



Deposit Policy

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Deposit Policy

1.1. Introduction

- 1.1.1. One of the important functions of a bank is to accept deposits from the public for the purpose of lending. This is even more important for Bandhan Bank ("the Bank"), as growth of liability is a critical focus area of the Bank's business. Also, more generally, the depositors and the interest paid on their deposits form the key area of the regulatory framework for banking in India and this has been enshrined in the Banking Regulation Act, 1949. While the Reserve Bank of India regulates the conduct of deposit accounts, it allows the Bank to formulate deposit products within the broad guidelines.
- 1.1.2. While reviewing this Policy, the Bank reiterates its commitment to individual customers as outlined in Bankers' Fair Practice Code of Indian Banks Association. This document is a broad framework under which the rights of common depositors are recognized. Detailed operational instructions on various deposit schemes and related services shall be issued from time to time.
- 1.1.3. This Policy shall undergo an annual review and approval process by the Board of Directors through a Sub-committee of the Board. If any change in this Policy is subsequently approved, consequent upon any change in regulatory guidelines, market conditions, etc., such changes and approvals shall be deemed to be part of the Policy until the policy and framework are comprehensively reviewed next time. All such interim changes shall be approved by Asset Liability Management Committee (ALCO) before it comes into place.

1.2. Objectives

- 1.2.1. This Policy document on deposits outlines the guiding principles in respect of formulation of various deposit products offered by the Bank and terms and conditions governing the conduct of the account. The document recognizes the rights of depositors and aims at dissemination of information with regard to various aspects of acceptance of deposits from the members of the public, conduct and operations of various deposits accounts, payment of interest on various deposit accounts, closure of deposit accounts, method of disposal of deposits of deceased depositors, etc., for the benefit of customers. It is expected that this document would impart greater transparency in dealing with the individual customers and create awareness among customers of their rights. The ultimate objective is that the customer shall get services they are rightfully entitled to receive.

1.3. Types of Deposit accounts

- 1.3.1. Various deposit products offered by the Bank are assigned different names. Deposit products can be categorized broadly into the following types.
 - A. Demand deposit means a deposit received by the Bank which is withdrawable on demand;

- B. Savings account means a form of interest bearing demand deposit primarily meant to encourage savings habit, withdrawable by means of cheques or withdrawal slips, ATM cum Debit Cards , Phone banking etc.
- C. Current account means a form of demand deposit wherefrom withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount.
- D. Generally, term deposit means a deposit received by the Bank for a fixed period (minimum 7 days to maximum 10 years for resident and NRO deposit, minimum 1 year to maximum 10 years for NRE deposit and minimum 1 years to maximum 5 years for FCNRB deposit) and be withdrawable after the expiry of the fixed period. Interest is compounded quarterly.

Term deposits also include recurring deposit accounts. Recurring deposit accounts are for a minimum period of 6 months for residents. For non residents, in case of NRO deposits , the minimum period is 6 months while for NRE deposits the minimum period is 1 year. Special fixed deposit scheme/products may have different minimum and maximum tenor in line with extant regulatory guidelines.

1.4. Account opening and operation of deposit accounts

- 1.4.1. The Bank, before opening any deposit account, shall carry out due diligence as required under Know Your Customer (KYC) guidelines issued by RBI and/ or such other norms or procedures as per the policies of the Bank. If the decision to open an account of a prospective depositor requires clearance at a higher level, reasons for any delay in opening of the account shall be informed to him / her and the final decision of the Bank shall be conveyed at the earliest.
- 1.4.2. The account opening forms and other related materials shall be provided to the prospective depositor by the Bank. The same shall 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 / she approaches for opening a deposit account.
- 1.4.3. The Bank is committed to providing basic banking services to the unbanked and underprivileged sections of the society. Banking services shall be offered to them through basic savings accounts which shall be opened with limited KYC requirement norms as per regulatory guidelines.
- 1.4.4. To govern deposit products such as savings account and current account, the Bank shall normally stipulate terms and conditions, including certain minimum balances to be maintained which shall be displayed on the branch notice board. Failure to maintain minimum balance in the account shall attract levy of charges and/or downgrade of account as specified by the Bank from time to time. For savings account, the Bank may also place restrictions on number of

transactions, amount of cash withdrawals, etc., during a given period. Similarly, the Bank may specify charges for issue of cheque books, additional statement of accounts, duplicate passbook, etc. All such details, regarding terms and conditions for operation of the account and schedule of charges for various services rendered by the Bank shall be communicated to the prospective depositor while opening the account and any subsequent changes in the terms and conditions and schedule of charges will be communicated to the customer 30 days in advance through SMS/Email alerts/Display at branches/Website etc.

1.4.5. The Bank will communicate regarding the balance requirement up-front at the time of opening an account with the bank. In the event the customer fails to maintain the required minimum balance in his/her savings account, the Bank will suitably notify the same to the customer. The communication will state that in the event of the minimum balance not being restored in the account within the next 30 days from the date of notice, penal charges will be levied. In case the balance is restored within the given notice period, no charges will be levied, and the Bank will accordingly debit the applicable charges from the customer's account. MAB charges as defined by the Bank are directly proportionate to the extent of shortfall in the saving account. The Bank shall ensure that the account balance is not turned into negative due to the levy of AMB charges.

1.4.6. Savings accounts can be opened for eligible person/persons and other entities as per RBI instructions while current accounts can be opened by individuals / partnership firms / private and public limited companies / specified associates / societies / trusts, departments of authority created by the government (central or state), limited liability partnership, etc.

1.4.7. Term deposit accounts can be opened by individuals / partnership firms / private and public limited companies / HUF/ specified associates / societies / trusts, departments of authority created by the government (central or state), limited liability partnership, etc. RBI Instructions in place from time to time shall be followed.

1.4.8. The due diligence process, while opening a deposit account shall involve satisfactory verification of the identity of the person, and his/her address, signature and occupation. Obtaining recent photograph of the person/s opening / operating the account shall be part of the due diligence process. The KYC documents shall be verified with the originals.

1.4.9. 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. Further seeding/registration of Aadhaar card, with the account, will be ensured by Bank in compliance with the guidelines issued from time to time by the competent authority.

1.4.10. Deposit accounts can be opened by an individual in his / her own name (known

as account in single name) or jointly by more than one individual in their own names (known as joint accounts).

- 1.4.11. The customer should be allowed to transfer his account from one branch to another branch without restrictions. In order to comply with KYC requirements of correct address of the person, fresh address proof may be obtained from him/her upon such transfer by the transferee branch.
- 1.4.12. For the accounts opened through non-face-to-face mode, any request to change the registered mobile number shall only be processed in the physical presence of the customer.
- 1.4.13. Savings account can also be opened by a minor represented by a natural guardian or mother, or jointly with a major where minor is represented by a natural guardian. Minors above the age of 10 and having ability to sign uniformly shall be allowed to open and operate saving account independently. A savings account opened by minor jointly with natural guardian / legal guardian can be operated by such natural guardian/legal guardian only. Cheque books shall be provided in minor accounts operated by the guardian on request.

1.4.14. Accounts of Transgender person:

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

1.4.15. Operation of joint account: A joint account opened by more than one individual can be operated by a single individual or jointly by more than one individual if they are the account holders. However, a mandate modifying the manner for operating the account can be recorded with the Bank with the consent of all account holders. A savings account opened by minor jointly with natural guardian / legal guardian can be operated by natural guardian/legal guardian only, till the minor attains majority, i.e. 18 years of age and, in case there is a legal guardian, 21 years.

1.4.16. The joint account holders can give any of the following mandates for operation in the accounts:

- A. **Either or survivor:** If the account is held by two individuals say, A & B, the account may be operated by any one and the final balance along with interest, if applicable, shall be paid to survivor on death of anyone of the

account holders. In case the survivor opts to continue with the existing account, the same shall be allowed.

B. Former or survivor: This mandate conveys that the account shall be operated by the “former” i.e. A alone, as long as he / she is alive and, after his / her death, by the “survivor” i.e. B. B shall have no authority to operate the account during the lifetime of A. B can operate the account only after the death of A. If B dies first, the account shall be operated solely by A, the legal representative of B shall have no right to the balance of the account or to operate the account.

C. Anyone or survivor/s: If the account is held by more than two individuals say, A, B and C, the account shall be operated by any one and the final balance along with interest, if applicable, shall be paid to the survivors on death of any one account holder.

- 1.4.17. The above mandates can be modified by the consent of all the account holders.
- 1.4.18. At the request of the depositor, the Bank shall register mandate / power of attorney given by him / her authorizing another person to operate the account on his / her behalf.
- 1.4.19. The term deposit account holders at the time of placing their deposits can give instructions with regard to closure of deposit account or renewal of deposit for further period on the date of maturity. In case of absence of any instructions deposits shall be treated as an auto renewal deposit and shall be renewed for a similar period at the prevailing rate of interest. In the normal circumstances, premature closure of joint deposit shall be permitted if all the depositors sign a request to that effect.

1.4.20. Nomination facility

1.4.20.1. Nomination facility shall be made available on all deposit accounts opened by individuals. In cases of nomination, cancellation and/ or variation of nomination, the receipt of the duly filled nomination form shall be acknowledged by the Bank in writing irrespective of whether the same is demanded by the customer.

1.4.20.2. Nomination shall also be available to a sole proprietary concern account. Nomination so made can be cancelled or changed by the account holder/s any time. Attestation by two witness is required only if the form carries thumb impression of the account holder. Attestation by witness is not required in case the form is signed by the account holder.

1.4.20.3. There shall not be more than one nominee in respect of a joint deposit account.

1.4.20.4. The Bank recommends that all depositors avail nomination facility.

The nominee, in the event of death of the depositor/s, shall receive the balance outstanding in the account as a trustee of legal heirs. The depositor shall be informed of the advantages of the nomination facility while opening a deposit account.

- 1.4.20.5. When an account holder has availed himself of nomination facility, the same shall be recorded on the face of the passbook / term deposit advice with the legend "Nomination Registered". In addition to the legend, the Bank shall also indicate the name of the nominee on customer's request
- 1.4.21. A statement of account shall be periodically provided by the Bank to account holders of demand deposit(s) only as per terms and conditions of opening of the account. Alternatively, the Bank shall issue a passbook to savings account holders.
- 1.4.22. The deposit accounts may be transferred to any other branch of the Bank at the request of the depositor(s).
- 1.4.23. The regulatory guidelines require the Bank 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 not opening an account.
- 1.4.24. Inability of an existing customer to furnish details required by the Bank to fulfill statutory obligations could also result in closure of the account after due notice(s) is provided to the customer.

1.5. Know Your Customer (KYC) guidelines

- 1.5.1. Know Your Customer (KYC) is the platform on which banking system operates to avoid the pitfalls of operational, legal and reputation risks and consequential losses by adhering to the various procedures laid down for opening and operating of accounts. The Bank shall follow appropriate KYC policies, procedures and internal control mechanism designed to:
 - 1.5.1.1. Establish and document the true identity and address of the customers who maintain/establish relationships, open accounts or conduct business transactions.
 - 1.5.1.2. Obtain background information on existing and/or new customers;
 - 1.5.1.3. Safeguard the Bank from the risks of doing business with any individual or entity whose identity cannot be determined.
 - 1.5.1.4. Protect the Bank from the risks of having business relationships with any individual or entity who refuses to provide information, or who

has provided information that contains significant inconsistencies which cannot be resolved after due investigation.

1.5.2. Identification through documents provided by the customer- The KYC documentation requirement for account opening is provided in the Bank's internal KYC/AML/CFT Policy, KYC Circular and instructions related to KYC issued in accordance with changes in the regulatory guidelines.

1.5.3. Basic and Small Savings Accounts

Simplified RBI guidelines for opening Basic and Small Savings accounts for Financial Inclusion will be adhered to:

1.5.3.1. For all type of Deposit accounts - Single document for proof of identity and proof of address (documentary proof)

- a.** There is now no requirement of submitting two separate documents for proof of identity and proof of address. If the officially valid document submitted for opening a bank account has both, identity and address of the person, there is no need for submitting any other documentary proof.
- b.** To further ease the process, the information containing personal details like name, address, age, gender, etc., and photographs made available from UIDAI as a result of e-KYC process can also be treated as an 'Officially Valid Document'.

1.5.3.2. Small Accounts

- a.** Those persons who do not have any of the 'officially valid documents' can open 'small accounts' with banks. A 'small account' can be opened on the basis of a self-attested photograph and putting her/his signature or thumb print in the presence of an official of the Bank. Such accounts have limitations The aggregate of all credits in a financial year does not exceed rupees one lakh; the aggregate of all withdrawals and transfers in a month does not exceed rupees ten thousand; and the balance at any point of time does not exceed rupees fifty thousand. Provided, that this limit on balance shall not be considered while making deposits through Government grants, welfare benefits and payment against procurements These small accounts shall be valid normally for a period of twelve months. Thereafter, such accounts shall 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. In case OVD is not provided within 24 months of opening the account, Bank shall suspend operations in such accounts.

1.5.3.3. The entire relaxation provisions shall be reviewed after twenty four months. The account shall be monitored and when there is suspicion of money laundering or financing of terrorism activities or other high risk scenarios, the identity of the customer shall be established through the production of an OVD and Permanent Account Number or Form No.60, as the case may be. Foreign remittance shall not be allowed to be credited into the account unless the identity of the customer is fully established through the production of an OVD and Permanent Account Number or Form No.60, as the case may be.

1.5.4. Transaction Reporting Requirements

- A. The Bank shall report all cash transactions where forged or counterfeit Indian currency notes have been used as genuine. Also, details of cash transactions in customer accounts shall be reported as per the extent guidelines of FIU-IND.
- B. The Bank shall be guided by the Prevention of Money Laundering Act PMLA (2002) in identifying suspicious transactions. The Bank shall send STR irrespective of amount or threshold limit if the Bank has reasonable grounds to believe that the transactions are malafide.

1.6. Alternate Delivery Channels to Savings & Current Deposit account holders

- 1.6.1. The bank offers choice of electronic channels to customers for conducting their banking transactions. The choice of electronic channels includes ATM, Internet banking, mobile banking including SMS banking facility and phone banking. Wherever such electronic facilities are offered as a part of the basic account/product, bank will obtain specific consent of the customers after explaining the risk associated for availing the facility.

1.7. Door Step Banking

- 1.7.1. In line with the Reserve Bank of India's directive vide circular DBOD.No.BLBC.86/22.01.001/2004-2005 dated April 30, 2005, Bandhan Bank ("the Bank") is committed to offering Doorstep Banking services to its customer. Accordingly, Doorstep Banking services shall be extended by Bandhan Bank ("the Bank") to all category of customers including Government Departments based on the general principles and broad parameters as laid down by RBI vide RBI letter No. DBOD.BL.BC.59 /22.01.010/2006-2007 dated February 21, 2007, RBI /2006-2007/412 DBOD.No.BL.BC. 99 /22.01.010/2006-2007 dated May 24, 2007, RBI/2017-18/89 DBR.No.Leg.BC.96/09.07.005/2017-18 dated November 9, 2017 on Statement on Developmental and Regulatory Policies - October 4, 2017- on Banking Facility for Senior Citizens and Differently abled Persons & RBI/2019-20/203 DOR.CO.Leg.BC.No.59 /09.07.005/2019-20 dated March 31, 2020 on Doorstep Banking Services for Senior Citizens and Differently Abled Persons.

(a) Scope of door step banking:

- i) The Bank shall offer doorstep services to its customers on a best effort

basis and at the discretion of the Bank

- ii) The services shall be offered at either the residence or at the office of the customer, the address of which has been clearly and explicitly specified in the account.
- iii) Doorstep banking services shall not be restricted to any particular customer or class of customers.
- iv) Doorstep services shall be offered to only those customers in whose case proper KYC procedures as laid in the Bank's Policy and subsequent circulars on the subject have been followed.

(b) Doorstep Banking shall be extended to:

- i) Customers of Emerging Entrepreneurs Business
- ii) General Banking customers
- iii) The service offered is subject to the proviso that the same is liable for modification / restriction and temporary withdrawal in case of adverse eventualities.
- iv) All electronic transactions shall be subject to adopting technology and security standards and procedures.

(c) Emerging Entrepreneurs Business Customers: All the Bank's customers who are members of "groups" shall be eligible for doorstep banking facility for Emerging Entrepreneurs Business customers.

i) Services Offered: Services shall be offered to all Emerging Entrepreneurs Business customers. The services shall cover

- Pick up of Cash during group meetings at the group location
- Cash delivery at the group location
- Pick up of instruments, i.e. cheques, drafts and pay-orders, at the group location on designated days
- Delivery of instruments, i.e. drafts, pay-orders and FD advices, at the group location on designated days.

ii) Modalities of Delivery:

- Doorstep Banking service to Emerging Entrepreneurs Business customers shall be delivered by the Bank's own employees designated as Relationship Officer (ROs) / or any nomenclature that the Bank deems fit during the customer's respective group meetings
- Each RO shall be attached to a Banking Unit (BU) and equipped with a Hand Held Device (HHD)/Tab Banking device

iii) Risk Management:

- The Bank shall be responsible for the safety of cash in transit after the cash is collected from or till the cash is handed over to the customer. In case of theft / robbery or other similar events, the customer's account shall be credited within the same day irrespective of time taken for processing of claims made with insurance providers, law enforcement agencies or for other legal procedures. The appropriate booking of such entries shall be approved as per the delegation of financial power.
- Cash collected shall be deposited by the ROs with the BU on the same day.
- Any counterfeit notes received by ROs shall be handled as per the Bank's extant guidelines on counterfeit notes.
- There shall be a periodic visit to the groups at random and a regular interval by internal audit / inspection officials.

d) **General Banking Customers:** Doorstep banking services shall be extended to all general banking customers on all working days between 9:30 am to 3:30 pm in the following categories at the request of the customer:

- Current account customers
- Individual savings account customers.
- Non-individual customers

i) Services Offered: Services to current account and savings account customers shall cover

- Pick up of Cash for deposit to the customers' account
- Pick up of Cheques and other instruments
- Delivery of Cash (as per mutually agreed limit) / Drafts at the doorstep of the customer against cheques received at the counter or requests received through any secure convenient channel such as phone banking / Internet banking, etc. whose technology and security standards and procedures shall be as envisaged by RBI. Cash Withdrawal Services shall also be delivered against Bank's debit card that shall be authenticated through the HHD/Tab banking device, wherever this facility is made available by the Bank.
- Submission of 15G/H, delivery of demand drafts, delivery of account statement, Term deposit advice, submission of Know Your Customer (KYC) documents, Life certificate, account servicing request and nomination updation/modification request.
- Current account or non-individual customers shall enter into an agreement with the Bank for availing of doorstep services. The agreement shall contain, inter alia the time for the services and charges, address of pick-up and delivery, etc. in addition to the

standard indemnity to the Bank. Further, each customer agreement shall be carefully vetted for cost and operational viability and shall be approved by competent authorities.

- Delivery / pick-up of cash or instruments shall be done through Cash-in-Transit (CIT) agencies, based on business volumes for Current Account or Non-individual customers. These CIT agencies shall be centrally empaneled by the Bank and SLAS shall be executed by the Bank (as per the Outsourcing Policy) for Cash Deposits and Payments (CDP) activities.
- For individual customers, delivery/ pick-up of cash or instruments shall be done through the Bank's own branch employees.
- Detailed operational procedure shall be put in place by the Bank and shall be made part of Branch Operational Manual.
- The Bank will be sensitive towards senior citizens of more than 70 years of age and differently abled or infirm persons (having medically certified chronic illness or disability on production of such medical certificate) including those who are visually impaired and provide doorstep banking facilities.
- Bank shall offer the doorstep banking services on Pan India basis, mandatorily in all branches,
- For individual customer this facility of doorstep banking shall be extended only in home branch locations.
- Customer does not entail any legal or financial liability on the bank for failure to offer doorstep services under circumstances beyond its control.

ii) Risk Management

- The Bank shall obtain fidelity and other appropriate insurance cover for all its employees engaged in providing doorstep services.
- Any counterfeit notes received by the Bank shall be handled as per the Bank's extant guidelines on counterfeit notes.

e) Doorstep banking service charges: All the services rendered under 'Doorstep Banking' shall be subject to payment of service charges, the quantum of which shall be decided at the time of entering into the agreement with the customer taking into account the place of collection / delivery and other appropriate criteria.

Further

- Door step bankings services shall be provided free of charge to the Emerging Entrepreneurs Business customers.
- For current or non-individual account customers: The services shall be chargeable on actual cost basis. The Bank shall recover from the customer's account the amount of the bill raised by CIT agency on the Bank for each transaction. For waiver of charges, the Branch Head shall undertake cost-benefit analysis of the account and shall obtain approval of the competent authority.

- For individual savings account customers: The service shall be chargeable according to a schedule of charges approved by the competent authority. The Bank may, at its discretion, waive, fully or partially, the charges for certain categories of customers (such as, senior citizens, differently abled persons, women, etc.) on the basis of conditions decided by the Bank.

f) Display of Branch List, Reporting: The list of all banking outlet where doorstep banking services are being provided, shall be updated on the Bank's website from time to time for customer convenience.

The Customer Service Committee of the Board shall be updated on the progress of this facility on a quarterly basis for individuals and annually to Board of Directors

1.8. Interest payment

- 1.8.1. Reference shall be made to the policy document on 'Interest Rates on Deposits'.
- 1.8.2. Floating rate for Savings Account & Domestic Term Deposits: The Bank may offer floating rate Savings Accounts and Domestic Term Deposits where the interest rate is not fixed but varies periodically based on a transparent, market-determined external benchmark approved by ALCO, such as the RBI repo rate, MIBOR or government savings bond rate. The interest rate on these deposits may fluctuate—either increasing or decreasing—during the deposit tenure in line with changes in the linked benchmark.

1.9. TDS

- A. As per statutory obligation, the Bank shall deduct tax at source if total interest paid/ payable on all term deposits held by a person exceed the amount specified under the Income Tax Act.
- B. The bank shall issue a tax deduction certificate (TDS Certificate) for the amount of tax deducted. The depositor, if entitled to exemption from TDS can submit declaration in the prescribed format at the beginning of every financial year.

1.10. Service Charges

The Bank will levy service charges as approved by IBA/RBI/Bank's Board. The applicable service charges will be displayed on the Bank's website and a notice of one month will be given in case of any upward revision in Service Charges. In case of Non-Maintenance of desired MAB (Monthly Average Balance), the bank shall have discretion to downgrade the account to appropriate product variant in line with the MAB maintained hitherto. 30 days prior notice via SMS Alert/email alert, to the customer's registered mobile number/email ID, shall be sent before effecting downgrade of the account.

1.10.1. INTIMATION TO CUSTOMERS ON CHANGES EFFECTED - The depositors will be informed of a change in the policy by either of the following: -

- 1.10.1.1. Advertisement in the newspapers
- 1.10.1.2. SMS to the customers, if mobile number is registered
- 1.10.1.3. Display on the notice board at the branch
- 1.10.1.4. Display on Bank's website
- 1.10.1.5. Intimation by means of a letter
- 1.10.1.6. E-mail to customers, if an e-mail address is registered with the Bank

1.10.2. The MD & CEO will have authority to approve interim modifications in Standard schedule of charges which shall be included in next submission for review by the Board.

1.11. Accounts of illiterate persons

- 1.11.1. The Bank may at its discretion open savings and term deposit accounts in the names of illiterate persons, provided he / she visits the Bank personally along with a witness who is known to both the depositor and the Bank.
- 1.11.2. No joint accounts of illiterate with literate persons shall generally be opened by the Bank as illiterates are gullible and are prone to cheating by the literate in the guise of conducting their accounts. However, it may be allowed in case of joint accounts of husband and wife, and in the case of illiterates with genuine request, adequate safeguards shall be designed to avoid any inappropriate use or abuse of accounts. Cheque books shall not be provided for accounts of illiterate persons.

1.12. Minors' accounts

- 1.12.1. Minors above the age of 10 and having ability to sign uniformly shall normally be allowed to open and operate savings account independently. A savings account opened by minor jointly with natural guardian / legal guardian can be operated by such natural guardian/legal guardian only. The Bank shall take adequate care to see that the minor is receiving payment himself/herself when such account exists.
- 1.12.2. No overdraft facility shall be granted in minor accounts. Cheque books shall be issued in minor accounts on request.
- 1.12.3. It is permissible to open any type of deposit account in the name of a minor within the framework for minor account but no current account shall be

opened in the name of the minor.

- 1.12.4. On attaining majority, i.e. 18 years of age and, in case there is a legal guardian, 21 years, the erstwhile minor shall confirm the balance in his/her account and if the account is operated by the natural guardian / legal guardian, fresh specimen signature, operating instructions and KYC documents of erstwhile minor shall be obtained and kept on record for all operational purposes.
- 1.12.5. A minor is one who has not completed the age of 18 years. However, where a legal guardian has been appointed by a Court, the minor shall attain majority on attaining 21 years of age

1.13. Accounts of blind people

- 1.13.1. The Bank may at its discretion open deposit accounts other than current accounts in the names of blind persons after completing all necessary formalities. The blind persons shall generally be eligible to open both single and joint accounts.
- 1.13.2. The Bank shall take certain special precautions to protect the blind customer from being cheated by others and shall make the additional efforts to ensure security and transparency. Hence it is important to explain to him/her the rules of operations in bank account, the obvious risks involved and the precautions that he/she shall take in operating his / her account before opening the account.
- 1.13.3. While there is no legal provision for the appointment of a guardian of blind persons, the Bank may, at its discretion, allow a properly constituted attorney to operate the account on behalf of the blind account holder. However, in the cases the Bank is satisfied on merits, the next of the kin of a blind person may also be allowed to operate on his/her account as his/her constituted attorney duly authorized by a Letter of Authority or Power of Attorney as may be expedient.

1.14. Accounts of mentally challenged

- 1.14.1. The Bank may at its discretion open deposit accounts other than current accounts in the name of a mentally challenged person to be opened or operated only by a guardian or a receiver appointed by a competent court as defined under the Mental Health Act, 1987.

1.15. Operation of Accounts by Old and Incapacitated Persons

- 1.15.1. Facility to sick / old / incapacitated account holders
 - 1.15.1.1. The Bank shall recognize that sick / old / incapacitated account holders may require special attention as they may not be willing to open and operate joint account.

1.15.2. Types of sick / old / incapacitated account holders

The following categories of account holders shall be recognized as falling under this group:

- 1.15.2.1. An account holder who is too ill to sign a cheque / cannot be physically present in the Bank to withdraw money from his account but can put his/her thumb impression on the cheque/withdrawal form;
- 1.15.2.2. An account holder who is not only unable to be physically present in the Bank but is also even unable to put his / her thumb impression on the cheque/withdrawal form due to certain physical incapacity.

1.15.3. Operational Guidelines

With a view to enabling the old / sick account holders to operate their accounts, the Banks shall follow the guidelines as under: -

- 1.15.3.1. Wherever thumb or toe impression of the sick/old/incapacitated account holder is obtained, it shall be identified by two independent witnesses known to the Bank, one of whom shall be a responsible Bank official.
- 1.15.3.2. Where the customer cannot even put his / her thumb impression and also would not be able to be physically present in the Bank, a mark shall be obtained on the cheque / withdrawal form which shall be identified by two independent witnesses, one of whom shall be a responsible Bank official.
- 1.15.3.3. The customer may also be asked to indicate to the Bank as to who would withdraw the amount from the Bank on the basis of cheque / withdrawal form as obtained above and that person shall be identified by two independent witnesses. The person who would actually draw the money from the Bank shall be asked to furnish his signature to the Bank.
- 1.15.3.4. In case a customer can not sign due to loss of his both hands, the opinion of IBA, as given in the master circular on customer service in bank, shall be adhered to.

1.16. Bulk deposits

- 1.16.1. The Reserve Bank of India has clarified vide its instructions that wholesale single term INR deposit above the minimum value of Rs. 3 crore and above may be considered as bulk deposit. And RBI has permitted banks to offer differential interest rates for such deposits. This facility shall also be applicable to all NRO and NRE Rupee deposits of Rs. 3 crore and above.

1.16.2. Accordingly, the Bank shall offer the differential interest rates to bulk deposits if and as decided by competent authorities from time to time.

1.16.3. Bank may offer bulk deposit with the following options:

- a) With premature closure (Callable)
- b) Without premature closure (Non-callable)

Bank shall allow premature closure of bulk deposit which are booked under Callable option.

Premature withdrawal of bulk deposits with no prematurity clause shall not be permitted. At the time of accepting such deposits the customer shall be made aware of this restriction. However, in exceptional cases, premature withdrawal of bulk deposit may be allowed with the approval of competent authority.

Penal interest shall be levied for such withdrawal as applicable or decided by the competent authority. The depositor shall be informed of the applicability of penal interest at the time of accepting such deposits.

1.17. Undesirable accounts

1.17.1. In cases where the operations in savings or current accounts are not satisfactory, the Bank may decide to close the account and pay the balance in the account to the depositor after giving due notice. Few instances, where the account can be treated as undesirable are – where number of operations are more and not commensurate with the balance maintained in savings account, where cheques are being issued without adequate funds or arrangements to meet the cheque amount, where transactions are not consistent with AML guidelines or where the depositor is reported to be indulging in illegal or undesirable activity, etc. Further, the bank may choose to close the account where there is enough evidence of customer misbehavior or use of abusive behaviour (both verbal/physical) towards bank staff.

1.17.2. As per RBI instructions, accounts in which there are frequent dishonor of cheques shall be considered 'undesirable accounts' and the Bank may decide to close the account and pay the balance in the account to the depositor after giving due notice

1.18. Term deposits of senior citizens

1.18.1. Term deposits received from resident senior citizens, are given certain additional privileges, in tune with the guidelines received from RBI. Proof of age is required for opening senior citizen deposits. Joint accounts with another senior citizen or with person who is not a senior citizen can be opened. In the latter case, the senior citizen should be the first named

depositor to avail of benefits to senior citizens. The benefit of additional interest rate on deposits on account of senior citizens shall not be available for NRE,NRO, FCNR(B) deposits and on the term deposit standing in the name of an HUF, even if the Karta is a resident Indian senior citizen.

1.18.2. The benefit of additional interest rate on deposits on account of senior citizens shall not be available for Bulk deposits.

1.19. Addition or deletion of the name/s of joint account holders

1.19.1. The Bank may at the request of all the joint account holders allow addition or deletion of name/s of joint account holder/s if the circumstances so warrant or allow an individual depositor to add the name of another person as a joint account holder. However, while permitting deletion, the Bank has to ensure that the name of at least one original account holder continues to remain in the account after deletion.

1.19.2. In case of joint NRE/NRO accounts where the second holder is resident individual, the mode of operation shall mandatorily be "Former or Survivor".

1.20. Customer information

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

1.21. Secrecy of customers' accounts

1.21.1. 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.

1.22. Premature withdrawal of term deposit

1.22.1. The Bank, on request from the depositor, at its discretion may allow part/full withdrawal of term deposit before completion of the period of the deposit agreed upon at the time of placing the deposit. The Bank shall declare their penal interest rates for premature withdrawal of term deposit. The Bank shall make depositors aware of the applicable rate along with the deposit rate.

1.22.2. Presently, applicable penalty on pre-maturity/part withdrawal of fixed

deposit is as under: -

1.22.2.1. Domestic & Non-Resident Rupee Term Deposit - The Penal interest rate, as decided by the competent authority, shall be applicable on the card rate. In case of premature closure, interest shall be paid at the rate applicable to the amount and period for which the deposit remained with the bank and not at the contracted rate. Minimum tenure for NRE term deposits is 1 year and no interest is payable for deposits prematurely withdrawn within the period of 1 year from the date of deposit.

1.22.2.2. Domestic & Non-Resident Rupee Term Deposit - In case of part withdrawal on pre-maturity basis, the Penal interest rate, as decided by the competent authority, shall be applicable on the card rate. The interest on part withdrawal will also be paid out at the time of pre-maturity payment of the partial amount.

1.22.2.3. FCNR(B) Fixed Deposit - Minimum tenure of term deposits is 1 year and no interest is payable for deposits prematurely withdrawn within the period of 1 year from the date of deposit. No premature penalty for the deposit withdrawn after completion of one year. However, interest shall be paid at the rate applicable for the period deposit has remained with the Bank.

1.22.3. The Bank may offer sweep facilities in savings and current accounts based on threshold definitions, for configuring and breaking term deposits.

1.22.4. In the event of a premature withdrawal of a Non-Resident External (NRE) Term Deposit with an interest payout option within one (1) year from the date of deposit, the Bank will recover the interest already paid by deducting an equivalent amount from the principal at the time of premature withdrawal.

1.23. Premature renewal of term deposit

1.23.1. In case the depositor desires to renew the deposit by seeking premature closure of an existing term deposit account, the Bank shall 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 shall be paid at the rate applicable on the date of initial deposit to the period for which the deposit remained with the bank and not at the contracted rate.

Above provision would be applicable for all callable deposit (retail/bulk) but it would not be applicable for non-callable deposits (retail/bulk).

1.24. Renewal of overdue deposits

- 1.24.1. All term deposit accounts shall be opened only with disposal instructions on maturity which shall either be –
 - A. Auto-renewal for the same period
 - B. Transfer of proceeds upon maturity to a designated account
- 1.24.2. In case a Term Deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower.
- 1.24.3. If a term deposit is maturing for payment on a non-business working day, Banks shall pay interest at the originally contracted rate on the original principal deposit amount for the non-business working day, intervening between the date of the maturity of the specified term of the deposit and the date of payment of the proceeds of the deposit on the succeeding working day.

In case of reinvestment term deposits, Bank shall pay interest for the intervening non-business working day on the maturity value.

1.25. Advances against deposits

- 1.25.1. The Bank may consider request of the depositor/s for loan / overdraft facility against term deposits duly discharged by the depositor/s on execution of necessary security documents. The Bank may also consider loan against deposit standing in the name of minor. However, a suitable declaration stating that loan is for the benefit of the minor shall be furnished by the depositor / applicant.
- 1.25.2. Grant of loan / overdraft facility against NRE/NRO term deposit and FCNR (B) deposits would be subject to guidelines under Foreign Exchange Management (Deposit) Regulations, 2000 as amended from time to time.

1.26. Settlement of dues in deceased deposit account

- 1.26.1. The under noted procedures shall be followed by the Bank in respect of treatment of death of a depositor for operation of his/her account/ settlement of dues.
- 1.26.2. If the depositor has registered nomination with the Bank; the balance

outstanding in the account of the deceased depositor shall be transferred to the account of / paid to the nominee after the Bank satisfies itself about the identity of the nominee.

- 1.26.3. The above procedure shall be followed even in respect of a joint account where nomination is registered with the Bank.
- 1.26.4. In a joint deposit account (joint mode of operation), when one of the joint account holders dies, the Bank is required to make payment jointly to the legal heirs of the deceased person and the surviving depositor(s). However, if the joint account holders had given mandate for disposal of the balance in the account in the forms such as either or survivor, former / latter or survivor, anyone of survivors or survivor; etc., the payment shall be made as per the mandate to avoid delays in production of legal papers by the heirs of the deceased.
- 1.26.5. Upon the death of one of the joint account holders, where operational / repayment instruction is either/anyone of us/survivor, the right to operate the account and entitlement to the balance in the account vests with the surviving account holder/s.
- 1.26.6. In the absence of nomination and when there are no disputes among the claimants, the Bank shall pay the amount outstanding in the account of deceased person against joint application and indemnity by all legal heirs or the person mandated by the legal heirs to receive the payment on their behalf without insisting on legal documents up to an amount decided from time to time. This is to ensure that the common depositors are not put to hardship on account of delays in completing legal formalities.
- 1.26.7. The Bank shall settle all claims in respect of deceased depositors and shall release payments to survivor(s) / nominee(s) 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 claim(s), to the Bank's satisfaction.

1.27. Delegation of Power for settlement of balances in deceased depositors accounts

1.24.1 The Delegation of Power for settlement of balances in deceased depositors accounts shall be as per Board approved **Policy for settlement of claims in case of deceased depositors** and as mentioned below:

1.24.1.1 Liability Accounts with survivor/nominee clause: The Branch Head shall be the competent authority to approve such payments.

1.24.1.2 Accounts without the survivor/nominee clause:

- a) For settlement of claim without legal representation will be based upon Bank's Policy/guidelines as amended from time to time.
- b) For settlement of claim with legal representation will be based upon Bank's Policy/guidelines as amended from time to time.

1.28. Interest payable on term deposit in deceased account

- 1.28.1. In the event of death of the depositor before the date of maturity of deposit and amount of the deposit is claimed after the date of maturity, the Bank shall pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment, the Bank shall pay simple interest at the applicable rate on the date of maturity, for the period for which the deposit remained with the Bank beyond the date of maturity; as per the Bank's policy in this regard.
- 1.28.2. In case of death of the depositor before the date of maturity of the deposit and claim of proceeds by the nominee/legal heir before maturity, payment of the proceeds will be treated like a normal premature payment without penalty.

1.29. Settlement of claims in respect of missing persons

- 1.29.1. The nominee/legal heirs of the missing depositor have to raise an express presumption of death of the depositor after a lapse of seven years from the date of his/her being reported missing under Section 107/108 of the Indian Evidence Act before a competent court of law. The claim in respect of such missing person shall be settled by the Bank if the court presumes that he/she is dead.
- 1.29.2. Bank shall fix a threshold limit, up to which claims in respect of missing persons could be settled without insisting on production of any documentation other than (i) FIR and the non-traceable report issued by police authorities and (ii) letter of indemnity.

1.30. Insurance cover for deposits

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

1.31. Stop payment facility

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

1.32. Inoperative accounts

1.32.1. Accounts which are not operated for a period of two years shall be transferred to a separate inoperative account status in the interest of the depositor as well as the Bank. The Bank may, at its discretion, close zero balance accounts under this category, after serving due notice to the depositor in this regard. The depositor shall be informed of any pending charges/fees etc. that will be collected on activation of the account post revival from dormancy. No separate charges will be levied for activation of an inoperative/dormant account. The depositor can request the Bank to activate the account for operating it.

1.32.2. 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.

1.33. Redressal of complaints and grievances

1.33.1. Depositors having any complaint / grievance with regard to services rendered by the Bank have a right to approach authority/ies designated by the Bank for handling customer complaint / grievances.

1.33.2. The details of the internal set-up for redressal of complaints / grievances shall be displayed in the branch premises. The branch officials shall provide all required information regarding procedure for lodging the complaint.

1.33.3. In case the depositor does not get response from the Bank within 30 days from date of complaint or he / she is not satisfied with the response received from the Bank, he / she shall have a right to approach the Banking Ombudsman appointed by the Reserve Bank of India.

1.34. Customer under HNI segment

1.34.1. From the perspective of banking relationship, HNI category is defined on the basis of various parameters such as total relationship value (TRV), investable corpus

etc. Total Relationship Value will be defined basis following parameters: -

- a. **CASA Balances**: - **At the end of every fiscal year i.e. as on March 31st**, balances in CASA account, under one CIF id of the customer, will be taken into the account. If there are more than one CASA accounts under one CIF id, then sum total of the balances in all CASA accounts will be taken into account. The customers with CASA account(s), and such balances being **₹25.00 lakh and above**, will be categorized as HNI for the next full fiscal year **and/or**

- b. **Fixed Deposit Balances**: - **At the end of every fiscal year i.e. as on March 31st**, balances in fixed deposit accounts, under one CIF id of the customer, will be taken into account. If there are more than one fixed deposit accounts under one CIF id, then sum total of the balances in all fixed deposit accounts will be taken into account. The face value of fixed deposit will be taken into account and interest accrued will not be considered. The customers having fixed deposit, and such balances being **₹1.00 crore and above**, will be categorized as HNI for the next full fiscal year.

1.34.2. The customer, falling under any one two aforesaid parameters, will be categorized as HNI for next full fiscal. However, the customers, falling under HNI category basis aforesaid parameters, will be excluded from mandatory Medium/High Risk category classification, if they belong to following categories: -

- a. All existing staff members of the Bank.
- b. All existing and ex-members of Parliament, Legislative Assemblies and Legislative Councils.
- c. All existing and ex-members of the Judiciary at all levels.
- d. All employees of the Central Government, the State Governments, and their enterprises.
- e. All employees of reputed companies basis their brand equity, listing of their shares in stock exchange and publicly available information. Head – Branch Banking and Head – Liability Products will be approving and recommending authority respectively to approve and remove companies from this exemption.
- f. Exemption for self-employed customers will be on case to case basis. Head – Branch Banking and Head – Liability Products will be approving and recommending authority respectively to approve and remove such customers from this exemption.
- g. An individual customer's risk category, under Bank's AML framework, will have precedence over exemption given to the said individual under above para.



1.34.3. The categorization will remain applicable for next fiscal year. For example, if a customer is identified as HNI basis balances account(s) as on March 31, 2019, the same categorization will continue to be applicable for next full fiscal. Any changes in balances during the next fiscal year will have no impact on the categorization of the said customer under HNI segment.

1.34.4. The parameter, to define the customer as HNI, will only consider balances in accounts as mentioned above, and it will exclude all other fixed deposit and loan outstanding.

1.35. Policy revision

1.35.1. This policy is subject to revision based on the extant RBI guidelines from time to time.

Annexure I – Glossary

Term	Description
AML	Anti-Money Laundering
DICGC	Deposit Insurance and Credit Guarantee Corporation
IBA	India Banks' Association
KYC	Know Your Customer
NREGA	National Rural Employment Guarantee Act
OVD	Officially Valid Documents
PAN	Permanent Account Number
PMLA	Prevention of Money Laundering Act
RBI	Reserve Bank of India
TRV	Total Relationship Value
TDS	Tax Deduction at Source
UIDAI	Unique Identification Authority of India
HNI	High Networth Individual
PEP	Politically Exposed Persons