

## Chapter-1 PREAMBLE

One of the important functions of the Bank is to accept deposits from the public for the purpose of lending. In fact, depositors are the major stakeholders of the Banking System. The depositors and their interests form a key area of the regulatory framework for banking in India and this has been enshrined in the Banking Regulation Act, 1949. The Reserve Bank of India is empowered to issue directives/advice on Interest Rates on deposits and other aspects regarding the conduct of deposit accounts from time to time. Banks are now free to formulate deposit products within the broad guidelines issued by RBI.

This policy document on deposits outlines the guiding principles with respect to the formulation of various deposit products offered by the Bank and the terms and conditions governing the conduct of Accounts. The document recognizes the rights of depositors and aims at the dissemination of information with regard to various aspects of acceptance of deposits from the members of the public, conduct and operations of various deposit accounts, payment of interest on various deposit accounts, closure of deposit accounts method of disposal of deposits of deceased depositors, etc., for the benefit of customers. It is expected that this document will impart greater transparency in dealing with individual customers and create awareness of their rights. The ultimate objective is that the customer should get the services that are rightfully entitled to receive without demand.

While adopting this policy, the bank reiterates its commitment to individual customers outlined in the Bankers' Fair Practice Code of the 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 will be issued from time to time.

## Chapter-2 TYPES OF DEPOSIT ACCOUNTS

While various deposit products offered by the Bank are assigned different names, the deposit products can be broadly categorized into the following types. The definition of major deposit schemes is as under:

- i. **“Demand Deposit”** means a deposit received by the Bank, which is withdrawable on demand.
- ii. **“Savings Bank 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 specific period.
- iii. **“Current Deposit Account”** means a form of Demand Deposit wherefrom withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount and will also include other deposit accounts which are neither Savings Deposits nor Term Deposits.
- iv. **“Term Deposit”** means a deposit received by the Bank for a fixed period –

withdrawable only after the expiry of the fixed period; subject to terms & conditions stipulated by the Bank, from time to time and include deposits such as Recurring/Double Benefit Deposit/Short Deposit/Fixed Deposit/CD Plus, SB Plus etc.

### Chapter-3

## **ACCOUNT OPENING AND OPERATIONS OF DEPOSIT ACCOUNTS**

### **A) Customer Acceptance and KYC Norms**

- (i) The Bank, before opening any deposit account, will carry out due diligence as required under customer acceptance policy and “Know Your Customer” (KYC) guidelines issued by RBI (*presently vide Amendment to the Master direction on KYC issued under circular RBI/2023-24/69 DOR.AML.REC.44/14.01.001/2023-24 dated Oct 17, 2023*) and prevention of money laundering Act and/ or such other norms or procedures as per the KYC policy of the bank (*as updated from time to time*). If the decision to open an account of a prospective depositor requires clearance at a higher level, reasons for any delay in opening of the account will be informed to the customer and the final decision of the Bank will be conveyed at the earliest to the customer.
- (ii) Likewise the bank shall undertake the exercise of re-KYC in the accounts as per the extant regulatory guidelines from time to time. The Bank would be classifying customer is High, Medium and Low risk based on the risk perception. Differential due diligence and monitoring standards shall be applied based on the Risk category
- (iii) The regulatory guidelines require bank to categorize customers based on risk perception and prepare profiles of customers for the purpose of transaction monitoring. Inability or unwillingness of any prospective customer to provide necessary information/details may result in the bank not opening an account.
- (iv) Inability of an existing customer to furnish details required by the bank to fulfill statutory obligations subsequently will result in the closure of the account after issuance of due notice(s) to the customer. The bank shall have the right to close the Deposit accounts of the customer which do not adhere to the prescribed rules/guidelines and are considered undesirable, after sending a notice with a period of 30 days, at the registered address of the customer or by sending a SMS containing the gist of the notice at the registered mobile number of the customer as per bank’s records.
- (v) The due diligence process, while opening a Deposit Account involves, satisfying the identity of the person, verification of address, satisfying about his/her occupation and source of income and obtaining a recent photograph of the person/s opening/operating the account, as a part of the due

diligence process. As per the provisions of the Prevention of Money Laundering Act, 2002 and the rules made there under by the Government, as well as guidelines issued by the Reserve Bank of India (RBI) on KYC, obtaining identification documents for every customer is mandatory and introduction by a 3<sup>rd</sup> party is not a substitute for KYC documentation. The 'Basic Savings Bank Deposit Account' would be subject to RBI instructions on Know Your Customer (KYC) / Anti-Money Laundering (AML) for opening of bank accounts issued from time to time. If such account is opened on the basis of simplified KYC norms, the account would additionally be treated as a BSBDA-'Small Account' and would be subject to conditions stipulated for such accounts as indicated in paragraph 3.2.2(I) (A) (vi) of RBI Master Circular dated July 01, 2015 on 'KYC norms / AML standards / Combating of Financing of Terrorism (CFT) / Obligation of banks under PMLA, 2002'.

- (vi) In addition to the due diligence requirements, under KYC norms, the bank is required by law to obtain Permanent Account Number (PAN) or General Index Register (till such time Permanent Account Number is allotted) or alternatively declaration in Form No. 60 or 61 as specified under the Income Tax Act / Rules and PMLA Rules amended vide notification dated 1st June 2017 and subsequent amendments.

Bank relations with customer is governed by duly approved Customer Acceptance, Customer Care & Customer Severance Policy, a copy of which is available on Bank of India Web Site

#### B) Opening of Accounts

- i) The account opening forms and other material would be provided to the prospective depositor by the Bank. The same will contain details of information to be furnished and documents to be produced for verification and/or for record. It is expected of the Bank Official while opening the account, are to explain the procedural formalities and provide necessary clarifications sought by the prospective depositors when they approach for opening a deposit account.
- ii) The bank shall also allow customers to open Deposit accounts online through mobile application, website and / or any other prevalent electronic media, taking all the precautions and necessary KYC / Video KYC as per the extant regulatory guidelines from time to time.
- iii) Deposit Accounts can be opened by an individual in his own name or jointly by more than one individual in their joint name. SB Account can also be opened by a minor, jointly with his Natural Guardian or with Mother, as the Guardian. Minors of the age of 10 years & above who can sign will also be allowed to open and operate SB Account, independently.

**C) Basic Savings Bank Deposit Accounts (BSBDA)**

- i) The bank is committed to provide basic banking services to disadvantaged sections of the society. Banking services will be offered to them through Basic Savings Bank Deposit Accounts (BSBDA) and Small Savings accounts will be opened with relaxed customer acceptance norms as per regulatory guidelines
- ii) Under financial inclusion, BSBDA Accounts could be opened either with “NIL” or with a very low minimum balances. The nature and number of transactions in such accounts will be restricted which will be made known to the customers at the time of opening of accounts in a transparent manner or through Bank’s website in case of any subsequent changes. BSBDA accounts are governed by RBI rules

**D) Savings Bank Accounts**

Can be opened for eligible person/persons and certain organizations/agencies (as approved by RBI, from time to time). As per Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016 updated on 26-10-2023, a savings bank deposits cannot be opened in the names of the entities other than individuals/Karta of HUF/organizations /agencies listed in Schedule -1.

**Schedule-1**

- i. Primary Co-operative Credit Society which is being financed by the bank.
- ii. Khadi and Village Industries Boards.
- iii. Agriculture Produce Market Committees.
- iv. Societies registered under the Societies Registration Act, 1860 or any other corresponding law in force in a State or a Union Territory except societies registered under the State Co-operative Societies Acts and specific state enactment creating Land Mortgage Banks.
- v. Companies licensed by the Central Government under Section 8 of Companies Act, 2013 or Section 25 of Companies Act, 1956 or under the corresponding provision in the Indian Companies Act, 1913 and permitted, not to add to their names the words ‘Limited’ or the words ‘Private Limited’.
- vi. Institutions other than those mentioned in section 28(h) and whose entire income is exempt from payment of Income-tax under the Income-Tax Act, 1961.
- vii. Government departments / bodies / agencies in respect of grants/ subsidies released for implementation of various programmes / Schemes sponsored by Central Government / State Governments subject to production of an authorization from the respective Central / State Government departments to open savings bank account.
- viii. Development of Women and Children in Rural Areas (DWCRA).
- ix. Self-help Groups (SHGs), registered or unregistered, which are engaged in promoting savings habits among their members.
- x. Farmers’ Clubs – Vikas Volunteer Vahini – VVV.

E) Current Accounts

Can be opened by Individuals/Partnership Firms/Private & Public Limited Companies/HUFs/Specified Associates/Societies/Trusts, etc.

F) Term Deposits

- i. Term Deposit Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates / Societies / Trusts, Departments of Authority created by Government (Central or State), Limited Liability Partnership etc.
- ii. The Term Deposits are classified into two broad categories viz. Retail Term Deposits and Bulk Deposits. The limit for the same is defined by RBI from time to time. At present a single Rupee term deposit of below Rupees Two Crore is defined as a Retail deposit and that of Rupees Two Crore and above is defined as a **Bulk deposit** (Reference RBI/2023-24/75 DoR.SPE.REC.50/13.03.00/2023-2024 Dated 26-10-2023).  
The general information on various Deposits products & Interest rates offered by our Bank is available on the Bank's website.
- iii. The Term Deposit Account holders at the time of placing their deposits can give instructions with regard to the closure of the Deposit Account or renewal of deposit for a further period on the date of maturity. In the absence of any such instructions, there will be an automatic renewal of the deposits for the same period as was for the last deposit at the prevalent rate of interest on the date of renewal. However in case of a non KYC compliant / pending REKYC account, the account will be frozen and only after completion of KYC, it can be renewed with value date.

G) Debit cards- Issue and Eligibility

- i) Bank may issue Debit cards to customers having Saving Bank/Current Accounts. Bank may charge on debit card transactions within stipulated benchmarks as per applicable regulatory guidelines. Bank has fixed Merchant Discount Rate keeping it competitive with the market. Bank has formulated a comprehensive debit card issuance policy including policy on co-branded debit cards with the approval of the Board and the debit cards are issued to the customers in accordance with the Card Management Policy- Version 6 approved by the board on 20-12-2023. The main features of the said policy regarding eligibility norms for issue of debit cards are as under:
- ii) Customers who can be issued Debit Cards:
  - a) Renewal of Debit cards after getting explicit consent of the customers, excluding cases where the customers are ineligible.
  - b) All Individual customers having Operative Accounts - Savings Bank account, Current Account held Singly, held jointly only when the Operational Instruction is "Either or Survivor" OR "Any one of Us". Card may be issued to all joint account holders.

- c) All Individual customers having Operative Accounts - Savings Bank account, Current Account having Operational Instruction as "Former or Survivor". In such case Debit Card shall be issued to Former/First Account holder only.
  - d) If Mandate for operation is other than the ones mentioned above, Debit Card still can be issued to a joint account holder if letter of authority/Application for issuance of Debit Card is executed by all the account holders.
  - e) Proprietary Current Accounts in personal names of the Proprietor. Partnership (as per the operating instructions mentioned in the partnership agreement) and HUF Operative Accounts to KARTA with the consent of all co-parceners.
  - f) NRE Operative accounts, including Power of Attorney (POA) holder/ Mandatee.
  - g) Staff Accounts (Only saving account).
  - h) Pension Accounts (Only saving account).
  - i) Self-operated Minor's Account where age is 15 years and above, where Debit Card with limited facility is available.
  - j) Differently abled Persons, Illiterate persons, visually challenged.
  - k) No frills / Small Accounts
  - l) PAN Number is Mandatory for Issuance of International Debit Card
- iii) Customers who are not eligible for Debit Cards:
- a) Customers where mobile number is not seeded or is non-KYC compliant.
  - b) Company Accounts
  - c) Trust Accounts
  - d) Accounts opened in the name of Club, Societies, Government and Quasi-Government Departments
  - e) Insolvent entities, including mentally disabled persons, firms and companies etc
  - f) Accounts where Debit Operation is frozen by Court / Government Authorities / Bank
  - g) Deceased Accounts where joint account holders account holder/all/ Proprietor/Partner(s) has/have deceased.
  - h) Undesirable Accounts or where Notice for closure of account has been served
- iv) Renewal of Debit card shall not be done in respect of Cards where:
- a) There has been no customer initiated transactions (either card present or card not present) validated through Debit Card within the last one year of the expiry date of the card
  - b) The customer has surrendered the card or closed the account
  - c) When cards are hot listed/inactive.
  - d) The linked accounts are closed/dormant/NPA
  - e) The customer has not provided his/her consent.



iv) Debit Card to Joint Account Holders

In case of Operative Accounts having Mode of Operation as "Either or Survivor" or "Any one of Us", the Debit Card issued to the First Account Holder shall be treated as Primary card and the Debit Card issued to other account Holder/s treated as Add-on-card. In case of all Individual customers having Operative Accounts with Operational Instruction as "Former or Survivor" shall be issued to Former/First Account holder only. If Mandate for operation is other than the ones mentioned above, Debit Card still can be issued to a joint account holder if letter of authority/application for issuance of Debit Card is executed by all the account holders in his/her favour.

H) Minimum Balance Requirements

i) Saving and Current accounts:

For deposit products like Saving Bank (SB) Account and Current Deposit (CD) Account, the Bank will normally stipulate a certain minimum balance/minimum Average Quarterly Balance (AQB)/Average Monthly Balance (AMB) to be maintained as a part of the terms and conditions governing operations of such accounts which will be displayed on the branch notice board/Website. Failure to maintain minimum balance/ minimum Average Quarterly Balance (AQB)/Average Monthly Balance (AMB) in the account will attract a levy of charges as specified by the Bank from time to time. Upon completion of 45 days of the quarter/15 days of the month (AQB/AMB), the Bank will endeavor to send a message requesting them to maintain average balance in their accounts so as to avoid any penalty. The SMS shall go to the account holders whose AQB/AMB is less than the prescribed AQB /AMB required to be maintained in account. Accordingly, if the requisite Average Quarterly Balance (AQB) / Average Monthly Balance (AMB) of one quarter (AQB)/ one month (AMB) is not maintained in the savings bank account, penal charges shall be levied by the system on the completion of the quarter (AQB) /month (AMB) and the same will be notified to the customer through SMS. The charges shall be levied slab-wise on the basis of AQB/AMB maintained in the account vis-à-vis stipulated AQB/AMB requirement. The slab structure for recovery of charges in the various categories of Saving Bank and Current account is available on Bank's website and is subject to revision from time to time.

ii) Term Deposit minimum amount:

- Minimum Term Deposit amount is Rs.10000/-
- In case of Earnest money, tender or court order, the minimum amount can be less than Rs. 10000/- provided it is supported by relevant documents.
- Recurring Deposit amount (min. instalment amount) is Rs.500/-

- Flexi Recurring Deposit account (min. instalment amount) is Rs.1000/-
- There would be no cap on maximum amount of Term deposits but there would be a cap of Rs 10,00,000 (instalment amount) which can be accepted by the branches under Recurring deposits and Flexi recurring deposits. For amount over Rs 10,00,000 branches has to get prior approval from GM HO-Resource Mobilisation.

I) Operations in Account

- For SB and CD Accounts, Bank may also place restrictions on the number of transactions, cash withdrawals, etc., within a given period. Similarly, the Bank may specify charges for issuance of cheque books, additional statements of accounts, duplicate pass book, account maintenance charges, etc. Statement of Account is sent through email on customer's request, it is also made available through internet banking, mobile banking, phone banking and Mini statement through ATM. All such details, regarding terms and conditions for operation of the accounts and schedule of charges for various services provided is available on Bank's website and are subject to revision from time to time.
- The Bank has already implemented Mobile and Internet Banking after obtaining requisite approval from the Reserve Bank of India. The Bank has also obtained necessary approvals for the perceived risks and mitigation measures have been adopted before launching the scheme. Bank may place per transaction limit, based on the risk perception with the approval of the Board/Competent Authority. Use of mobile banking services for cross border inward and outward transfers is presently not permitted.
- At the request of the depositor(s), the Bank may permit and register the mandate/power of attorney given by him/her/them, authorizing another person to operate the Account on his/her/their behalf.
- The depositors availing internet/mobile banking facility under Star Connect (Retail)/BOI Mobile App, with funds transfer option, can open or close FDR online. An E-mail advice is sent to the customer on registered E-mail ID and no physical advice are sent for Term Deposits booked through Net Banking/Mobile Banking. In case no E-mail Id is registered, customer has to collect the Term Deposit receipt from the Branch. Customers can check Term Deposit holdings on Term deposit summary page on the next working day. The Term Deposit Online facility consists of both online opening and closing of TDR opened online. The online closure of term deposits is channel specific i.e. Term Deposits opened through Internet Banking with a mode of operation as single can be closed through Internet Banking only and Term Deposits opened through Mobile banking with mode of operation as single and can be closed through the mobile banking application only. The customer need to visit the branch for all the other cases and other



activities related to TDR like Loan against TDR, Change/Cancellation of Nomination, etc. The customer can update the details of nomination through internet banking for single account initially. However, any change in existing nomination is not accepted through Internet Banking.

- v. Specific charges for issue of cheque books, additional/duplicate statement of account, passbook, copies of paid cheques, account maintenance charges, ATM/Debit Card charges, verification of signatures, return of cheques, change in mandate or style of account, etc. will be recovered as applicable from time to time.
- vi. In general Pass book will be provided by the Bank to the depositors for SB Account and a statement of account for CD account holders periodically as per the terms and conditions of opening the Account. E-statements of account shall be sent on the registered E-mail Id of SB Account holder and CD Account holder.
- vii. The Deposit Accounts may be transferred to any other branch of the Bank at the request of the Account Holders (request to be submitted with parent bank branch where the account is maintained).
- viii. The bank offers a choice of electronic channels to customers for conducting their banking transactions, which 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, the Bank will obtain specific consent from the customers after explaining the risks associated with availing of the facility.

J) Operations in Joint Account –

The Joint Account opened by more than one individual can be operated by any single individual or by more than one individual, jointly. The mandate for operating the Account can be modified with the written consent of all Account Holders. The SB Account opened by a minor, jointly with natural guardian/ guardian can be operated by the natural guardian only till the minor attains the majority. On attaining the majority, the erstwhile minor shall be asked to sign a balance confirmation certificate with the consent of the guardian to be kept on record and thereafter the account shall be allowed to be operated by the erstwhile minor only. However, Minors above the age of 10 may also be allowed to open and operate Savings Bank Account independently provided the minor is able to read and write.

- i) The Joint Account Holders can give any of the following mandates for the disposal of balances in the above Accounts:
  - a) **“Either or Survivor”**: If the account is held by two individuals, say A & B, the final balance along with interest, if applicable, will be paid to **either of the account holders i.e. A or B, on the date of maturity**. In case of a

premature closure, signatures of both the individual account holders would be required or of the survivor on death of anyone of the Account Holders.

b) **“Former or Survivor”**: The instructions “Former or Survivor” convey that the Account will be operated by the “Former” “A” alone, as long as he/she is alive and after his/her death by the “Survivor” “B”. “B” cannot 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 is to be operated solely by “A”. The legal representative of “B” will have no right to the balance in the Account or to operate the Account. The legal representatives of the surviving Account Holder after his/her death are entitled to the balance in the Account.

c) **“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 any one if all of them are alive or to the survivor/s on the death of any of the Account Holders

On the death of any one of account holder say A, the final balance along with interest if applicable, will be paid to any two of the surviving account holders jointly i.e. B or C. On the death of any two of the account holders say A and B, the final balance along with interest if applicable, will be paid to surviving accountholder i.e. C.

d) **“Operated jointly”**: Accounts which have operational instructions “operated jointly”, the operations and all the instructions in this account shall be accepted under joint signatures of all account holders.

ii) If the joint depositors prefer premature withdrawal of deposits in accordance with the mandate of ‘Either or Survivor’, ‘Anyone or Survivor’ or ‘Former or Survivor’, the Bank may allow a premature withdrawal of term deposits to the surviving depositor/s without seeking concurrence of the legal heirs of the deceased deposit holder(s), provided all the depositors have given a specific joint mandate for the said purpose at the time of opening the account or at any time subsequently during the tenure of the deposit.

iii) **ADDITION OR DELETION OF THE NAME/S IN AN ACCOUNT**

In Joint Account, the Bank may at the request of all the Joint Account holders allow addition or deletion of name/s of Joint Account holders if the circumstances so warrant. In the case of individual Accounts, the Bank may allow an individual depositor to add the name of another individual as a Joint Account Holder. However, the amount or duration of the original deposit shall undergo a change in any manner in case of term deposit.

K. **Nomination**

(i) Nomination facility is available for all deposit accounts opened by the individuals. Nomination is also available to a Sole Proprietary Concern

- Account. Nomination is not permitted in favour of Company, Firm, Trust, HUF, etc.
- (ii) The Bank recommends that all depositors should avail the nomination facility. The nominee, in the event of death of the depositor/s, would receive the balance outstanding in the Account of the deceased as a Trustee of the Legal Heirs. The depositor will be informed of the advantages of the nomination facility while opening a Deposit Account.
  - (iii) The depositor has the discretion of putting nominee's name on passbook/term deposit receipt.
  - (iv) Nomination can be made in favour of one individual only. Nomination so made can be cancelled or modified by the Account Holder/s at any time.
  - (v) Nomination can be made in favour of a minor also. In case the nominee is a minor, the depositor (s) while making the nomination should appoint another individual not being a minor to receive the amount of deposit on behalf of minor nominee in the event of the death of depositor(s) during the minority of the nominee. In case of Joint Accounts, nomination or modifications of nomination should be made by all depositors, jointly.

L) STOP PAYMENT FACILITY:

The Bank will accept Stop Payment instructions from the depositors in respect of Cheques issued/reported lost and not paid till receipt of stop payment instructions. Charges, as specified, will be recovered

**Chapter-4**  
**INTEREST IN DEPOSIT ACCOUNTS:**

A General Terms

- i) Interest shall be paid on the Savings Account at the rate specified by the Bank from time to time which will be calculated on a daily product basis and will be credited quarterly in the months of May, August, November and February, or at the time of closure of the account.
- ii) In terms of RBI directives, interest shall be calculated at quarterly intervals on Term Deposits and will be paid at the rate decided by the Bank, depending upon the period of the deposit. In case of monthly deposit scheme, the Interest shall be calculated for the quarter and paid monthly at a discounted value. The Interest on Term Deposits is calculated by the Bank in accordance with the formulae and conventions advised by the Indian Banks' Association.
- iii) The rate of Interest on Deposits will be prominently displayed in the branch premises/on the Bank's Website from time to time. Changes in rates, if any, with regard to the deposit schemes and other related services shall also be given coverage in media.
- iv) The rate of interest on Term Deposits is decided by Asset Liability Management Committee (ALCO). The Bank doesn't discriminate in the matter of interest paid on retail

deposits, between one deposit and another, accepted on the same date and for the same maturity, whether such deposits are accepted at the same office or different offices of the bank. However, the Bank reserves the right to give higher ROI to select categories (Staff/Ex-staff/Senior/Super Senior Citizens).

v) The Bank has statutory obligations to deduct tax at source if the total interest paid/payable on all Term Deposits held by a person during a financial year exceeds the amount specified under the Income Tax Act. The customer may give instructions to deduct TDS payable on the deposit, from an operative account linked to the Term Deposit account otherwise the amount of tax would be deducted from interest payable on term deposits and the maturity proceeds of the deposits will be lower than that mentioned on Term Deposit receipt. The Bank will issue a Tax Deduction Certificate (TDS) for the amount of tax deducted. The depositor, if entitled to exemption from TDS shall submit a declaration in the prescribed format i.e. Form 15G/15H at the beginning of every financial year. DEPOSITORS must furnish their PAN Number along with 15G /15H. Failure to furnish PAN or Form 15G/15H, annually, will result in a deduction of TDS at the prevailing rate advised by the Income Tax department.

Note: Interest paid on Term Deposits (Fixed as well as recurring) will attract TDS provisions. TDS will be deducted on the interest earned on the total amount of deposits held by a customer in the Bank as a whole, and not on individual deposits held by him branch-wise including Recurring Deposits (as per amendments in Finance Act 2015).

#### B) Additional rate of interest

Additional rate of interest over and above rates applicable to the general public to a certain allowed group of customers, including value & tenure of deposit on which such additional ROI is to be provided, will be decided by ALCO from time to time or will be as directed by regulatory guidelines.

i). The eligibility for additional Rate of Interest on and above card rates for the Rupee Term Deposits is as below –

##### a) Additional Rate of Interest to Staff members –

- Staff/Ex-Staff Member (including Chairman, Managing Director & CEO, Executive Director or such other Executive appointed for a fixed tenure for period of their tenure), wherein the first account holder is Staff/Ex-Staff and the Employee Id is entered in the Cust Id linked to Term Deposit account
- Spouse of deceased Staff (Spouse of deceased Staff should be First account holder)/ or any family member of the deceased Staff who is getting the Family pension of the deceased staff.
- Retired Staff who have taken VRS (including VRS prior to Finacle)

- An association or a fund of Staff members (not of Ex-Staff members) i.e. any association of Staff members that does not have any EX-Staff as a member of the association.
- However, the additional rate cannot exceed one percent.
- Additional rate of interest on term deposits for Staff members will be applicable to the amount owned and deposited by the Staff. If asked for, Staff has to provide proof of source of income which should be justifiable and accepted by the Bank.

b) Additional Rate of Interest to Resident Indian Senior citizens/  
Super Senior Citizens –  
Individual Depositors (First Account holder only).

The age and quantum of additional rate of interest to be allowed in term deposits to resident Indian individual customers will be decided by ALCO from time to time or will be as per regulatory guidelines. Presently the age for being eligible for senior citizen rate is 60 years and above and that for super senior Citizen rate is 80 Years and above.

c) Additional Rate of Interest to Senior/Super Senior Citizen Staff –

Staff/Ex-Staff member (First Account holder only), Spouse of deceased Staff (Spouse of deceased Staff should be First account holder) & or any family member of deceased Staff who is getting Family pension of the deceased staff, shall be given the benefit of additional interest rates as admissible to senior citizens/super senior citizens over and above the additional interest payable to them by virtue of their age being 60 years & above as on the date of acceptance of deposit for Staff Senior Citizen Rates and 80 Years and above for staff Super Senior Citizen Rates. A combination of para B i(a) and B i(b) as mentioned above with all applicable conditions will be provided to eligible staff senior citizen / staff super senior citizen customers.

d) Mid-term Senior Citizen/ Super Senior Citizen rates during  
currency of Term Deposits:

It is decided by the Bank that Senior/Super Senior Citizen interest rate benefit is to be given to the customers who are turning Senior /Super Senior Citizen during the currency of deposit. For example, if a deposit is made for 5 years at the age of 58 by a customer, this deposit will last up to the age when customer turns 63 years of age. Another example, if a deposit is made for 5 years at the age of 78 by a customer, this deposit will last up to the age when customer turns 83 years of age. Benefit of additional ROI for Senior Citizen/Super Senior Citizen needs to be given to such customers when they turn 60/80 years of age. Hence concept of Mid-term Senior/Super Senior Citizen ROI is applied where additional ROI of Senior /Super Senior Citizen will be inbuilt in the deposit at the time



when the customer turns 60 or 80 years of age (as the case may be) during the currency of deposit.

This provision of Mid-term Senior/Super Senior Citizen rates is to be provided with the following conditions:

1. Deposit amount: This provision shall be applicable for retail term deposit only i.e. for less than Rs.2 crore and applicable for following:-
  - Minimum Deposit amount is Rs.10000/-
  - Normal Recurring Deposit amount (min. instalment amount) Rs.500/-
  - Flexi Recurring Deposit account (min. instalment amount) Rs.1000/-
  - Remaining tenor of the TDR is minimum 6 months & above
2. The provision for Mid-term Senior/Super Citizen ROI will be applicable on deposits as per the Tenor deposit run after attaining the age of Senior Citizen/Super Senior Citizen. The said Tenor is described as under:-

Residual Deposit period	Additional Interest Benefit to be given (Senior Citizen)	Additional Interest Benefit to be given (Super Senior Citizen)
< 6 months	Nil	Nil
6 months to < 3 years	50 bps of additional interest rate	65 bps of additional interest rate
> = 3 years	75 bps of additional interest rate	90 bps of additional interest rate

3. In case of the death of the customer before attaining 60 or 80 years (Senior or Super Senior Citizen), no additional interest benefit will be given.

e) Premature closure penalty:

- ROI applicable for the tenure of deposit with the bank minus penal interest according to the deposit amount.
- Interest penalty for premature closure according to deposit amount.
- Premature closure in case of staff/ex-staff, no penalty to be levied.

f) Additional Rate of Interest in Savings Bank deposits:

The eligibility of additional Rate of Interest on and above card rates for the Saving Bank Deposits is as below –

- Staff/Ex-Staff Member, wherein the First account holder is Staff/Ex-Staff and the employee id is entered in the CUST ID linked to saving bank account
- Spouse of deceased Staff (Spouse of deceased Staff should be First account holder)/ Relative of deceased Staff who is getting Family pension of the deceased staff.
- Retired Staff who have taken VRS (including VRS prior to Finacle)
- An association or a fund of Staff members (not of Ex-Staff members)

Additional interest rate in SB deposits will also be provided to eligible staff/Ex-staff members as per eligibility defined under Chapter 4 para vi.a.1

g) Conditions for Additional Rate of Interest for Staff related Term Deposit and Savings Bank Accounts:

- (i) The additional interest is payable till the person continues to be eligible for the same and in case of his ceasing to be so eligible, till the date of his ceasing to be so eligible or maturity of the term deposit account whichever is earlier.
- (ii) In case of employees taken over pursuant to a scheme of amalgamation, the additional interest is allowed only if the interest at the contractual rate together with the additional interest does not exceed the rate, which could have been allowed if such employees were originally employed by the bank.
- (iii) In case any staff member is deputed to another organization, the bank shall allow additional interest in respect of savings or term deposit account opened with it during the period of deputation.
- (iv) Bank Employees' Federations, in which bank employees are not direct members, shall not be eligible for additional interest.
- (v) Staff members who have retired compulsorily or resigned / dismissed / terminated / removed from the Bank's service shall not be eligible to avail Additional ROI.
- (vi) The benefit of additional interest rate on deposits (both SB and TD) on account of being the Bank's own Staff/Ex-Staff and/or senior citizen is not available to Deposits of Non Residents/ Foreign Currency Deposits i.e. NRE, NRO, FCNR (B) and RFC deposits.

- (vii) The benefit of additional rate of interest is also not available on Capital Gains and HUF deposits.

C) Interest payment – mode of calculation:

i. SAVINGS BANK ACCOUNTS:

Interest paid on SB Deposits shall be at the rate/rates as decided by ALCO from time to time. The same shall be calculated on a daily product basis and will be credited in the SB Account in the months of May, August, November and February, respectively every year or at the time of closure of the SB Account. Interest will be credited if it is a Minimum Rs.1/- . Invariably, interest shall be credited on a regular basis in SB accounts irrespective of the operational status of the account.

Any change/ revision in interest rate on Savings Bank Deposits shall be notified to the customers through our Bank's website.

ii. DEPOSIT ACCOUNTS:

No. interest would be paid on deposits held in current deposit accounts. However individual depositor account or sole proprietor ship concern account of the deceased shall attract interest from the date of death till the date of repayment to the claimant(s) at the rate of interest applicable to SB accounts prevailing on the date of payment.

iii. TERM DEPOSIT ACCOUNTS:

Interest on Term Deposits shall be as applicable on the date of issue/renewal of the Term Deposit Receipt. Interest would be calculated at Quarterly or larger intervals (and not monthly). However, in the case of Monthly Income Certificate (MIC) Scheme, the Interest is paid on monthly basis at a discounted value of the interest for one month.

iv. SHORT DEPOSITS AND FIXED DEPOSITS:

a.

SHORT DEPOSIT:	Interest would be paid for the actual number of days
(Repayable within six months)	on the basis of 365 days in a year (366 days in leap year)

b.

FIXED DEPOSITS:	Interest would be paid for the actual number of days/months
(Repayable six months and above)	On the basis of 365 days in a year (366 days in leap year)

NOTE: In respect of any "Special Deposit Scheme" announced by the Bank, it may have a different interest calculation method as per the scheme offer.

## Chapter-5 SPECIAL CATEGORY OF DEPOSIT ACCOUNTS

### A. MINORS:

- i. A Savings Bank account of a minor may be opened to be operated by the natural guardian of the minor or by a guardian appointed by the Court.
- ii. A Savings Bank Account may also be opened in:
  - a. The single name of a minor aged 10 years or more who can sign to be operated by the minor.
  - b. The joint names of two minors who have completed the age of 10 years, to be operated by them jointly provided they can read and write.
  - c. The joint names of two or more minors to be operated by a person who is the natural guardian of both or all the minors.
  - d. The minor accounts shall have additional banking facilities like debit card, cheque book and internet banking upon request, subject to the safeguards that minor accounts will not be allowed to be overdrawn and they will always remain in credit. When a minor attains majority, the guardian ceases to be the guardian and the Account ceases to be that of a minor. The payment from the account will be made to the erstwhile minor, provided the branch is satisfied with his identity.

When a minor, whose account is operated by the guardian on his behalf attains majority, a Balance Confirmation Letter, duly signed by the erstwhile minor with his signature duly verified by the guardian shall be obtained. Having done this, it is not necessary to close the existing account and open a new account, but the a note is made in the system (Master Data) and the account opening form/card to indicate that it was a minor's account, which will be cancelled and a new account opening form will be obtained. Thereafter, the account will be operated only by the erstwhile minor who has since attained majority.

### B. ACCOUNTS OF ILLITERATE:

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

### C. ACCOUNTS OF VISUALLY CHALLENGED PERSONS:

Bank will facilitate the opening of Saving Bank accounts as well as Term Deposit accounts of persons with visual impairment. The account may be opened in his/ her sole name or jointly with another person(s). The account of such a person may be opened provided he/she calls on the Bank personally along with a witness who is known to both the depositor and the Bank.

Bank is committed to providing technology enabled banking facilities like ATM, Mobile Banking, Phone Banking & Internet banking which will enable visually challenged persons to operate his/her own accounts. The Bank official shall explain the terms and conditions governing the account to the visually challenged persons in the language known to the customer. All the banking facilities such as cheque book facility including third party cheques, ATM facilities, Net banking facilities, locker facilities, retail loans, credit cards etc., may invariably be offered to the visually challenged without any discrimination.

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

In addition to the facilities mentioned above, the bank is also committed to extending basic banking facilities through Door Step Banking such as pick up of cash and instruments against receipt, delivery of cash against withdrawal from account, delivery of demand drafts, submission of Know Your Customer (KYC) documents, Life certificate etc. at the Premises/ residence of such customers. All the latest door step banking facilities as mentioned in <https://www.psbdsb.in/> shall also be extended.

#### D. ACCOUNTS OF PERSONS WITH AUTISM, CEREBRAL PALSY, MENTAL RETARDATION & MULTIPLE DISABILITIES:

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

#### E. ACCOUNTS OF TRANSGENDER PERSONS

- i. 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.
- ii. The salutation of such person shall be “Mx”



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

## F. ACCOUNTS OF PRISONERS

When jail authorities approach for opening of SB account of a prisoner after making necessary arrangements for deputing bank officials to the jail, a basic SB account can be opened when minimum KYC details are given or a full-fledged SB account can be opened on completion of full KYC.

## Chapter-6 RIGHTS OF CUSTOMER

### A. CUSTOMER INFORMATION:

The customer information collected from the customers shall not be used for cross-selling of services or products by the Bank, their subsidiaries and affiliates. If the Bank proposes to use such information, it would be strictly with the consent of the Account Holder.

The term deposit receipt renewed under “Automatic Renewal Scheme” will not be handed over to the customer “unless” he submits the Original (Matured) Term Deposit Receipt to be kept on bank record.

The bank in its endeavor to provide the customers complete information about the products, services, terms & conditions, service charges ,interest rates and any changes , will be giving them through Display on Bank’s website ,Display on notice boards at branches/other offices, through media ,sending communication through emails /SMSs. The bank has various policies placed at bank’s website

<https://bankofindia.co.in/policy-guidelines>.

Some of the important policies available are:

- i) Inoperative dormant & unclaimed deposit.
- ii) Operational procedure for settlement of claims in deceased/ missing depositors accounts.
- iii) Customer rights policy
- iv) Customer acceptance, customer care & customer severance policy.
- v) Grievance redressal policy
- vi) Policy on bank deposits

### B. 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.

### C. SECRECY OF CUSTOMER’S ACCOUNTS:

The Bank shall not disclose details/particulars of the customer’s Account to a third person or party without the expressed or implied consent of the customer. However, there are some exceptions, viz. disclosure of information as required by any law or by an order of

the Court, Regulatory Authority or Govt. Agency and where the interest of the Bank requires disclosure or larger public interest warrants such disclosure of information.

#### **D. REDRESSAL OF COMPLAINTS AND GRIEVANCES:**

Depositors having any complaints/grievances with regard to services rendered by the Bank have a right to approach the authority (ies) designated by the Bank for handling customers' complaints/grievances. The Bank has in place a Customers' Grievance Redressed Policy to assist depositors. Accordingly, depositors who are not satisfied with the services of the Bank may approach the nodal officer for redressal of their complaints. Details of nodal officers are displayed at every branch/zonal office of the bank and are also available on the Bank's website. The branch officials shall provide all required information regarding procedure for lodging the complaint. In case the depositor does not get a response from the Bank within 30 days from the date of complaint or he/she is not satisfied with the response received from the Bank, he/she has the right to approach the Banking Ombudsman appointed by the Reserve Bank of India.

Bank has a separate Board approved Standard Operating Procedure (SOP) for Redressal of Complaints / Grievances (The SOP was last approved by the Board on 28-02-2024).

### **Chapter-7**

## **RULES REGARDING TERM DEPOSITS**

#### **A. Premature withdrawal /closure of term deposit:**

The Bank, on request from the depositor, shall allow withdrawal of a term deposit before completion of the contracted period agreed upon at the time of making the deposit. While prematurely withdrawing/ closing a deposit, "the applicable rate of interest on the date of acceptance of deposit for the actual period which the deposit has remained with the bank or contracted rate of interest whichever is LOWER minus penalty, if applicable shall be paid". There will be NO penalties for missed installments in recurring deposit accounts.

In addition, the Bank can levy penalty, as applicable from time to time. Further, the Bank may disallow premature withdrawals of a large Rupee term deposit of Rs.2 crore and above of all depositors, including deposits of individual and HUFs. Renewal of deposits before the date of its maturity shall not be regarded as involving premature repayment provided the deposit is held with the bank after the date of renewal for a period longer than the remaining period of the original contract. Penalty is also not applicable on settlement of claims in the deceased depositor's accounts in the case of a term deposit standing in the name of a deceased individual depositor and two or more joint depositors where one of the depositors has died. For payment before maturity, in case the deposit receipt is in joint names, all the joint account holders (Except F or S) have to discharge the Term Deposit Receipt.

No interest will be paid for premature withdrawal within 7 days in case of term Deposits, within 3 months in case of Recurring Deposits and within 12 months in case of NRE Term Deposit.

**B. 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/un-run period of the original deposit. While prematurely closing a deposit for the purpose of renewal, interest on the deposit for the broken period will be paid at the rate applicable to the period for which the deposit remained with the Bank or contracted rate of interest whichever is lower and not necessarily at the contracted rate.

**C. Renewal of overdue term deposits:**

When a Term Deposit is renewed on maturity, the interest rate as applicable on the date of maturity will be applied to the renewed deposit for the period specified by the depositor.

If the depositor is not interested in renewing the Overdue Term Deposit then interest on TDR (for the Overdue Period) shall be as under:

If 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.

If the depositor wants to renew the deposit for a period more than the already lapsed period (overdue period), it may be renewed as per the extant guidelines of the Bank.

**D. Automatic renewal of term deposits on due date:**

Unless there are specific instructions to the contrary, term deposits will be renewed for the same tenure as was for the matured Term Deposit and rate of interest will be as prevailing on maturity date. The TDR renewed under the Automatic Renewal Scheme would be given to the customer upon submission of E-mail advice/original TDR duly discharged.

However, TDR accounts frozen for want of KYC will not be renewed till the account is KYC compliant. It can be renewed later with value date on completion of KYC requirements.

**E. Deposits Maturing On Non-Business Working Day(S) / Holiday(S)**

(i) If a term deposit is maturing for payment on a non-business working day, and the bank is unable to effect payment of TDR, then the Bank 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.

(ii) In case of reinvestment of deposits and recurring deposits, the Bank shall renew the deposits on the next working day with value date.

**F. Premature Repayment Of Term Deposits In Bank With “Either Or Survivor” Or “Former Or Survivor” Mandate**

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

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

**G. Settlement of dues 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 when a valid claim on prescribed format is received and the Bank is satisfied with the identity of the nominee.

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

iii.) In Joint Deposit Accounts under operational instructions “operated jointly”, where no nomination is made and 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 or “former or survivor”, the payment will be made as per the mandate to avoid delays on 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 all legal heirs to receive the payment on their behalf without insisting on legal documents up to the limit approved by the Bank’s Board. This is to facilitate that the common depositors are not put to hardship on account of delays in completing legal formalities.

v.) The Bank has a separate Board approved policy on Bank's Policy on Operational Procedure for Settlement of Claims of Deceased Depositors Accounts. The policy was

last approved by the Board on 25.09.2023. The Branch would settle the dues of deceased deposit account claims under the guidelines of the said policy.

#### H. Interest Payable On Term Deposit In Deceased Account

In the event of the death of the depositor, before the date of maturity of the deposit and the 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 term deposit interest at the applicable rate prevailing 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.

If the amount of the deposit is claimed before the date of maturity, interest at the rate applicable to the period for which the deposit has remained with the bank will be paid without charging any penalty.

**However, in the case of the death of the depositor after the date of maturity of the Deposit and where the deposit is not renewed automatically, the amount of maturity value of the deposits shall attract a rate of interest as applicable to the savings account or the contracted rate of interest on the matured TD, whichever is lower.**

#### I. ADVANCES AGAINST DEPOSITS:

The Bank may consider a request from the depositor/s for a loan/overdraft facility against the bank's own term deposit/s duly discharged by the depositor/s on the execution of necessary security documents. The Bank may also consider a loan against deposit standing in the name of a minor, however, a suitable declaration from Guardian stating that loan is for the benefit of the minor, is to be furnished by the depositor – applicant

#### J) TERM DEPOSITS OVER TEN YEARS (COURT ORDER)

The Domestic & NRO Rupee Term Deposits can be opened for a minimum period of 7 days and a maximum up to 10 Years. For NRE Term Deposits, the minimum period is 1 Year and the maximum up to 10 Years. However, Domestic Rupee Term Deposits can be opened for more than the permissible period, i.e. 10 Years, in case of a Court Order issued in favour of the depositor for the specific period as per the court order.

The Rate of Interest eligible for these Term Deposit Accounts shall be the Rate of Interest applicable for the Domestic NRO & NRE Rupee Term Deposits of Ten Years on the account open effective date.



#### K. SPLITTING OF DEPOSITS:

The bank offers customers, the benefit of a higher rate of interest, based on the maturity period and /or the amount deposited. The rates of interest are different for different buckets and maturity periods. There are instances when this can be breached by splitting of deposits. Splitting of deposits is multiple term deposits made on with the same value date & with the same maturity period in a single customer ID regardless of the TD scheme code. Splitting of Term Deposits in such a way may result in accommodation / undue benefit to the customer, causing loss to the Bank. Multiple deposits exceeding Rs 2 crore created for different specific purposes with same value date and tenor will not come under purview of splitting of deposits, provided customer submits supporting documents.

The circumstances of splitting of deposits arises when:

- i) When the customer makes deposits for the same maturity period with the same value date at various times, resulting in total deposit amount breaching the buckets with the need arising for change in the applicable rate of interest.
- ii) When the customer makes deposits either online or through branch and during day end process, the old deposits are auto renewed for the same period and same maturity as made by customers, which may result in the total amount breaching the buckets with the need for a change in the applicable rate of interest.
- iii) For certain customers maintaining higher balances in CD or SB account, the Bank has provided facilities of auto sweeping the higher balance available in the operative account into Flexi Fixed Deposits (FFDs). This sweep is done on predetermined days and is for predetermined periods. Whenever balance in the operative account falls below a threshold level funds are withdrawn from the FFDs. These FFDs seldom run to their full maturity. Further the period of FFD is pre fixed and the amount is not often in the control of the depositor. This parking of excess liquidity is essentially a part of the operative CD/SB account. In view of the same, such FFDs which are created due to auto sweep facility would be kept out of the purview of splitting of deposit and card rates would be offered to these FFDs. In case of SB Plus or CD Plus the closure of part deposits by customer will not change the applicable rate of interest if such closure results in change in bucket amount for that particular date and maturity.

The Bank may, whenever the deposits breach the split deposit guidelines, has the right to change the rate of interest as applicable by a batch process on BOD done on the next day. The customer may be called (for change, if any) for recall of the physical Term deposit receipts if already issued in such cases.

### **Chapter-8**

#### **DORMANT/INOPERATIVE ACCOUNTS**

- A. Savings Bank Accounts as well as Current Accounts would be treated as inoperative accounts if there are no customer induced transactions in the account for a period over two years and Dormant if there are no transactions

in the account for a further period of one year from the date of account classified as inoperative. For classifying an account as inoperative/dormant, both the types of transactions, i.e., debit as well as credit transactions induced at the instance of customers as well as third parties would be considered.

- B. An annual review shall be made for accounts in which there are no operations (i.e. no credit or no debit other than crediting of periodic interest or debiting of service charges) for more than one year and efforts would be made to trace out the customers/legal heirs.
- C. The depositors will be informed through SMS on their registered mobile number with the Bank, 3 months before the account is classified as Dormant /inoperative and the consequences thereof and
  - i. In the joint Account only the First holder will be notified through SMS on his/her registered mobile number with the Bank, before the account is classified as dormant;
  - ii. The procedure to be followed for activating the account will be intimated and
  - iii. Activation of such accounts will not be charged.

\* The depositor can request the Bank to activate the account for operating it.

- D. RBI has established The Depositor Education and Awareness Fund Scheme, 2014 (DEAF) for credit of the amount lying with the bank, of the accounts which has not been operated for a period of 10 years or any amount remaining unclaimed for a period more than 10 years to the fund within a period of 3 months after completion of the said 10 years. The depositor would be entitled to claim the fund from the bank by contacting the branch where the said amount was transferred to DEAF.
- E. The Bank has a separate Board approved policy on Inoperative / Dormant Accounts & Unclaimed Deposit. The policy was last approved by the Board on 25.09.2023. The said policy guidelines would be applicable in inoperative /dormant deposit accounts.

## **Chapter-9**

### **NRO/NRE/FCNR ACCOUNTS**

#### **A. Non Resident Ordinary Account (NRO):**

NRIs can open non-resident ordinary deposit accounts for collecting their funds from local bonafide transactions. NRO accounts being rupee accounts, the exchange risk on such deposits is borne by the depositors themselves. When a resident becomes an NRI, his/her existing rupee accounts are designated as NRO accounts. These accounts can be maintained as current, savings or Term deposit accounts. The interest rates applicable to these deposits are in accordance with RBI guidelines. However, the interest earned is subjected to tax as per IT act. Funds in NRO account are not repatriable except for all current income. Balances

in an NRO account of NRIs/ PIOs are remittable up to USD 1 (one) million per financial year (April-March) along with their other eligible assets subject to submission of 15CA/CB Form evidencing that the taxes are paid for the amount being repatriated. NRO accounts can also be opened to meet the requirements of foreign nationals resident in India.

**B. Non Resident (External) Rupee Account (NRE):**

These accounts are opened with funds remitted to India through a banking channel from abroad. These accounts are maintained as current, savings or term deposits. NRE term deposit is accepted for a minimum period of one year as per RBI directives. Local payment can be made freely. This is a repatriable account and transfer of funds from another NRE or FCNR(B) account is also permitted. Since these accounts are maintained in rupees, the depositor is exposed to exchange risk for conversion into foreign currency. The interest rates payable on NRE deposits have been deregulated w.e.f 16.12.2011. Non-Resident accounts (NRE/NRO) having international mobile numbers shall be allowed to get on-boarded /transact in UPI, provided the accounts are the ones that are allowed as per extant FEMA /RBI/AML/CFT checks and regulations in force from time to time.

**C. Permissible Debits and Credits in NRO Accounts**

**i. Credits**

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

**ii. Debits**

- a. All local payments in rupees including payments for investments subject to Compliance with the relevant regulations made by the Reserve Bank.
- b. Remittance outside India of current income in India of the account holder net of Applicable taxes.
- c. Transfers to other NRO accounts.
- d. Settlement of charges on International Credit Cards issued by authorized dealer/ Banks in India to NRIs or PIOs, subject to the limits for repatriation of balances held in NRO accounts specified in regulation 4(2) of Foreign Exchange Management (Remittance of Assets) Regulations, 2016.

**D. Permissible Debits and Credits in NRE Accounts:**

**i. Permitted Credits:**

- a. Proceeds of remittances to India in any permitted currency.

b. Proceeds of personal cheques drawn by the account holder on his foreign currency account and of travelers cheques, bank drafts payable in any permitted currency including instruments expressed in Indian rupees for which reimbursement will be received in foreign currency, deposited by the account holder in person during his temporary visit to India, provided the Bank/Branch is satisfied that the account holder is still resident outside India, the travelers' cheques / drafts are standing/ endorsed in the name of the account holder and in the case of travelers' cheques, they were issued outside India.

c. Proceeds of foreign currency / bank notes tendered by the account holder during his temporary visit to India, provided

- the amount was declared on a Currency Declaration Form (CDF), where
- applicable, and
- ii. The notes are tendered to the bank/branches in person by the account holder himself and the bank/branch is satisfied that account holder is a person resident outside India.

d. Transfers from other NRE / FCNR (B) accounts.

e. Interest accruing on the funds held in the account.

f. Current income in India due to the account holder, subject to payment of applicable taxes in India.

g. Maturity or sale proceeds of any permissible investment in India which was originally made by debit to the account holder's NRE/ FCNR (B) account or out of remittances received from outside India through banking channels. Provided that the investment was made in accordance with the foreign exchange regulations in force at the time of making such an investment.

h. Refund of share/ debenture subscriptions to new issues of Indian companies or portion thereof, if the amount of subscription was paid from the same account or from other NRE/ FCNR (B) account of the account holder or by remittance from outside India through banking channels.

i. Refund of application/ earnest money/ purchase consideration made by the house building agencies/ seller on account of non-allotment of flat/ plot/ cancellation of bookings / deals for purchase of residential/ commercial property, together with interest, if any (net of income tax payable thereon), provided the original payment was made out of NRE/ FCNR(B) account of the account holder or remittance from outside India through banking channels and the bank is satisfied about the genuineness of the transaction.

j. Any other credit if covered under general or special permission granted by Reserve Bank

ii. Permitted Debits:

- a. Local disbursements.
- b. Remittances outside India.
- c. Transfer to NRE/ FCNR (B) accounts of the account holder or any other person eligible to maintain such account.

- d. Investment in shares/ securities/ commercial paper of an Indian company or for purchase of immovable property in India provided such investment/ purchase is covered by the regulations made, or the general/ special permission granted by the Reserve Bank.
- e. Any other transaction if covered under general or special permission granted by the Reserve Bank.

#### E. Interest rates on Rupee Deposits-Non-Residents

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

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

#### F. Prohibition on marking lien

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

#### G. Penalty on premature withdrawal of NRE deposits

Subject to the following:

- i. The components of the penalty shall be clearly brought to the notice of the depositors at the time of acceptance of the deposits.



ii. No penalty shall be levied for premature withdrawal of NRE term deposits for conversion into Resident Foreign Currency (RFC) Account.

iii. Penalties for premature withdrawal shall be levied for conversion of NRE deposit into FCNR (B) deposit and vice versa.

#### H. Interest payable on the NRE term deposit account of deceased depositor

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

#### I. Non Resident Accounts

(i) “FCNR(B) account” means a Foreign Currency Non-Resident (Bank) account referred to in Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.

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

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

(iv) “RFC account” means a Resident Foreign Currency account referred to in Foreign Exchange Management (Foreign currency accounts by a person resident in India) Regulations, 2000, as amended from time to time.

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

#### J. Foreign Currency Deposits:

##### i. Foreign Currency Non Resident Account (FCNR – B)

These deposits are accepted from non-resident individuals of Indian nationality or origin (NRI) and are maintained in US Dollars, Pound Sterling, Euros, Japanese Yen, AUD, CAD. Only term deposits are accepted under this category. The depositors are protected from exchange risk. As per the RBI directives the minimum maturity period is one year and maximum maturity period is five years. Interest rates on FCNR term deposits are as per the directives of the RBI. ALCO of Bank decides the rate of interest payable on FCNR Deposits within the framework/directives specified by RBI.

All debits/ credits permissible in respect of NRE accounts as specified in Chapter 9. para D. shall be permissible in respect of these accounts also.

ii. Resident Foreign Currency Account:

NRIs returning permanently after a continuous stay of minimum one-year abroad can open resident foreign currency accounts. Those who have returned after less than a year's stay abroad need to obtain permission from the RBI for opening RFC accounts. Funds held in a RFC account can be remitted abroad freely without the RBI's approval. The funds can also be withdrawn in rupees to meet payments in India. If one subsequently goes abroad to become an NRI, the balance in their RFC account can be converted to an NRE/FCNR account. As long as one maintains the status of 'Resident but not Ordinarily Resident', the interest on the deposit will be exempt from tax. The money held in NRE/FCNR accounts and other foreign exchange funds brought in at the time of return can be freely invested in RFC deposits. So also, any income from assets which one continues to maintain abroad.

iii. Interest Rate on Foreign Currency (Non-resident) Accounts (Banks) Scheme

a. Interest on deposits of money accepted or renewed under the Foreign Currency (Non-Resident) Accounts (Banks) Scheme shall be in accordance with the terms and conditions specified in the ensuing paragraphs:

b. Interest rates on term deposits under the FCNR (B) scheme shall vary only on account of one or more of the following reasons:

i. Tenor of deposits : The maturity period for term deposits under the FCNR (B) scheme shall be as under:

- (a) One year and above but less than two years
- (b) Two years and above but less than three years
- (c) Three years and above but less than four years
- (d) Four years and above but less than five years
- (e) Five years only

Acceptance or renewal of FCNR (B) deposits over five years and acceptance of recurring deposits under the FCNR (B) scheme shall not be permitted by the Bank.

ii. Size of deposits

a. Bank shall, at their discretion, decide the currency-wise minimum quantum on which differential rates of interest may be offered.

b. The interest rates on all deposits, including where differential rates of interest are offered, shall be subject to the overall ceiling prescribed at (f) below.

c. Interest on floating rate deposits shall be paid within the ceiling of swap rates for the respective currency/ maturity and in case of fixed rate deposits, interest shall be paid within the ceiling of Overnight Alternative Reference Rate for the respective currency / maturity.

d. The interest reset period shall be six months for all floating rate deposits.

e. The Overnight Alternative Reference Rate for the respective currency /SWAP rates as on the last working day of the preceding month shall form the base for fixing ceiling rates for the interest rates offered effective in the following month

f. The interest rates ceiling on FCNR (B) deposits shall be as under:

Period of deposit	Ceiling rate
1 year to less than 3 years	Overnight Alternative Reference Rate for the respective currency/ Swap plus 250 basis points
3 years and above up to and including 5 years	Overnight Alternative Reference Rate for the respective currency / Swap plus 350 basis points

g. The Overnight Alternative Reference Rate for the respective currency / Swap rates quoted/displayed by Foreign Exchange Dealers Association of India (FEDAI) shall be used as the reference for arriving at the interest rates on FCNR (B) deposits.

iv. Manner of calculation of interest on FCNR(B) deposits

(a) Interest on the deposits accepted under the scheme shall be calculated on the basis of 360 days to a year.

(b) The interest on FCNR (B) deposits shall be calculated and paid at intervals of 180 days each and thereafter for the remaining actual number of days.

Provided that the option to receive the interest on maturity with compounding effect shall vest with the depositor.

iv. Calculation of interest on renewal of FCNR (B) deposits

Interest calculation on renewal of FCNR(B) deposits shall be as under:

(a) If the period from the date of maturity till the date of renewal (both days inclusive) does not exceed 14 days, the rate of interest payable on the amount of the deposit so renewed shall be the appropriate rate of interest for the period of renewal as prevailing on the date of maturity or on the date when the depositor seeks renewal, whichever is lower.

(b) In all other cases of renewal, interest rates for the overdue period on the renewed amount shall be determined by treating it as a fresh term deposit from the date of receipt of request.

(c) If, after renewal, the deposit is withdrawn before completion of the minimum stipulated period under the scheme, bank may, at their discretion, recover the interest paid for the overdue period i.e. period beyond the original date of maturity.

vi. Interest payable on the deposit of a deceased FCNR(B) depositor

Bank shall pay interest on the term deposits standing in the name(s) of a deceased

FCNR(B) individual depositor or two or more joint depositors where one of the depositors has died, as under:-

- (a) If paid on the maturity of the deposit, interest shall be paid at the contracted rate;
- (b) If the deposit is claimed before the maturity date, interest shall be paid not at the contracted rate but at the rate applicable to the period for which the deposit remained with the bank and without charging penalty for pre-payment;
- (c) In case the depositor dies before the date of maturity of the deposit but the amount of the deposit is claimed after the date of maturity, interest shall be paid at the contracted rate till the date of maturity and simple interest at the applicable rate operative on the date of maturity for the period for which the deposit remained with the bank beyond the date of maturity.
- (d) In case of death of the depositor after the date of maturity of the deposit, the interest rate operative on the date of maturity in respect of savings deposits held under Resident Foreign Currency (RFC) Account Scheme shall be paid from the date of maturity till the date of payment.
- (e) In case the claimants are residents, the maturity proceeds shall be converted into Indian Rupees on the date of maturity and interest shall be paid for the subsequent period at the rate applicable to a domestic term deposit of similar maturity.

vii. Payment of interest on FCNR (B) deposits of NRIs on return to India

Bank/Branches may, at their discretion, on receipt of the request from the depositor, allow FCNR (B) deposits of persons of Indian nationality/origin who return to India for permanent settlement to continue till maturity at the contracted rate of interest subject to the conditions that:

- (a) The rate of interest as applicable to FCNR (B) deposits shall continue.
- (b) Such deposits shall be treated as resident deposits from the date of return of the account holder to India.
- (c) The FCNR (B) deposits on maturity shall be converted into Resident Rupee Deposit Account or RFC Account (if eligible) at the option of the account holder.
- (d) The rate of interest on the new deposit (Rupee account or RFC Account) shall be the relevant rate applicable for such deposit account.

viii. Conversion of FCNR (B) Accounts of Returning Indians into RFC Accounts / Resident Rupee Accounts- Payment of interest

Subject to the conditions as per FEMA and RBI Directions , Bank shall pay interest at the time of conversion of FCNR(B) Account into RFC/Resident Rupee Account even if the deposit has not completed the minimum maturity period mentioned in Chapter 9. Para iii.a. above, Provided that the rate of interest shall not exceed the rate payable on savings bank deposits held under RFC Account Scheme.

ix. Premature withdrawal of deposits

- (a) Bank shall, on request from the depositor, permit premature withdrawal of deposits under the FCNR(B) Scheme.
- (b) If the premature withdrawal of FCNR(B) deposits takes place before completion of the minimum stipulated period as mentioned in Chapter 9. Para iii.a. above, no interest shall be paid .

x. Penalty on Premature Withdrawal of deposits

There shall be a comprehensive policy on penalties for premature withdrawal of FCNR(B) term deposits approved by the Board of Directors or any committee of the Board to which powers have been delegated, subject to the following:

- (a) The components of the penalty shall be clearly brought to the notice of the depositors at the time of acceptance of the deposits. If not, the exchange loss arising out of premature withdrawal shall be borne by the Bank.
- (b) Penalty shall be levied on premature withdrawal of FCNR(B) deposits
  - (i) When the depositors return to India for permanent settlement.
  - (ii) For conversion of FCNR (B) deposits into NRE deposits or vice-

versa.

- (c) In case of splitting of the amount of the term deposit at the request of the claimant/s, no penalty for premature withdrawal of the term deposit shall be levied if the period and aggregate amount of the deposit do not undergo any change.
- (d) Bank may levy a penalty to recover the swap cost in the case of premature withdrawal of FCNR (B) deposits.
- (e) No penalties shall be levied in the case of premature conversion of balances held in FCNR (B) deposits into RFC Accounts by Non-Resident Indians on their return to India.

xi. Change of Residential Status of NRO Account Holder

- a. From Resident to Non-resident: When a person resident in India leaves India for a country (other than Nepal or Bhutan) for taking up employment or for carrying on business or vocation outside India or for any other purpose indicating his intention to stay outside India for an uncertain period, his existing account should be designated as a Non-Resident (Ordinary) Account.
- b. From Non- resident to Resident: NRO accounts may be re-designated as resident Rupee accounts on return of the account holder to India for taking up employment, or for carrying on business or vocation or for any other purpose indicating his intention to stay in India for an uncertain period. Where the account holder is only on a temporary visit to India, the account should continue to be treated as non-resident during such visits.

xii. Change of Residential Status of the NRE Account Holders

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

#### xiii. Change of Residential Status of the FCNR (B) Account Holders

When an account holder becomes a person resident in India, deposits may be allowed to continue till maturity at the contracted rate of interest, if so desired by him. However, except for the provisions relating to the rate of interest and reserve requirements as applicable to FCNR (B) deposits, for all other purposes such deposits shall be treated as resident deposits from the date of return of the account holder to India. Bank/Branches should convert the FCNR(B) deposits on maturity into resident rupee deposit accounts or RFC account (if the depositor is eligible to open RFC account), at the option of the account holder and interest on the new deposit (rupee account or RFC account) shall be payable at the relevant rates applicable for such deposits.

## Chapter-10 SPECIAL SCHEMES

### A. NON-CALLABLE DEPOSITS:

Non-Callable deposits are deposits where “*The Customer cannot request for prepayment of the TDR*”. The minimum deposit amount that can be Non-callable are governed by RBI\* and at present it is above Rs 1 Crore. The Automatic renewal flag are by default ‘N’.

The Bank may choose to specify the amount, tenor and period for acceptance of Non-callable Deposits. The Bank will have the right to exercise the option of restricting the quantum of acceptance of Non-callable Deposits as and when it deemed fit.

The prepayment can be allowed under exceptional cases:

- i) Bankruptcy
- ii) Winding up under Directions by Court /Regulators/Liquidator
- iii) Deceased case

The existing Rate of interest & Penalty clause of callable deposits would be applicable for premature closure

\* RBI notification dated 26-10-2023

### B. GREEN DEPOSIT FRAMEWORK:

RBI has issued a press release on 8 February 2023 on the ‘Statement on Developmental and Regulatory Policies’. One of the guidelines proposed in the press release was on



developing an overall green finance ecosystem including a broad framework for acceptance of green deposits. Subsequently, on 11 April 2023, RBI issued a Framework for Acceptance of Green Deposits. The framework is effective from 1 June 2023 (RBI/2023-24/14 DOR.SFG.REC.10.30/30.01.021/2023-24 dated 11-04-2023).

Bank has formulated a separate Board approved Green deposits & financial framework policy for acceptance of green deposits. The policy was last approved by the Board on 24-01-2024.

## **Chapter-11**

### **MISCELLENOUS**

#### **A. APPROVING AUTHORITY**

##### **i. Approving Authority for entering into MOU with Govt. Department / PSUs for bulk account opening:**

a. For entering into MOU with any government department/ PSU on Pan India basis, the General Manager, Government Business Department is authorised to give approval for such MOU. In the absence of General Manager GBD, General Manager Resources will be the alternate authority for the purpose.

b. For entering into MOU with any other corporate / entity, on PAN India basis, General Manager, Resource Mobilisation Department is authorised to give approval for such MOU. In the absence of General Manager Resource Mobilisation, General Manager Government Business Department will be the alternate authority for the purpose.

c. For entering into MOU on a regional basis, the respective Field General Manager NBG shall be authorised to give approval. In the absence of respective FGM NBG, either GM Resource Mobilisation or GM Government Business Department may approve any Regional MOU

d. The authorities as described in the above points 11 (A) i (a), 11(A)i (b), 11(A) i (c) are the minimum authorities to approve an MOU. Any authority above the proposed authorities may also approve any MOU if need be.

##### **ii. Approving Authority for new product or modifications in features of existing product:-**

Any new product or modification in existing product will be approved by ORMC after clearance from Product Group. The same will be reported to the Customer Service Committee of the Board for information

Note: Though the provisions of NRE / NRO / FCNR(B) / RFC have been incorporated in this Deposit Policy document. All the regulatory (FEMA/RBI) related compliance to these deposits will be handled by the Foreign Business Department, Head Office. Matter related to changes in rate of interest on FCNR (B) deposits shall be handled by Treasury Branch/FBD.

#### B.ROLE OF ALCO & FUNDS COMMITTEE:

For any change in the rate of interest of deposit products decision shall be taken by the ALCO on the recommendations of the Funds Committee after a thorough discussion on cost-benefit analysis and funds requirement to take care of asset liability management.

#### C.SUNSET CLAUSE:

The policy would be reviewed once in a year or earlier if warranted as per regulatory requirement.

#### D. INCENTIVES / LOTTERY / EXTRA BENEFIT OFFERS FOR DEPOSITS:

Bank shall not offer any banking products, including online remittance schemes etc. with prizes / lottery / free trips (in India and / or abroad) etc. or any other incentives having an element of chance, except inexpensive gifts costing not more than Rupees two hundred fifty as such products involve non-transparency in the pricing mechanism and therefore go against the spirit of the guidelines