



## Comprehensive Deposit Policy

### History of Revisions

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## **1. Preamble**

### **1.1 Objective of the Policy**

The objective of this policy is to provide a framework, which will enable Equitas Small Finance Bank Limited ("ESFB" or "the Bank") to outline the guiding principles in respect of formulation of various deposit products offered by the Bank and the terms and conditions governing the conduct of the account.

### **1.2 Scope of the Policy**

- a. This policy will cover the role, rights and responsibilities of ESFB in the formulation of various deposit products.
- b. This policy also aims at dissemination of information with regard to various aspects of acceptance of deposits from the members of the public, conduct and operation 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 the customers.
- c. This policy also enumerates the rights and obligations of depositors with respect to conduct of account, receipt of timely interest from the Bank and relevant services thereof.
- d. This Comprehensive Deposit Policy also covers:
  - i. Interest payable on Deposit Accounts of Deceased Depositors
  - ii. Settlement of claims in respect of missing persons
  - iii. Renewal of Overdue deposits
  - iv. Interest rates
  - v. Payment of interest on frozen accounts
  - vi. Margin on advance against Term Deposits.

### **1.3 Definitions**

- a. "Demand deposit" means a deposit received by the Bank, which is withdrawable on demand by the depositor.
- b. "Savings deposit" means a form of demand deposit which is subject to restrictions as to the number of withdrawals as also the amount of withdrawals permitted by the Bank during any specified period.
- c. "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 /Reinvestment deposits and Cash Certificates.
- d. "Notice Deposit" means a term deposit for a specific period but withdrawable on giving at least one complete banking days' notice.
- e. "Current Account Deposit" means a form of demand deposit wherefrom withdrawals are allowed any number of times depending upon the balance in the account or up to a particular

agreed amount and also includes other deposit accounts, which are neither Savings Deposits nor Term Deposits.

- f. "Bulk Deposit" means Single Rupee term deposits of Rupees Three crore or such other amount as may be prescribed by RBI from time to time and includes both callable and non-callable deposits. [vide amendment dated June 7, 2024 in RBI Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016 dated March 03, 2016]

## **2. Regulatory Framework Applicable Regulations**

**2.1 [RBI Master Direction - Reserve Bank of India \(Interest Rate on Deposits\) Directions, 2016 dated March 03, 2016 and subsequent amendments thereto.](#)**

**2.2 [RBI Master Direction - Know Your Customer \(KYC\) Direction 2016 and its amendments thereto.](#)**

**2.3 [Income Tax Act, 1961 - TDS on Interest other than Interest on Securities](#)**

**2.4 [IBA Model Policy on Bank Deposits](#)**

**2.5 [RBI Master circular on Customer Service in Banks dated July 1, 2015](#)**

**2.6 [The Depositor Education and Awareness Fund Scheme, 2014 - Section 26 A of Banking Regulations Act dated March 21, 2014](#)**

**2.7 [Safe Deposit Locker/Safe Custody Article Facility provided by the banks - Revised Instructions dated August 18, 2021](#)**

**2.8 [Safe Deposit Locker/Safe Custody Article Facility provided by banks dated January 23, 2023](#)**

**2.9 [Inoperative Accounts /Unclaimed Deposits in Banks- Revised Instructions from RBI dated January 1, 2024](#)**

**2.11 [Master Direction on Deposit and Accounts dated January 1, 2016 \(Updated as on January 09, 2020\)](#)**

## **3. ESFB Policy Framework**

### **3.1 Account Opening and Operation of Deposit Accounts**

#### **3.1.1 Account Opening**

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

- i) The Bank, before opening any deposit account, will carry out due diligence as required under "Know Your Customer" (KYC) guidelines issued by RBI and /or such other norms or procedures adopted by the Bank. If the decision to open an account of a prospective

depositor requires clearance at a higher level, reasons for any delay in opening of the account will be informed to him/her and the final decision of the Bank will be conveyed at the earliest to him/her.

ii) The account opening forms and other material will 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 records. It is expected of the Bank official opening the account, to explain the procedural formalities and provide necessary clarifications sought by the prospective depositor when he/she approaches for opening a deposit account.

The half-KYC accounts opened as permitted under RBI Master Directions on KYC will be converted into full-KYC accounts within a period of 12 months as mandated by RBI Directions. The accounts not converted into full-KYC at the end of 12 months will be closed as mandated by the RBI guidelines. The Bank will take all steps to speed up the process of conversion of half-KYC to full-KYC.

iii) For Deposit products of Savings Bank Account and Current Deposit Account, the Bank will normally stipulate certain minimum balances to be maintained from time to time as part of the terms and conditions governing operation of such accounts. Failure to maintain the minimum balance in the account might attract levy of charges or conversion of accounts to different product as specified by the Bank from time to time. No minimum balance is stipulated for Savings Bank accounts opened under Basic Saving Bank Account (BSBDA) with complete KYC and BSBDA Small Account with relaxed KYC in order to make banking services more inclusive for the lower strata of society. For Savings Bank Account, the Bank may also place restrictions on the number of transactions, cash withdrawals, etc., for a given period.

Similarly, the Bank might specify charges for issuance of cheque books, additional statement of accounts, duplicate pass book, folio charges, etc. All such details regarding terms and conditions for operation of the accounts and Schedule of Charges for various services provided, will be communicated to the prospective depositor, while opening the account. Any changes in the Schedule of Charges or the terms and conditions will be communicated to the customers one month in advance. During the notice period, the Bank will not charge any fee for non-maintenance of higher minimum balance prescribed.

### **3.2. Eligibility for Account Opening**

a) Savings Bank Accounts can be opened for eligible person / persons and certain organizations / agencies (as advised by Reserve Bank of India (RBI) from time to time).

b) Current Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies / Trusts, etc.

c) Term Deposit Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates / Societies / Trusts, etc.

d) The due diligence process, while opening a Deposit account, will involve verifying the identity of the person, verification of address, verification of signature, verification of occupation and

source of income. The due diligence process, while opening a Deposit account of an NRI will additionally involve establishing the NRI status of the client.

e) The Bank has a well-defined Policy on Know Your Customer (KYC) and Anti-Money Laundering (AML) and the same is available on the Bank's website.

f) In addition to the due diligence requirements, under KYC norms except in the case of NRE/ FCNR deposits pertaining to NRIs, the Bank is required by law to obtain Permanent Account Number (PAN) or alternatively declaration in Form No. 60 as specified under the Income Tax Act / Rules.

### **3.3 Operations of Deposit Accounts**

i) Deposit accounts can be opened by an individual in his own name (status: known as account in single name) or by more than one individual in their own names (status: known as Joint Account). Savings Bank Accounts can also be opened by a minor jointly with father and natural guardian or with mother as the guardian (status: known as Minor's Account). Minors above the age of 10 will also be allowed to open and operate a Savings Bank account independently (with restrictions).

ii) Operation of Joint Account - The Joint Account opened by more than one individual can be operated by a single individual or by more than one individual jointly (Jointly by all/ Either or Survivor/ Anyone or Survivor/ Latter or Survivor / Former or Survivor). Operating instructions of this nature are obtained from the customer at the time of account opening or at a later date with the due consent of all the account holders. The natural guardian or the guardian of the minor can only operate the Savings Bank Account opened by the minor jointly with natural guardian or guardian.

### **3.4 Mandate**

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

- i) Either or Survivor: If the account is held by two individuals say, A & B, the final balance along with interest, if applicable, will be paid to the survivor on the death of anyone of the account holders.
- ii) Anyone or Survivor/s: If the account is held by more than two individuals say, A, B and C, the final balance along with interest, if applicable, will be paid to the survivor on death of any two account holders.
- iii) Former or Survivor: First named account holder can alone operate and has full rights over the monies. The survivor steps in only on the death of the former.

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

In the case of NRI accounts, extant norms as specified under FEMA will be adhered to.

At the request of the depositor, the Bank will register the mandate / power of attorney given by him/her authorizing another person to operate the account on his/her behalf. Under normal circumstances, premature closure of a joint deposit will be permitted only if all the deposit holders sign a request to that effect.

In the case of Term deposits with operating instructions - Either or Survivor, Former or Survivor, and Anyone or Survivor, all the account holders will be encouraged to give an additional mandate at the time of account opening itself, authorizing the Bank to handover the Deposit amount by prematurely closing the deposit to the survivor/s in the case of death of a deposit holder/s. If such mandate is not available, the deposit will be foreclosed before maturity and amount will be paid to the survivor/s only if the legal heirs of the deceased agree to this. This mandate is applicable only for premature closure of deposits.

### **3.5 Addition or deletion of the name/s of joint account holders**

At the request of all the joint account holders, the Bank might 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.

### **3.6 Nomination**

Nomination facility is available on all deposit accounts opened by the individuals. Nomination is also available to the account of a sole proprietary concern. Nomination can be made in favor of one individual only. 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, in case of illiterate customers. Nomination can be modified with the consent of the account holder/s. Nomination can be made in favor of a minor also.

The Bank will recommend to all depositors to avail themselves of the nomination facility. In case the person opening an account declines to fill in nomination, the Bank will explain the advantages of nomination facility. If the person opening the account still does not want to make a nomination, the Bank will ask him to give a specific letter to the effect that he does not want to make a nomination. In case the person opening the account declines to give such a letter, the Bank will record the fact on the Account Opening Form and proceed with opening of the account if otherwise found in order. Under no circumstances, will the Bank refuse to open an account solely on the ground that the person opening the account refused to make a nomination. This will be applicable only for Nomination Facility in Single Deposit Accounts.

The nominee, in the event of death of the depositor/s, will receive the balance outstanding in the account as a trustee of legal heirs. The depositor will be informed of the advantages of the nomination facility while opening a deposit account and the passbook will have a legend "Nomination Registered" in respect of accounts with nomination.

### **3.7 Minor's Accounts**

i) A minor can open a Savings Bank Account and the same can be operated by the natural guardian or by the minor himself / herself, if he/she is above the age of 10 years. The account can also be opened jointly.

ii) On attaining majority, the erstwhile minor will confirm the balance in his/her account and if the account is operated by the natural guardian, fresh specimen signature and the photograph of the erstwhile minor duly attested by the natural guardian will be obtained and kept on record for all operational purposes. Cheques issued by the guardian prior to the date of minor attaining majority but presented after the minor attains majority will require confirmation from the minor.

No overdraft will be granted to minors. Cheque book will be issued; however, only the guardian can issue cheques. The operations in these accounts and the facilities provided to these accounts will be decided by the Bank from time to time.

### **3.8 Basic Savings Bank Deposit Account (BSBDA)**

The Bank offers the 'Basic Savings Bank Deposit Account', which has been considered as a normal banking service available to all. This account will not have the requirement of any minimum balance. The services available in the account will include deposit and withdrawal of cash at bank branch as well as ATMs; receipt / credit of money through electronic payment channels or by means of deposit / collection of cheques drawn by Central / State Government agencies and departments, as decided by the Bank from time to time.

Further, the Bank will not levy any charges on BSBDA accounts for all services as long as the BSBDA account retains the character of BSBDA product offering.

The 'Basic Savings Bank Deposit Account' will be subject to the Bank's guidelines on KYC for opening of accounts issued from time to time and subject to transactional limits and facilities as specified by RBI from time to time. If such an account is opened on the basis of simplified KYC norms, the account will additionally be treated as a 'Small Account' and will be subject to system restrictions on the account balance, credit summation and withdrawals/transfers.

Holders of the 'Basic Savings Bank Deposit Account' will not be eligible to open any other Savings bank deposit account in the Bank. If a customer has any other existing Savings Account in the Bank, he / she will be required to close it within 30 days from the date of opening a 'Basic Savings Bank Deposit Account'.

### **3.9 Accounts of Illiterate/Blind Persons**

The Bank might at its discretion open deposit accounts of illiterate/blind persons. The account of such a person may be opened provided he/she affixes his/her thumb impression in the presence of a witness, who is known to both the depositor and the Bank. Normally, no cheque-book facility is provided for such Savings Bank Accounts. At the time of withdrawal/ repayment of deposit amount and/or interest, the account holder will affix his / her thumb impression or mark in the presence of the authorized officer, who will 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 will explain the terms and conditions governing the account to the illiterate person.

The Bank will invariably offer all banking facilities to the visually challenged without any discrimination and all possible assistance will be rendered to these people for availing the banking facilities. The Bank official will explain the terms and conditions governing the account to the visually impaired persons.

### **3.10 Transfer of Account**

The deposit accounts can be transferred to any other branch of the Bank at the request of the depositor. If the Bank, at its discretion, decides to transfer the deposit accounts to another branch, the intimation of the same will be provided by the Bank at least 30 days in advance.

### **3.11 Account Statements**

A statement of account will be provided by the Bank to Savings Bank as well as Current Deposit Account Holders periodically as per the terms and conditions of opening of the account. Alternatively, the Bank may provide the facility of passbook. The Bank will send the statement of accounts once in six months to the registered address free of cost, if passbooks have not been issued or statements are not being sent by other modes like email.

### **3.12 Interest Rates**

Payment of interest is deregulated by Reserve Bank of India and is paid as decided by the Bank.

Interest on domestic rupee savings deposits will be calculated on a daily product basis. Interest on savings deposit will be credited at least on a quarterly basis. Interest on Savings bank accounts, including those frozen by the enforcement authorities, will be credited on a regular basis, irrespective of the operational status of the account. Term deposit interest rates are decided by the Bank within the general guidelines issued by the Reserve Bank of India from time to time.

### **3.13 Debit Card Hot Listing**

The Bank will accept ATM card / Debit card hot listing instructions from customers through Phone Banking channel - 24 hours a day, through internet banking / mobile banking and through branches during customer banking hours and any other channels as decided by the Bank from time to time. Phone Banking numbers are made available to customers whenever a Card is issued, and all branches contain a detailed leaflet with the numbers.

### **3.14 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.

### **3.15 Dormant / Unclaimed account / Deposit – Bulk deposit – any other deposit from time to time**

As per extant Reserve Bank of India (RBI) guidelines, an account will be treated as inoperative / dormant if there are no customer-induced transactions in the account for a period of over two years. Operation in such inoperative accounts will be resumed / restarted / allowed after obtaining the revised KYC documents as per the extant guidelines of the Bank. However, it will be ensured that the customer is not inconvenienced in any manner as a result of the extra care taken by the Bank.

The Bank will undertake an annual review in respect of accounts, where there are no customer-induced transactions for more than a year. In cases where there is no explicit mandate to renew the Term deposit, the Bank will review such accounts if the customers have not withdrawn the proceeds after maturity or transferred these to their Savings/Current account in order to prevent such deposits from becoming unclaimed. The Bank will inform the account/deposit holders in writing through letters or email or SMS (if the email ID and mobile number are registered with

the Bank) that there has been no operation in their accounts/deposits in the last one year, as the case may be.

If the letters are returned undelivered or no response is received through registered email, the Bank will immediately undertake an enquiry to find out the whereabouts of the account holder or his/her nominee/legal heirs in case the account holder is deceased. In case any response is received from the account holder giving the reasons for not operating the account, the Bank will continue to classify the account as operative for one more year and the account holder will be advised to operate the account within a period of one year (hereinafter referred to as 'extended period'). In case the account holder still fails to operate the account within the extended period, the Bank will classify the said account as inoperative account after the expiry of the extended period.

The classification of an account as inoperative will be for a particular account of the customer and not with reference to the customer. In case a customer is maintaining multiple accounts/deposits with the Bank, all such accounts/deposits will be assessed individually for the purpose of classifying them as inoperative account/ unclaimed deposit, as the case may be.

In case the account holder is not carrying out transactions and the account is inoperative due to shifting of primary account to another bank, the account holder may be requested to provide the details of the new bank account with authorisation to enable the Bank to transfer the balance from the existing bank account.

The Bank will ensure that activation of inoperative accounts/ unclaimed deposits in CBS is done only through second level of authorization by another officer at the same or higher level (i.e., through maker and checker). System logs will be maintained in case of any activity in or activation of inoperative accounts/unclaimed deposits for concurrent audit purposes. The preservation period of such system logs will be as per the internal guidelines of the Bank.

An account / deposit will be treated as unclaimed if it is inoperative for 10 years or more. A list of such accounts / deposits will be displayed on the website of the Bank. The list displayed on the website will contain only the names and addresses (without pincode) and Unclaimed Deposit Reference Number (UDRN) of the account holder(s), which have been transferred to DEA Fund of RBI. The said list will be updated on a monthly basis. The database hosted on the website will provide a search option to enable the public to search for their unclaimed deposits using name in combination with the address of the account holder/ entity. Upon a successful search, the details of unclaimed deposits will be displayed in a format comprising account holder's name(s), his/her address (without pincode) and UDRN only. In case such accounts are not in the name of individuals, the search input and result will include the names of individuals authorized to operate the accounts.

Such Dormant / Unclaimed accounts will be converted to a separate account category in the interest of the depositor and the Bank. No charges will be levied by the Bank for migrating an account from Dormant / unclaimed to Operative account.

The Bank will make available the facility of updation of KYC for activation of inoperative accounts/ unclaimed deposits at all branches (including non-home branches) and through Video-Customer Identification Process (V-CIP) if requested by the account holder.

The other instructions prescribed under **Inoperative Accounts /Unclaimed Deposits in Banks-Revised Instructions dated January 1, 2024 (as amended from time to time)** will be followed.

### **3.16 The Depositor Education and Awareness Fund Scheme, 2014 (DEAF)**

RBI has established 'The Depositor Education and Awareness Fund' (the Fund). Under the provisions of the 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 will be credited to the Fund, within a period of three months from the expiry of the said period of ten years. The Fund will be utilized for the promotion of depositors' interest and for other purposes, which might be necessary for the promotion of depositors' interests as specified by RBI from time to time. The depositor will, 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 an amount has been transferred to the Fund. The Bank will be liable to pay the amount to the depositor/claimant and claim a refund of such an amount from the Fund.

### **3.17 Term Deposit**

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

The Bank will also offer Tax Saver Fixed Deposit in line with the provisions of the Income Tax Act, 1961.

### **3.18 Interest Payments**

#### **3.18.1 Guidelines**

i) The interest rates will be uniform across all the branches of the Bank and for all the customers. The Bank will not discriminate in the matter of interest paid on the deposits, between one deposit and another of a similar amount, accepted on the same date, at any of the Bank's branches.

ii) The Interest rates payable on deposits will be strictly as per the schedule of interest rates disclosed in advance and the rates will not be subject to negotiation.

As per extant directives from Reserve Bank of India, interest will be calculated at quarterly intervals on Term deposits and paid at the rate decided by the Bank depending upon the tenure of deposits. In the case of monthly deposit scheme, the interest will be calculated for the quarter and paid monthly at discounted value. The interest on term deposits is calculated by the Bank in accordance with the formulae and conventions advised by RBI/Indian Banks' Association.

iii) The rate of interest on deposits will be prominently displayed in the branch premises and also on the Bank's official website. Changes, if any, with regard to the deposit schemes and other related services will also be communicated upfront and will be prominently displayed.

The Bank computes interest based on 365 days a year irrespective of the actual number of days in the year, including leap year.

iv) The Bank has the statutory obligation to deduct tax at source if the total interest paid / payable on all term deposits held by a person exceeds the amount specified under the Income Tax Act.

Valid PAN is required to be submitted by all customers whose tax needs to be deducted. In the absence of a valid PAN, tax will be deducted at the prevailing rate or as amended by CBDT from time to time. As per the new provisions under income tax laws, interest on recurring deposits is subject to tax deduction at source w.e.f. June 1, 2015. The Bank will issue a Tax Deduction certificate (TDS Certificate) for the amount of tax deducted. The depositor, if entitled to exemption from TDS, can submit a declaration in the prescribed format at the beginning of every financial year. The said declaration is required to be submitted by the depositor for each of the deposits placed with the Bank to avail the said exemption.

v) Interest earned/accrued on NRE term deposits is tax-free in India under the relevant provisions of the Income Tax Act and hence no tax at source is deductible in respect of these deposits. However, the Bank has the statutory obligation to deduct tax at source on any interest paid / payable on NRO term deposits at the specified rates. The depositor can claim the benefit of reduced rates of tax under Double Tax Avoidance Agreement (DTAA), which India has, with the governments of various countries, by submitting the documents prescribed by the Bank at the beginning of every financial year.

vi) All interest payments will be rounded off to the nearest rupee. In case of reinvestment deposits and recurring deposits, the Bank will pay interest for the intervening Sunday/holiday/non-business working day on the maturity value. If the maturity of the deposit falls on a Sunday/holiday, the maturity payment will be made on the next working day.

vii) 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 a further period on the date of maturity. In the absence of such a mandate, the Bank will auto-renew the Fixed deposit for the same tenure as that of the original term deposit. In case, the customer wishes to make changes in the tenure or wants a premature payment of the term deposit, the same is allowed at the written request of the depositor from prospective date, subject to such charges and penalties as may be applicable from time to time.

viii) Some savings/fixed deposit/recurring deposit etc. might be frozen/ blocked by the Bank based on circumstances like regulatory attachment or recovery by the Bank.

- a. For all Savings accounts, the Bank will continue to credit the interest in the account.
- b. For all Term deposit accounts, the instructions for auto renewal will be default/modified to auto-renew and will be renewed for the original tenure as mentioned at the time of booking and interest will be compounded under the FD account.

ix) No interest will be paid on the balances held in the Current account. However, for the balances lying in Current account standing in the name of a deceased individual depositor / sole proprietorship concern, the Bank will pay 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.

x) The Asset Liability Management Committee (ALCO) of the Bank will decide and review the interest rates for savings bank and retail term deposit accounts (including maturity / tenor of deposits). The bulk deposit interest rates, including amount and tenor slabs, will be decided by the Treasury Department subject to adherence to the conditions as stipulated by RBI from time to time. A higher interest rate upto 1% will be offered to the employees over and above the

interest mentioned in the schedule of interest rates on savings or term deposits (except for NRE and NRO deposits) as decided by the ALCO from time to time.

### **3.18.2 Interest rate offered**

The interest rate offered will be subject to the following conditions:

#### **3.18.2.1 For Savings bank account:**

- a) A uniform interest rate will be set on balance up to Rupees one lakh, irrespective of the amount in the account within this limit.
- b) Differential rates of interest will be provided for any end-of-day savings bank balance exceeding Rupees one lakh.

#### **3.18.2.2 For Term deposit account:**

- a) For Domestic and NRO deposits, the minimum tenor will be 7 days. The minimum tenor for NRE term deposit is one year. No interest will be paid if the said deposit is prematurely withdrawn before the completion of the minimum tenor.
- b) Differential rate of interest will be offered only for bulk deposits other than the deposits accepted under the Bank Term Deposit Scheme, 2006 or the deposits received under the Capital Gains Accounts Scheme, 1988 (Currently, the Bank is not authorized to open accounts under Capital Gains Account Scheme).
- c) Higher interest rate as decided by the ALCO will be offered for retail term deposits (other than for NRE and NRO term deposits) held by senior citizens other than the term deposit standing in the name of a Hindu Undivided Family (HUF) or the Karta of an HUF, even if the Karta is a resident Indian senior citizen.
- d) Interest rates on NRE/ NRO deposits will not be higher than those offered by the Bank on comparable domestic rupee term deposits

### **3.19 Premature Withdrawal of Term Deposit**

The Bank, on request by the depositor, will allow withdrawal of Term deposit (including NRE and NRO term deposit) before completion of the period of the deposit as per terms agreed upon at the time of placing the deposit. Partial withdrawal is not allowed for term deposits booked under preferential rates.

Payment of interest on pre-mature withdrawal - The interest rates applicable on term deposits withdrawn before the maturity date will be as under:

Interest will be paid at the rate applicable to the amount and period for which the deposit remained with the Bank and not at the contracted rate. No interest will be paid, where premature withdrawal of deposits takes place before completion of the minimum period specified in section 7(a)(i) of the RBI Master Directions on Interest Rates on Deposits, as updated from time to time.

For such premature withdrawals, including sweep-ins and partial withdrawals, the Bank will levy a penalty at such rate approved by the ALCO from time to time on the applicable rate for deposits upto Rs. 1 Crore.

Premature withdrawal will not be permitted for Tax Saver fixed deposits and deposits agreed and booked under non-premature withdrawal option in Bulk/Retail. In the event of the death of the holder of such deposits booked under Tax Saver/non-premature withdrawable fixed deposit in respect of which a nomination is in force, the nominee or nominees, however, will be entitled to withdraw the deposits at any time.

For Premature withdrawal of Bulk Term Deposit for Rs Three crore or such other amount as may be prescribed by RBI from time to time and above - refer section on Bulk Deposit.

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

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 will be levied by the Bank if the period and aggregate amount of the deposit do not undergo any change. No penalty for premature withdrawal will be levied by the Bank, where depositors of the branch desire premature withdrawal of deposit consequent to the transfer of business to another bank.

### **3.20 Premature Renewal 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 to the period for which, the deposit remained with the Bank and not at the contracted rate. The penalty for premature closure may be charged on such deposits, if applicable. Further, the Bank may levy a penalty for premature closure of an existing deposit at such rates as may be decided by the Bank from time to time. The Bank will ensure that the depositors are made aware of the applicable penal rate along with the deposit rate.

### **3.21 Renewal of Overdue Term Deposit**

When a Term deposit is renewed on maturity, the interest rate as applicable on the date of maturity will be applied. If the request for renewal is received after the date of maturity, such overdue deposits will be renewed with effect from the date of maturity at the interest rate applicable as on the due date, provided such request is received within 14 days from the date of maturity. In respect of overdue deposits renewed after 14 days from the date of maturity, interest

for the overdue period will be paid at the rates as per 14 days fixed deposit. In the absence of any instruction from the customer, the Bank will follow the practice of auto-renewal of deposits on the date of maturity for a similar period as the original deposit. The rate of interest on this renewed deposit will be the interest rate applicable for such period on the date of renewal. If a Term deposit matures and the proceeds are unpaid, the amount left unclaimed with the Bank will attract a rate of interest as applicable to savings deposits or the contracted rate of interest on the matured TD, whichever is lower.

### **3.22 Advances against Deposits**

The Bank may consider the 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 a minor. However, a suitable declaration stating that the loan is for the benefit of the minor, is to be furnished by the depositor - applicant. The margin, eligible borrowers, documentation, interest rate, etc. are governed under the respective product norms.

Margin of overdraft: The normal margin of overdraft against fixed deposit will be 25% of the principal plus interest of the respective Term Deposit. However, in exceptional cases, the Bank will provide overdraft at reduced margin up to 5% of the Term Deposit value, including principal and interest, based on internal approval matrix.

The interest chargeable on overdraft against Term Deposit will be at such rates as may be decided from time to time as per the internal approval matrix, not being less than 1% above the rate of interest of the respective Term Deposit.

### **3.23 Settlement of balances in Deceased Deposit Account**

i) If the depositor has registered nomination with the Bank: The balance outstanding in the account of the deceased depositor will be transferred to the account of / paid to the nominee after the Bank satisfies itself about the identity of the nominee, etc. as per the existing rules.

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

iii) In a joint deposit account, when one of the joint account holders dies, the Bank is required to make payment jointly to the legal heirs of the deceased person and the surviving depositor(s). However, if the joint account holders had given a mandate for disposal of the balance in the account in the form such as "either or survivor, former / latter or survivor, anyone of survivors or survivor" etc., the payment will be made as per the mandate to avoid delays in production of legal documents by the heirs of the deceased.

iv) In the absence of nomination and when there are no disputes among the claimants, the Bank will pay the amount outstanding in the account of the deceased person against joint application and indemnity by all legal heirs or the person mandated by the legal heirs to receive the payment on their behalf without insisting on legal documents up to Rs.50,000 on the basis of an indemnity by a person known to the Bank. This is to ensure that the depositors are not put to hardship on account of delays in completing legal formalities.

v) If an account holder dies leaving a will, the necessary legal process involved will be followed. If an account holder dies intestate and the amount involved is more than Rs.50,000, the legal heirs will complete the legal process for claiming the amount in the account.

vi) In case the claimants of an NRE Term deposit account of a deceased depositor are residents, the deposit on maturity will be treated as a domestic rupee term deposit and interest will be paid for the subsequent period at a rate applicable to a domestic term deposit of similar maturity.

**3.23.1 Settlement of claims in case of death of a Hirer/s for Safe Deposit Lockers-** The Bank has a Board-approved Deposit policy for nomination and release of contents of safety lockers to the nominee and protection against notice of claims by other persons in accordance with the provisions of the Banking Regulation Act, 1949, the Banking Companies (Nomination) Rules, 1985 and the relevant provisions of the Indian Contract Act and Indian Succession Act.

In order to ensure that the articles left in safe custody and the contents of lockers are returned to the nominee, as also to verify the proof of death, the Bank has devised claim formats, in terms of applicable laws and regulatory guidelines within the prescribed time limit. All claims will be routed through the branch in which the safe deposit locker is held.

| <b>Scenario</b>   | <b>Bank's Policy</b>   |
|---|--|
| <b>Single locker hirer with nomination</b>  | In case of death of locker hirer, the Bank will provide access to the nominee to remove the contents of the locker, after verification of death certificate of the locker hirer and the identity of the claimant.                                    |
| <b>Joint locker hirers with MOP as 'Jointly'</b>  | In case of death of locker hirer(s), the Bank will provide access to the survivor(s) along with the nominee to remove the contents of the locker after verification of death certificates of the locker hirer (s) and the identity of the claimants. |
| <b>Joint locker hirers with MOP as 'Either or Survivor' / 'Anyone or survivor' / 'Former or survivor'</b> | In case of death of locker hirer(s), the Bank will provide access to the locker as per the mandate.  |

### **3.24 Settlement of claims in case of missing persons**

Branches may receive requests for settlement of claims in respect of persons reported missing, from their nominees / legal heirs. RBI vide its notification RBI/2007- 08/308 DBOD.No.Leg. BC.80 /09.07.005/2007-08 dated May 2, 2008 has provided guidelines for settlement of claims in such accounts. As per the provisions of Section 108 of the Indian Evidence Act, 1872, presumption of death can be made only after a lapse of seven years from the date of a person being reported missing, i.e. the date when the FIR / non-traceable report was lodged. After a lapse of seven years from the date of a person being reported missing, i.e. the date when the FIR / non-traceable report was lodged, the nominee / legal heir has to essentially submit the FIR and the non-traceable report issued by police authorities for settlement of claims, along with the documents similar to those required for deceased claim settlement.

For amounts below Rs.10,000 in respect of the person reported missing – The settlement will be provided after obtaining Indemnity Bond without a court order to avoid inconvenience and undue hardship to the claimants.

For any settlement of claim beyond Rs.10,000 - The claimant will be required to submit the court order (presuming the death of the missing account holder) along with other documents as mentioned above.

### **3.25. Interest Payable on Term Deposit in Deceased Account**

i) 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 will pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment, the Bank will 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.

ii) However, in the case of death of the depositor after the date of maturity of the deposit, the Bank will pay interest at savings deposit rate on the date of maturity, from the date of maturity till the date of payment.

### **3.26. Customer Information**

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

### **3.27 Secrecy of Customers' Accounts**

The Bank will not disclose details / particulars of the customers' account to a third person or party without the express or implied consent of the customer. However, there are some exceptions, viz. disclosure of information under the compulsion of law, where there is a duty to the public to disclose and where the interest of the Bank requires disclosure. The Bank may also disclose the customer information, as per the prevailing practice amongst Banks to exchange credit information and credit opinion on the standing (general position) of the customers/ borrowers. The Bank will follow the guidelines framed by IBA in this regard.

### **3.28 Collection of local /outstation cheques**

The Bank has a Cheque collection policy and information on payment of interest for delayed collection of cheques is available on the Bank's website.

### **3.29 Frequent Dishonor of Cheques**

The Bank expects the customer to maintain financial discipline while operating the accounts. The customer must ensure that while issuing the cheques as also while making electronic fund transfer, there is sufficient balance in the account to honor the payment. Dishonor of cheques is governed by the provisions of the Negotiable Instruments Act, 1881 whereas the dishonor of electronic fund transfer for insufficiency of funds in the account is governed by Section 25 of the Payment and Settlement System Act, 2007. In case of frequent dishonor of cheque of any value

or dishonor of electronic fund transfer, due to financial reasons, the Bank may stipulate necessary standard operating procedures which, inter alia include non-issuance of fresh cheque book, issuance of caution advice and finally terminating the banking relationship. MIS on dishonored cheques/electronic fund transfers will be presented to the Operational Risk Management Committee of the Bank periodically.

### **3.30 Schedule of Charges**

The Bank has stipulated the Schedule of charges for various services offered to customers. The Schedule of charges will be provided to customers before offering any services. The Schedule of charges is subject to revision from time to time. Necessary intimation will be provided when there are changes to the Schedule of charges. The Schedule of charges will be hosted on the website of the Bank and any changes thereto will be suitably communicated in advance to the customers as per the extant RBI guidelines.

### **3.31 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) subject to certain limits and conditions. The insurance coverage is up to a maximum of ₹ 5 Lakh deposit held by the customer in the same capacity and right, in all branches of a bank. Deposits in the name of Banks, Central and State governments (including quasi government bodies, local autonomous bodies, government or corporation) and foreign governments are not covered under the scheme. The details of the insurance cover in force will be made available to the depositor.

### **3.32 Safe Deposit Lockers**

This facility is not offered through all Bank branches and wherever the facility is offered, allotment of safe deposit vault will be subject to availability and compliance with other terms and conditions attached to the service. An individual (not being a minor) singly or jointly with another individual, HUFs, firms, limited companies, associates, societies, trusts etc. might hire safe deposit lockers. Nomination facility is available to individual(s) holding the lockers singly or jointly. In respect of lockers held in joint names, up to two nominees can be appointed. Joint locker holders can give a mandate for access to the lockers in the event of death of one of the holders on the lines similar to those for deposit accounts. In the absence of nomination or mandate for disposal of contents of lockers, with a view to avoid hardship to the claimants, the Bank will release the contents of locker to the legal heirs against indemnity on the lines as applicable to deposit accounts.

- a) The Bank offers Nomination facility in case of safe deposit lockers, in accordance with the provisions of section 45-ZC to 45-ZF of the Banking Regulation Act, 1949 and Banking Companies (Nomination) Rules, 1985. In case the nominee is a minor, a guardian needs to be assigned to the nominee. A passport size photo of the nominee attested by the Hirer/s, may be provided by the Hirer/s, at his/her option for records.
- b) For the various forms (Forms SL1, SL1A, SL2, SL3 and SL3A for Safety Lockers) prescribed under Banking Companies (Nomination) Rules, 1985, only thumb-impression(s) will be required to be attested by two witnesses. Signatures of the account holders need not be attested by witnesses.

- c) The Bank will allow and update its systems in order to register the nomination, cancellation and / or variation of the nomination, made by the locker hirers.
- d) The Bank will also provide an acknowledgement for the receipt of duly completed form of nomination, cancellation and / or variation of the nomination. Such acknowledgement will be given to all the Hirer/s irrespective of whether the same has been demanded by them or not.

### **3.33 Suo Moto Closure of Savings and Current Account**

The Bank will close accounts which are considered undesirable and unremunerative. These accounts will be closed only after sending proper written notice to the customer, at the address of the customer as per Bank records. Examples of undesirable and unremunerative features are:

- a. Drawing cheques/initiating electronic funds transfer or providing standing instruction/mandate, without funds.
- b. Rash / fraudulent transactions routed through the Bank account which may expose the Bank to unnecessary risks.
- c. Nil Balance Accounts.
- d. Dormant / inoperative accounts as per extant RBI directives.
- e. Accounts where transactions, such as huge cash transactions, are being made, disproportionate to the profile of the customer.
- f. Accounts in which, in the opinion of the Bank, transactions are being conducted, having a money laundering angle.
- g. Accounts, in which, the Bank is not able to apply appropriate KYC measures due to non - furnishing of information by customers and / or non – co-operation in this regard.
- h. Non-compliance of minimum balance requirements for Current and Savings account as applicable to the relevant scheme / product.

Up-to-date interest, if any, will be credited to the Customer's account at rates applicable from time to time. Penal interest, if any, at rates applicable from time to time, will be collected in case of pre-mature closure of Term Deposits. The amount lying in the account, net of all charges and out-of-pocket expenses, will be sent by Pay Order / DD to the last known address of the Customer.

### **3.34 Redressal of Complaints and Grievances**

Depositors having any complaint / grievance with regard to the services rendered by the Bank have the right to approach authorities designated by the Bank for handling customer complaints / grievances. The details of the internal set-up for redressal of complaints / grievances will be displayed in the branch premises. The branch officials will provide all required information regarding the procedure for lodging the complaint. In case the depositor does not get a response from the Bank within 60 days from date of complaint or he is not satisfied with the response received from the Bank, he has the right to approach the Banking Ombudsman appointed by the

Reserve Bank of India. The Bank also has a Complaint Redressal Cell at Head Office, and the customer can send their complaints through email as well.

### **3.35 Deposit Scheme for Senior Citizens**

The Bank has a special deposit product for Senior Citizens. In addition to offering additional interest rate on term deposits for Senior Citizens, any change in the operating instructions and the fact of addition / deletion of account holders in a Senior Citizen account is always carried out by the joint consent of all the account holders, in case of joint account. The relevant clause regarding beneficiary in the event of the death of the depositor has been incorporated in the account opening form.

If the Senior Citizen is a pensioner and is required to submit a Life Certificate as per the Pension Payment authority, the Life certificate will be accepted at any of the branches. The branch officials will verify the identity of the person and account before accepting such a Life certificate.

### **3.36 Deposit Scheme for differently abled**

The Bank may have a special deposit product for differently abled persons. Any change in the operating instructions and the fact of addition / deletion of account holders in a differently abled account is always carried out by the joint consent of all the account holders, in case of joint account. The relevant clause regarding beneficiary in the event of the death of the depositor has been incorporated in the account opening form. Relevant proofs and checks of the differently abled will be obtained at the time of account opening to verify the extent of the disability.

### **3.37 Deposit Scheme for Women**

The Bank may have special deposit products for Women customers. The Bank may offer lower minimum balances for Savings account for women. Any change in the operating instructions and the fact of addition / deletion of account holders in a Woman account will always be carried out by the consent of all the joint account holders, in case of joint account. The relevant clause regarding beneficiary in the event of the death of the depositor has been incorporated in the account opening form.

### **3.38 Bulk Deposit**

In accordance with the RBI Master Direction on Interest Rate on Deposits updated from time to time, single rupee deposits (including NRE and NRO term deposits) of Rs. Three crore or such other amount as may be prescribed by RBI from time to time are classified as bulk deposits.

#### **3.38.1. Quoting Special Rate of Interest:**

The rate of interest on these deposits will depend on

- a. Market conditions
- b. Requirements relating to ALM
- c. Micro-managing liquidity
- d. Overall strategy to meet funding needs.

The Bank may offer differential rates of interest for Bulk deposits of the same maturity. However, care will be taken to ensure that the rates offered for such Bulk deposits on any given day remain the same for an identical amount and period.

### **3.38.2 Bulk Deposit Options**

The Bank can accept Bulk Deposits with the following two options:

1. Premature withdrawal permitted
2. Premature withdrawal not permitted

The Bank will notify all bulk depositors of its policy of allowing / disallowing premature withdrawal at the time of accepting such deposits.

In the case of option 1 above, where premature withdrawal is permitted, Treasury will, at the time of providing the special rate of interest, also provide the interest rates applicable for various tenures. Treasury will also provide the quantum of penalty applicable, if any, for premature withdrawal. MD/Head of Treasury can waive the penalty applicable on premature withdrawal of Bulk deposit including interest difference, if any.

In case of deposits offered without premature withdrawal option (Non-Callable Term Deposits), under special circumstances as specifically mentioned in the regulations viz., on account of government orders /regulatory orders/ bankruptcy/ legal orders/ deceased settlement claims, the Bank may permit premature withdrawal of Non-Callable Term Deposits with specific approval from CFO in consultation with CRO. In other cases, premature withdrawal of non-callable term deposits may be permitted only with a significant penalty that is materially greater than loss of interest and only with specific approval from MD/ ALCO with documented rationale and recommendation from CRO. The details of all premature withdrawals of Bulk deposits and premature withdrawals of Non-Callable Term Deposits will be put up to ALCO at monthly intervals.

### **3.39. Accounts that can be opened in foreign currency by persons resident in India**

As an Authorised Dealer, the Bank will permit resident Indians to open the following types of accounts subject to such conditions and in accordance with applicable RBI Directions:

- a. Exchange Earner's Foreign Currency Account - EEFC
- b. Resident Foreign Currency Account – RFC
- c. Resident Foreign Currency (Domestic) Account – RFC (D)
- d. Diamond Dollar Account (DDA) Scheme
- e. Indian agent of shipping or airline companies incorporated outside India can maintain foreign currency account in India for meeting the local expenses of the overseas company. The credits permitted to such accounts are freight or passage fare collections in India or from his principal outside India.
- f. Ship-manning/ crew managing agencies in India may maintain non-interest bearing foreign currency account in India for the purpose of undertaking transactions in the ordinary course of their business, as detailed in the Master Directions.

- g. Project Offices of foreign companies can open non-interest bearing one or more foreign currency accounts in India for the project to be executed in India. This will be subject to such conditions as detailed in the Master Directions.
- h. Organisers of international Seminars, Conferences, Conventions, etc. – can open temporary foreign currency accounts in India subject to such conditions as detailed in the Master Directions.
- i. An exporter who has undertaken a construction contract or a turnkey project outside India or who is exporting services or engineering goods from India on deferred payment terms may open, hold and maintain a Foreign Currency Account with a bank in India, provided that approval as required under the Foreign Exchange Management (Export of goods and services) Regulations, 2015, as amended from time to time has been obtained for undertaking the contract/ project/ export of goods or services, and the terms and conditions stipulated in the letter of approval have been duly complied with.
- j. A unit located in a Special Economic Zone (SEZ) - may open hold and maintain a foreign currency account with an authorized dealer in India to credit all foreign exchange funds received by the unit subject to such conditions as detailed in the Master Directions.
- k. An Indian company receiving foreign investment under FDI route in terms of Foreign Exchange Management (Non-debt Instruments) Rules, 2019 dated October 17, 2019, as amended from time to time, may open and maintain a foreign currency account with an Authorized Dealer in India provided the Indian investee company has impending foreign currency expenditure and the account is closed immediately after the requirements are completed or within six months from the date of opening of such account, whichever is earlier.
- l. Re-insurance and Composite Insurance brokers registered with Insurance Regulatory and Development Authority of India (IRDAI) may open and maintain non-interest bearing foreign currency accounts with an AD bank in India for the purpose of undertaking transactions in the ordinary course of their business.
- m. Such other entity and type of account as may be specified by RBI from time to time.

#### **3.40. Accounts that can be opened in foreign currency by persons resident outside India**

As an Authorised Dealer, the Bank will permit a person resident outside India (including foreign nationals as permitted) to open and maintain the following accounts subject to such conditions and in accordance with applicable RBI Directions:

- a. Non-Resident (External) Rupee Account Scheme – NRE Account
- b. Foreign Currency (Non-Resident) Account (Banks) Scheme – FCNR (B) Account
- c. Non-Resident (Ordinary) Account Scheme – NRO Account
- d. Special Non-Resident Rupee Account – SNRR Account
- e. Portfolio Investment Scheme (PIS) services on repatriation basis
- f. Escrow Account
- g. Acceptance of deposit by a company in India from NRIs/PIOs on repatriation basis
- h. Acceptance of deposits by Indian proprietorship concern/ firm or a company from NRIs or PIOs on non-repatriation basis

- i. Acceptance of deposits by Indian companies from a person resident outside India for nomination as Director
- j. A deposit made by an Authorised Dealer with its branch, head office or correspondent outside India, and a deposit made by a branch or correspondent outside India of an Authorised Dealer, and held in its books in India, will be governed by the directions issued by the Reserve Bank in this regard.
- k. A shipping or airline company incorporated outside India, can open, hold and maintain a Foreign Currency Account for meeting the local expenses in India of such airline or shipping company. The credits permitted to such accounts are only freight or passage fare collections in India or by inward remittances through banking channels from its office outside India.
- l. An Authorised Dealer may allow unincorporated joint ventures (UJV) of foreign companies/entities, with Indian entities, executing a contract in India, to open and maintain non-interest bearing foreign currency account and an SNRR account as specified in Schedule 4 of the Deposit Regulations for the purpose of undertaking transactions in the ordinary course of its business. The debits and credits in these accounts should be incidental to the business requirement of the UJV. The tenure of the account should be concurrent to the tenure of the contract/ period of operation of the UJV and all operations in the account shall be in accordance with the provisions of the Act or the rules or regulations made, or the directions issued thereunder. Opening of such accounts by companies/entities from such countries as notified by RBI from time to time would require the prior approval of the Reserve Bank.
- m. A Foreign Portfolio Investor and a Foreign Venture Capital Investor, both registered with the Securities and Exchange Board of India (SEBI) under the relevant SEBI Regulations, can open and maintain a non-interest bearing foreign currency account for the purpose of making investment in accordance with Foreign Exchange Management (Non-debt Instruments) Rules, 2019 dated October 17, 2019, and Foreign Exchange Management (Debt Instruments) Regulations, 2019 dated October 17, 2019, as applicable and as amended from time to time.
- n. Opening of Vostro Account for exchange houses and foreign banks.
- o. Such other entity and type of account as may be permitted by RBI from time to time.

The detailed process to be followed with respect to the above will be covered in the respective Product/Process Notes, in accordance with regulatory prescriptions. KYC/AML directions and other applicable directions of RBI will be strictly adhered to while undertaking any transaction.

The Bank will open one or more Nostro Accounts with international banks for facilitating its foreign exchange operations in accordance with applicable regulations including that of the respective jurisdictions.

The Bank will ensure 100% concurrent audit of all accounts opened under the clauses 3.39 and 3.40 of this Policy.

### **3.41 Liberalised Remittance Scheme (LRS)**

The Bank will provide remittance services to its resident individual customers in accordance with applicable regulatory directions of RBI.

The limit of USD 2,50,000 per Financial Year (FY) under LRS includes/subsumes remittances for current account transactions (viz. private visit; gift/donation; going abroad on employment; emigration; maintenance of relatives abroad; business trip; medical treatment abroad; studies abroad) available to resident individuals.

The remittances by other categories of customers will be governed by the applicable regulations and statutes.

### **3.42 Prohibitions**

The Bank will adhere to the operational guidelines and prohibitions as stipulated by RBI from time to time.

### **3.43 Ensuring Reasonableness of Bank Charges**

In accordance with the recommendations of the Working Group forming part of the RBI Master Circular, the Bank will adopt all the basic banking services as listed out under Clause 2.5.3 of this policy and will make the same available at reasonable prices/ charges.

#### Ensuring reasonableness of charges based on the broad parameters:

Based on the broad parameters provided by the regulator, specifically for middle and lower segments, the Bank will offer BSBDA savings accounts as Basic Banking Services offering. The Bank will not levy any charge on BSBDA accounts thereby ensuring reasonableness for the customers in this segment.

#### **4. Provisions in policy over and above but in consonance with RBI guide lines – None**

#### **5. Changes to the Policy**

Paragraphs 3.39, 3.40 and 3.41.

#### **6. Periodicity of Review of the Policy**

The Board will review this policy within 18-24 months of the previous review or at such intervals as may be required considering regulatory and business exigencies.

|   |   |
|---|---|
| <b>Author of the Policy</b>                             | <b>Branch Banking</b>                             |
| <b>Reviewer of the Policy</b>                           | <b>Compliance</b>                                 |
| <b>Name of Committee which recommended to the Board</b> | <b>Executive Policy Formulation Committee</b>     |
| <b>Date of Board Approval</b>                           | <b>December 21, 2024</b>                          |
| <b>Date of Next Review</b>                              | <b>Within 18-24 months of the previous review</b> |