFC) Account.
- e. 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.
- f. No penalty for premature withdrawal shall be levied, where depositors of the branch desires premature withdrawal of deposit consequent to the transfer of business to another bank.

#### 31.4.4. 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.

#### 31.5. CHANGE OF RESIDENTIAL STATUS OF NRO ACCOUNT HOLDER

##### (a) From Resident to Non-resident

When a person resident in India leaves India for a country (other than Nepal or Bhutan) for taking up employment or for carrying on business or vocation outside India or for any other purpose indicating his intention to stay outside India for an uncertain period, his existing account should be designated/converted as a Non- Resident (Ordinary) Account.

##### b) From NON- RESIDENT TO RESIDENT

NRO accounts may be re-designated as resident Rupee accounts on return of the account holder to India for taking up employment, or for carrying on business or vocation or for any other purpose indicating his intention to stay in India for an uncertain period. Where the account holder is only on a temporary visit to India, the account should continue to be treated as non-resident during such visit.

#### 31.6. CHANGE OF RESIDENTIAL STATUS OF THE NRE ACCOUNT HOLDERS

NRE accounts should be re-designated as resident accounts or the funds held in these accounts may be transferred to the RFC accounts (if the account holder is eligible for maintaining RFC account) at the option of the account holder immediately upon the return of the account holder to India for taking up employment or for carrying on business or vocation or for any other purpose indicating intention to stay in India for an uncertain period. Where the account holder is only on a short visit to India, the account may continue to be treated as NRE account even during his stay in India

#### 32. STAFF DEPOSITS AND PAYMENT OF ADDITIONAL INTEREST:

**32.1.1. Staff Member:** "A member of the Bank's staff" means a person employed on a regular basis, and includes a person recruited on probation 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 as provided in the bank's Service/Staff Regulations.

**32.1.1. Retired Staff Member:** "A 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, but does not include an employee retired compulsorily or dismissed in consequence of disciplinary action or resigned employees. Such retired staff may also be senior citizen by virtue of their age.

- 32.1.2. Family:** "Family" means and includes the spouse of the member/retired member of the bank's staff and the child/children, parents, brothers and sisters of the member/retired member of the bank's staff who are Dependent on such member/retired member, but does not include legally separated spouse.

## 32.2. PAYMENT OF ADDITIONAL INTEREST:

- 32.2.1. Bank Employee Federations, in which bank employee are not direct members, shall not be eligible for additional interest.
- 32.2.2. Additional interest of 1% p.a. over the rates payable to public shall be allowed in all term deposit accounts up to Rs.1.50 crores and in all types of Saving deposit schemes opened in the name of the following:
- Member or a retired member of the bank's staff, either singly or jointly with any member or members of his/her family; or
  - The spouse of a deceased member or a deceased retired member of the bank's staff; and
  - An Association or a fund, members of which are members of the bank's staff;
- 32.2.3. Additional interest of one per cent per annum, over and above the rate of interest mentioned in the schedule of interest rates on savings or term deposits to 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:
- 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.
  - 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.
  - 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 deposit account opened with it during the period of deputation.
  - 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, in which bank employees are not direct members, shall not be eligible for additional interest.

The additional interest may be paid after obtaining a declaration from the depositor concerned that the monies deposited, or which may be deposited from time to time into such account belongs to the depositor.

On the above, further it is clarified that:

As per policy point No.32.2.2 And (b) herein above shall exclude legally separated spouse of a staff member/retired staff member. Further a declaration shall be obtained from the depositor concerned that the monies deposited, or which may from time to time or be



deposited into such account from time to time belong to the depositor. The same shall continue to be obtained in the Amalgamated Entity.

### 32.3. JOINT DEPOSITS OF STAFF:

32.3.1. Staff Deposits jointly with family members: Where a joint holder of a deposit is a staff member, in order to be entitled for 1.0% p.a. additional interest, the name of the staff member should be first and not subsequent. However, a declaration from the staff member shall be obtained to the effect that the monies deposited or which may be deposited from time to time into such account/s, belong to the concerned staff member. The implication of this is that as per extant norms, applicable TDS will be deducted from the total interest paid and relevant TDS certificate will be issued in the name of the staff member only, irrespective of the fact the account is in joint name.

32.3.2. Deposit of Retired Staff (Senior Citizen) jointly with family members: If a deposit is held by a retired staff member who is also a Senior Citizen jointly with his parents / spouse / child /children, brother or sister, then the branch can offer both Staff benefit and Senior Citizen benefit subject to obtaining a declaration from the staff member to the effect that the monies deposited or which may be deposited from time to time into such account/s, belong to the concerned retired staff member. In order to be entitled for Senior Citizen benefit, name of the retired staff member should be first and not subsequent in a joint deposit.

In other words, deposits maintained by retired staff members (who incidentally are senior citizens) jointly with eligible family members would be entitled for the staff benefit by way of additional 1.0% interest along with senior citizen benefit, only when the retired staff member is named first and not subsequent to the deposit.

32.3.3. Staff Deposit jointly with Senior Citizens: Where a joint holder of a deposit made by the Senior citizen is a staff member, to be entitled for 1% p.a. additional interest, only when the name of the staff member is first and not subsequent. A declaration from the staff member shall be obtained to the effect that the monies deposited or which may be deposited from time to time into such account/s, belong to the concerned staff member. The benefit of additional interest of 0.5% p.a. as extended to senior Citizen scheme shall not be extended to such deposits (since the serving staff member is not a senior citizen). Applicable TDS will be deducted from the total interest paid and relevant TDS certificate will be issued in the name of the staff member only.

32.3.4. Deposits in the name of spouse of a deceased staff (jointly or singly): If a deposit is held jointly by the spouse of the deceased member of the staff who is senior citizen, then the branch can offer both staff interest and senior citizen interest subject to obtaining of the declaration that deposits belong to him/her. Here again, in order to be entitled for Senior Citizen benefit, name of the spouse of the deceased staff member, who is also a Senior Citizen, should be first in a joint deposit.

### 32.3.5. PREMATURE CLOSURE OF STAFF ACCOUNT:

On premature closure of a staff member's Term Deposit, penalty as applicable shall be levied (1% less than the card rate applicable for staff deposits as prevailing on the date of deposit for the tenure up to which the deposit remained with the Bank).

### 32.3.6. CEILING ON STAFF DEPOSITS:



The maximum ceiling under the staff deposits is Rs.1.50 crore. The amount invested in Term Deposits (Principal amount) at all branches of the Bank put together under staff category on which the benefit of additional rate of 1.0% p.a. is admissible on deposits of staff category for individuals opened either singly or jointly with family members viz. as staff, ex-staff or spouse of a deceased member of staff or deceased retired member of the Bank's staff.

#### 32.3.7. ACCOUNTS WHICH ARE INELIGIBLE FOR BENEFITS OF STAFF ACCOUNTS:

- (i) Ex-staff members who have resigned from the service of the Bank (irrespective of the number of years of service put in) will not be eligible for the benefit of the staff accounts in respect of the deposits placed/renewed by them after their resignation from the service of the Bank.
- (ii) Even if the Karta of the family is a member of Bank's staff, the accounts of HUF shall not be eligible for staff rate of interest.
- (iii) Bank Employees Federations, in which bank employees are not direct members, shall not be eligible for additional interest.
- (iv) NRE/NRO Deposits of Staff Members: Deposits held by the staff under NRE / NRO Deposit Account shall not be eligible for the additional interest benefit.

#### 32.4. APPLICATION OF ADDITIONAL INTEREST ON EXISTING DEPOSITS:

For deposits which are outstanding on the date of this policy will continue to earn interest as contracted without any change.

With respect to outstanding deposit of e-APGVB staff members, in joint names, where name of the depositor is not first, the account shall continue to fetch benefit of additional interest till maturity of such deposit as per originally contracted terms of deposit. However, on maturity of such deposit, the benefit of additional interest to staff will cease to continue. Upon renewal of such deposits, the additional interest benefit will be available only if the name of the staff member is first.

#### 32.5. EXTENSION OF STAFF DEPOSIT BENEFIT RETROSPECTIVELY:

The deposit/s eligible under the policy which, in case, is/are deprived of eligible benefit due to amalgamation process/technical issues, will be eligible from retrospective effect (i.e. 01.05.2025) till the maturity of deposit. However, it should be ensured that such deposits should also have been eligible during the intervening period but were not extended the same due to technical issue (IT integration post amalgamation) and/or adoption of existing guidelines of erstwhile Banks. On maturity of deposit, existing rate with applicable benefit will continue as per the terms of revised policy.

#### 33. THE DEPOSITOR EDUCATION AND AWARENESS FUND SCHEME, 2014 (DEAF)

RBI has established The Depositor Education and Awareness Fund (the Fund). Under the provisions of Fund, the amount to the credit of any account with the Bank which has not been operated upon for a period of ten years or any deposit or any amount remaining unclaimed for more than ten years shall be credited to the Fund, within a period of three months from the expiry of the said period of ten years. The Fund shall be utilized for promotion of depositors' interest and for such other purposes which may be necessary for the promotion of depositors' interests as specified by RBI from time to time. The depositor would, however, be entitled to claim from the Bank his/her deposit or any other unclaimed amount or operate his/her account



after the expiry of ten years, even after such amount has been transferred to the Fund. The Bank would be liable to pay the amount to the depositor/claimant and claim refund of such amount from the Fund.

#### 34. DIGITAL DEPOSITS AND ACCOUNTS

In digital era, the expectations of customers have shifted from traditional branch banking to digital banking. The transactions and account opening without visiting branch is the need of the hour. In line with customers' need, Bank has also formulated products, digital offerings and providing operations through multiple digital modes. End to end digital account opening will also be extended. Digital deposits, digital and digitally assisted customer acquisition, online partnership and onboarding of customers through online account opening facility etc will be governed by the Policy on Digital channels issued by IT Department in line with Policy on Bank Deposits of the Bank.

#### 35. CUSTOMER GRIEVANCES REDRESSAL MECHANISM

Depositors having any complaint/grievance with regard to services rendered by the bank have a right to approach the authority (ies) designated by the bank for handling customer complaints/grievances. The details of internal set up for redressal of complaints/ grievances will be displayed in branch premises. The branch officials shall provide all required information regarding procedure for lodging the complaint.

The person aggrieved with banking services will first complain to the bank and if he does not receive any reply or is unsatisfied with the reply of the Bank, he may approach Banking Ombudsman appointed by the Reserve Bank of India, for redressal of his grievance.

#### 36. PROHIBITIONS:

Bank shall not:

- 36.1. 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:
  1. Commission paid to agents employed to collect door-to door deposits under a special scheme
  2. commission paid to direct selling agents/direct marketing agents as part of the outsourcing arrangements
  3. remuneration paid to business facilitators or business correspondents
- 36.2. Offer prize/lottery/free trips (in India and/or abroad), etc or any other initiative having element of chance for mobilizing deposits. However, inexpensive gifts costing not more than Rupees 250/- which is the amount prescribed by the Indian Banks' Association (IBA) as part of the Ground Rules and Code of Ethics framed by them may, at the bank's discretion, be given to depositors at the time of accepting deposits.
- 36.3. 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.
- 36.4. 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.
- 36.5. Accept interest-free deposit other than in current account or pay compensation indirectly.



- 36.6. 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 or other-wise, for such clients receiving such deposits on maturity.
- 36.7. Grant advances against term deposits maintained with other banks.
- 36.8. 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 Cooperative 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.

- 36.9. Create any fund to be utilized for charitable purposes in consultation with the depositor

### 37. EXEMPTIONS

The provisions in the above paragraphs (39) shall not be applicable to:

- 37.1. 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 subsection (2) of Section 54G of the Income-Tax Act, 1961; and
  - iv. under the Certificate of Deposit Scheme
- 37.2. Payment of interest on delayed collection of outstation instruments like cheques, drafts, bills, telegraphic/mail transfers, etc.

### SCHEDULE- I

1. Primary Co-operative Credit Society which is being financed by the bank.
2. Khadi and Village Industries Boards.
3. Agriculture Produce Market Committees.
4. Societies registered under the Societies Registration Act, 1860 or any other corresponding law in force in a State or a Union Territory except societies registered under the State Co-operative Societies Acts and specific state enactment creating Land Mortgage Banks.
5. Companies licensed by the Central Government under Section 8 of Companies Act, 2013 or Section 25 of Companies Act, 1956 or under the corresponding provision in the Indian



Companies Act, 1913 and permitted, not to add to their names the words 'Limited' or the words 'Private Limited'.

6. Institutions other than those mentioned in Section 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 programmes / Schemes sponsored by Central Government / State Governments subject to production of an authorization from the respective Central / State Government departments to open savings bank account.
8. Development of Women and Children in Rural Areas (DW CRA).
9. Self-help Groups (SHGs), registered or unregistered, which are engaged in promoting savings habits among their members.
10. Farmers' Clubs - Vikas Volunteer Vahini - VV

### 38. POWERS OF THE CHAIRMAN:

In case of any doubt or ambiguity in the interpretation of any of the clauses of this policy, Chairman is empowered to take an appropriate decision considering all facts and circumstances of the case. All such decisions of the Chairman shall be placed before the Board for review/ratification.

### 39. VALIDITY OF THE POLICY:

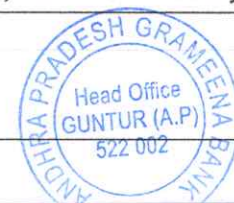
This policy shall be valid till 30.04.2027 or reviewed by board again whichever is earlier. The policy may be extended for a further period not exceeding three months from the date of expiry of the policies with the specific approval of the Chairman of the bank.



**ANNEXURE-1**

**Customer Identification Procedure - Features to be verified and Documents that may be obtained from Customers:**

Features	Documents
<b>Accounts of individuals</b>	
<p>Proof of Identity and Address</p>	<p>For undertaking Customer Due Diligence (CDD), Bank shall obtain the following from an individual while establishing an account-based relationship or while dealing with the individual who is a beneficial owner, authorized signatory or the power of attorney holder related to any legal entity:</p> <p>(A) The Aadhaar number where,</p> <p>(i) he is desirous of receiving any benefit or subsidy under any scheme notified under section 7 of the Aadhaar (Targeted Delivery of Financial and Other subsidies, Benefits and Services) Act, 2016(18 of 2016); or</p> <p>(ii) he decides to submit his Aadhaar number voluntarily to a bank; or</p> <p>(B) The proof of possession of Aadhaar number where offline verification can be carried out; or</p> <p>(C) The proof of possession of Aadhaar number where offline verification cannot be carried out or any OVD or the equivalent e-document thereof containing the details of his identity and address; and</p> <p>(D) The Permanent Account Number or the equivalent e- document thereof or Form No. 60 as defined in Income-tax Rules, 1962; and</p> <p>(E) Such other documents including in respect of the nature of business and financial status of the customer, or the equivalent e-documents thereof as may be required by the bank.</p> <p>Provided that where the customer has submitted,</p> <p>i) Aadhaar number under clause (A) above to a bank, such bank shall carry out authentication of the customer's Aadhaar number using e-KYC authentication facility provided by the Unique Identification Authority of India.</p> <p>Further, in such a case, if customer wants to provide a current address, different from the address as per the identity information available in the Central Identities Data Repository, he may give a self- declaration to that effect to the Bank.</p> <p>ii) Proof of possession of Aadhaar under clause (B) above where offline verification can be carried out, the bank shall carry out offline verification.</p> <p>An equivalent e-document of any OVD, the bank shall verify the digital signature as per the provisions of the Information Technology Act, 2000 (21 of 2000) and any rules issues thereunder and take a live photos per digital KYC process.</p> <p>iii) Any OVD or proof of possession of Aadhaar number under clause (C) above where offline verification cannot be carried out, the bank shall carry out verification through digital KYC.</p> <p>Provided that for a period not beyond such date as may be notified by the Government for a class of Regulated entities, instead of carrying out</p>



digital KYC, the Regulated entity pertaining to such class may obtain a certified copy of the proof of possession of Aadhaar number or the OVD and a recent photograph where an equivalent e-document is not submitted.

Provided further that in case e-KYC authentication cannot be performed for an individual desirous of receiving any benefit or subsidy under any scheme notified under section 7 of the Aadhaar (Targeted Delivery of Financial and Other subsidies, Benefits and Services) Act, 2016 owing to injury, illness or infirmity on account of old age or otherwise, and similar causes, Bank shall, apart from obtaining the Aadhaar number, perform identification preferably by carrying out offline verification or alternatively by obtaining the certified copy of any other OVD or the equivalent e-document thereof from the customer. Customer Due Diligence done in this manner shall invariably be carried out by an official of the Bank and such exception handling shall also be a part of the concurrent audit as mandated in Section 8. Bank shall ensure to duly record the cases of exception handling in a centralized exception database. The database shall contain the details of grounds of granting exception, customer details, name of the designated official authorizing the exception and additional details, if any. The database shall be subjected to periodic internal audit/inspection by the Bank and shall be available for supervisory review.

**Explanation 1:**

Bank shall, where its customer submits a proof of possession of Aadhaar Number containing Aadhaar Number, ensure that such customer redacts or blacks out his Aadhaar number through appropriate means where the authentication of Aadhaar number is not required as per proviso (i) above.

**Explanation 2:**

Biometric based e-KYC authentication can be done by bank official / business correspondents / business facilitators.

**Explanation 3:**

The use of Aadhaar, proof of possession of Aadhaar etc., shall be in accordance with the Aadhaar (Targeted Delivery of Financial and Other Subsidies Benefits and Services) Act, 2016 and the regulations made thereunder.

• Officially Valid Documents (OVD) are as under:

- I. Passport
- II. Driving License
- III. Proof of possession of Aadhaar number
- IV. Voter Identity Card issued by Election Commission of India
- V. Job Card issued by NREGA duly signed by an officer of the State Government

Letter issued by the National Population Register containing details of name and address



### Accounts of companies

	<p>Where the client is a company, certified copies of following documents or the equivalent e-documents are to be submitted:</p> <ul style="list-style-type: none"><li>(i) Certificate of incorporation</li><li>(ii) Memorandum and Articles of Association</li><li>(iii) Permanent Account Number of the company</li></ul> <p>A resolution from the Board of Directors and Power of Attorney granted to its managers, officers or employees to transact on its behalf.</p> <ul style="list-style-type: none"><li>(i) Corporate Identification Number (CIN)</li><li>(ii) One copy of an Officially Valid Document containing details of identity and address, one recent photograph and Permanent Account Numbers or Form No.60 of related beneficial owner, the managers, officers or employees, as the case may be, holding an attorney to transact on the company's behalf.</li></ul>
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### Accounts of partnership firms

	<p>Where the client is a partnership firm, certified copies of following documents or the equivalent e-documents are to be submitted:</p> <ul style="list-style-type: none"><li>(i) Registration Certificate</li><li>(ii) Partnership Deed</li><li>(iii) Permanent Account Number of the partnership firm</li><li>(iv) One copy of an Officially Valid Document containing details of identity and address, one recent photograph and Permanent Account Numbers or Form No.60 of related beneficial owner, managers, officers or employees, as the case may be, holding and an attorney to transact on its behalf.</li></ul>
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### Accounts of trusts

	<p>Where the client is a Trust, certified copies of following documents or the equivalent e-documents are to be submitted:</p> <ul style="list-style-type: none"><li>(i) Registration Certificate</li><li>(ii) Trust Deed</li><li>(iii) Permanent Account Number or Form No.60 of the trust</li><li>(iv) One copy of an Officially Valid Document containing details of identity and address, one recent photograph and Permanent Account Numbers or Form No.60 of the related beneficial owner, managers, officers or employees, as the case may be, holding an attorney to transact on its behalf.</li></ul>
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**Accounts of Unincorporated Association or body of individuals**

Where the client is an unincorporated association or a body of individuals, certified copies of following documents or the equivalent e-documents are to be submitted:

- (i) Resolution of the managing body of such association or body of individuals
- (ii) Permanent Account Number or Form No.60 of the unincorporated association or a body of individuals
- (iii) Power of Attorney granted to the person who will transact on its behalf.
- (iv) One copy of an Officially Valid Document containing details of identity and address, one recent photograph and Permanent Account Numbers or Form No.60 of the related beneficial owner, managers, officers or employees, as the case may be, holding an attorney to transact on its behalf.
- (v) Such information as may be required to establish the legal existence of such association or body of individuals.

Note:

- (a) Unregistered trusts/partnership firms shall be included under the term "Unincorporated Association".
- (b) Term "body of individuals" includes societies.



### Accounts of Proprietorship Concerns

Proof of name, address and activity of the concern

For Proprietary concerns, Customer Due Diligence of the individual (proprietor) are to be carried out and any two of the following documents or the equivalent e-documents in the name of the proprietary concern should be submitted:

- a) Registration Certificate (in the case of a registered concern).
- b) Certificate/license issued by the Municipal authorities under Shop & Establishment Act.
- c) Sales and income tax returns.
- d) CST/VAT/GST certificate (Provisional/Final),
- e) Certificate / registration document issued by Sales Tax / Service Tax / Professional Tax authorities.
- f) The complete Income Tax return (not just the acknowledgement) in the name of the sole Proprietor where the firm's income is reflected, duly authenticated/acknowledged by the Income Tax Authorities.
- g) Utility bills such as electricity, water and landline telephone bills.
- h) IEC (Importer Exporter Code) issued to the proprietary concern by the office of DGFT / License/certificate of practice issued in the name of the proprietary concern by any professional body incorporated under a statute.

Though the default rule is that any two documents mentioned above should be provided as activity proof by a Proprietary concern, in cases where the branches are satisfied that it is not possible to furnish two such documents, they would have the discretion to accept only one of those documents as activity proof. In such cases, the branches, however, would have to undertake contact point verification, collect such information as would be required to establish the existence of such firm, confirm, clarify and satisfy themselves that the business activity has been verified from the address of the proprietary concern.

### Accounts of Limited Liability Partnerships



Proof of name, address and activity of the concern	<ul style="list-style-type: none"> <li>(i) Certified copy of incorporation documents filed with Registrar of Companies.</li> <li>(ii) Certificate issued by the Registrar of Companies.</li> <li>(iii) Copy of LLP Agreement signed by all the partners. In case, there is no LLP agreement, Schedule I of the LLP Act signed by all the partners will prevail.</li> </ul>
	<ul style="list-style-type: none"> <li>(iv) (a) Any Officially Valid Document which contains proof of identity/address in respects of person holding an attorney to transacts on its behalf and</li> <li>(b) PAN or Form 60 as defined in the Income Tax Rules, 1962 issued to the person holding a power of attorney to transact on its behalf.</li> </ul>
<b>Accounts of juridical persons not specifically covered above, such as Societies , Universities and Local bodies like Village Panchayats,</b>	
Proof of name, address and activity of the concern	<p>The certified copies of the following documents or the equivalent e-documents thereof are to be submitted:</p> <ul style="list-style-type: none"> <li>i) Document showing name of the person authorized to act on behalf of the entity;</li> <li>ii). (a) Any Officially Valid Document which contains proof of identity/address in respects of person holding an attorney to transacts on its behalf and</li> <li>(b) PAN or Form 60 as defined in the Income Tax Rules,1962 issued to the person holding a power of attorney to transact on its behalf.</li> <li>iii) Such documents as may be required to establish the legal existence of such an entity/juridical person.</li> </ul>
Branches to obtain only the documents as mentioned above and not to accept any other document for KYC purpose.	

