

उत्तर प्रदेश ग्रामीण बैंक

Uttar Pradesh Gramin Bank

HO/01/OPR/2025-26/33

Date: 09-05-2025

Circular To all Branches & Offices

Issued by Operations Department

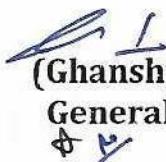
Dear Sir/Madam,

Re: Deposit Policy of the Bank.

Branches & offices are hereby informed that the Deposit Policy of the bank has been approved by the Hon'ble Board of Directors through agenda number 16 in its meeting dated 07-05-2025. The policy will come into force with immediate effect & validity of policy is for next three years from the date of approval. The Deposit policy after approval is attached with this circular.

Kindly bring the contents of this Policy in the notice of all staff members of the branch/office for compliance.

Yours faithfully;


(Ghanshyam Singh)
General Manager


Enclosure: Deposit Policy

Document Information

Document Name	Deposit Policy
Document ID	
Document Owner	Operations Department
Document Version No.	01
Document Version Date	
Prepared By	Functional Committee
Reviewed By	Steering Committee
Approved By	Hon'ble Board

Distribution List

Version No.	Name	Designation	Department
01	All Personal within Uttar Pradesh Gramin Bank	NA	All Departments, Controlling Offices and Branches



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1. PREAMBLE

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

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

While adopting this policy, the Bank reiterates its commitment to individual customers outlined in Bankers' Fair Practice Code of Indian Banks' Association. This document is a broad framework under which the rights of common depositors are recognized. Bank reserves the right to amend/modify this policy as and when deemed fit and proper at its sole discretion detailed operational instructions on various deposit schemes and related services are issued from time to time.

2. TYPES OF DEPOSIT ACCOUNTS

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

- i) "**Demand deposits**" means a deposit received by the Bank which is withdrawable on demand by the depositor.
- ii) "**Savings deposits**" means a form of demand deposit which is subject to restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the Bank during any specified period.

"**Term deposit**" means a deposit received by the Bank for a fixed period withdrawable normally after the expiry of the fixed period and include deposits such as Recurring / Short Deposits / Fixed Deposits /Non-Callable Deposits/Monthly Income /Quarterly Income or any other form of Fixed Deposits.



- iv) "**Deposit at Notice**" means term deposit for specific period but withdrawable on giving at least one complete banking days' notice.
- v) "**Current Account Deposits**" 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 Deposit nor Term Deposit.
- vi) "**Bulk Deposit**" means a single Rupee Term Deposits of Rupees one crore and above. (RBI/2023-24/75 DoR.SPE.REC.50/13.03.00/2023-2024 October 26, 2023) for RRBs.

Modes of Deposits.

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

Modes of Withdrawal.

Withdrawals in account can be by way of cheques, Withdrawal forms, through the use of ATM's, POS machines, by giving Standing Instructions to the Bank, ECS, UPI or through any other means which may come into usage after giving due notice by the Bank on its web-site. Cash withdrawal should be in round rupees. Bank does not carry out any financial transactions requested by the Customers through e-mail even if the request is made by a letter scanned as an attachment.

3. ACCOUNT OPENING AND OPERATION OF DEPOSIT ACCOUNTS**3.1 Account Opening**

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

- i) The Bank before opening any deposit account will carry out due diligence as required under "Know Your Customer" (KYC) , "Anti Money Laundering" guidelines issued by RBI , Customer Acceptance Policy adopted by the Bank 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 customer and the final decision of the Bank will be conveyed at the earliest to him/her.

The bank is committed to providing basic banking services to disadvantaged sections of the society. Banking services will be offered



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to them through small accounts, BSBD accounts / PMJDY accounts. Small accounts will be opened with relaxed customer acceptance norms as per regulatory guidelines. BSBDA and PMJDY savings bank account holders may be provided with overdraft facilities as per regulatory norms and guidelines provided by regulators from time to time. As per regulatory guidelines, a customer can have only one BSBD / PMJDY account and not allowed to have any other savings Bank account.

- iii) 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 opening the account, to explain the procedural formalities and provide necessary clarifications sought by the prospective depositor including information to prepare a profile for Risk categorization of the Customer into High /Medium /Low when he approaches for opening a deposit account. The bank may not open account where the prospective customer is unable to furnish information and or in the event of non-cooperation by him.
- iv) For deposit products of Savings Bank Account and Current Deposit Account, the Bank would normally stipulate certain minimum balances to be maintained from time to time as part of terms and conditions governing operation of such accounts. In case of BSBD / PMJDY accounts relaxation in minimum balance norms as per regulatory guidelines will be provided. Failure to maintain minimum balance in the account may attract levy of charges or conversion of accounts to different product as specified by the Bank from time to time. For Saving Bank Account the Bank may also place restrictions on number of transactions, cash withdrawals, etc., for given period. Similarly, the Bank may specify charges for issue of cheque books, additional statement of accounts, duplicate pass book, folio charges, etc. All such details, regarding terms and conditions for operation of the accounts and schedule of charges for various services provided will be displayed on its web site to the prospective depositor while opening the account. Any changes in the schedule of charges or the terms and conditions will be displayed by the Bank on its website to the customers 30 days in advance. During the notice period, the bank will not charge for non-maintenance of higher minimum balance prescribed.
- v) Bank is providing online opening of Savings account (SB150) through website which is being opened through Video KYC. The Account opening process is available in public domain and can be accessed on web through internet enabled Mobile/TAB/PC /Laptop.

Eligibility for Account Opening

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



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to time).

b) As per Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016, Bank shall not Open a Savings deposit account in the name of Government departments / bodies depending upon budgetary allocations for performance of their functions / Municipal Corporations or Municipal Committees / Panchayat Samitis / State Housing Boards / Water and Sewerage / Drainage Boards / State Text Book Publishing Corporations / Societies / Metropolitan Development Authority / State / District Level Housing Co-operative Societies, etc. or any political party or any trading/business or professional concern, whether such concern is a proprietary or a partnership firm or a company or an association and entities other than individuals, Karta of HUF and organizations /agencies listed by RBI in Schedule -I.

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

Schedule -1

- Primary Co-operative Credit Society which is being financed by the bank.
- Khadi and Village Industries Boards.
- Agriculture Produce Market Committees.
- 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.
- 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'.
- Institutions other than those mentioned in section 28(h) (of Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016 (Updated as on June 07, 2024) and whose entire income is exempt from payment of Income-tax under the Income-Tax Act, 1961.
- Government departments / bodies / agencies in respect of grants/ subsidies released for implementation of various programs / Schemes sponsored by Central Government / State Governments subject to production of an authorization from the respective Central / State Government departments to open savings bank account.
- Development of Women and Children in Rural Areas (DWCRA).



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- Self-help Groups (SHGs), registered or unregistered, which are engaged in promoting savings habits among their members.
- Farmers' Clubs – Vikas Volunteer Vahini - VVV
- c) **Current Accounts** can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies /Trusts, Departments of authority created by Government (Central or State), Limited Liability Partnership,etc.
- d) **Term Deposits Accounts** can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates / Societies / Trusts, Departments of authority created by Government (Central or State), Limited Liability Partnership,etc.
- e) The due diligence process, while opening a deposit account will involve satisfying about the photo identity of the person, verification of address, verification of signature, satisfying about his occupation and source of income by obtaining latest, officially valid documents (OVDs) for KYC purpose including: Passport, Driving license, Voter's identity card, NREGA job card, Proof of possession of Aadhaar number, Letter issued by the National Population Register. If a person does not have any of the "officially valid documents" mentioned above, but if it is categorized as 'low risk' by the banks, then he/she can open a bank account by submitting any one of the following documents:
 - i. Identity card with applicant's photograph issued by Central/State Government Departments, Statutory/ Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial banks and Public Financial Institutions.
 - ii. Letter issued by a gazetted officer, with a duly attested photograph of the person.
If the officially valid document submitted for opening a Bank account has both, identity and address of the person, there is no need for submitting any other documentary proof.

In case of migrant workers, transferred employees, etc., such customers can submit only one proof of address (either current or permanent) while opening of a bank account or while undergoing periodic updating. If the current address is different from the address mentioned on the proof of address submitted by the customer, a simple declaration by her/him about her/his current address would be sufficient.

Other Relaxations:

- KYC verification of all the members of Self Help Groups (SHG) is not required while opening the savings bank account of the SHG and KYC verification of only the officials of the SHGs would suffice. No separate KYC verification is needed at the time of credit linking the SHG.



- Foreign students have been allowed a time of one month for furnishing the proof of local address.
- In case a customer categorized as low risk is unable to submit the KYC documents due to genuine reasons, he/she may submit the documents to the bank within a period of six months from the date of opening of account.

For this purpose, the information containing personal details like Name, Address, Age, Gender, etc. and Photographs made available from UIDAI as a result of e-KYC process can also be treated as an 'Officially Valid Document'.

- f) In case the customer is eligible to be enrolled for Aadhar and obtains a Permanent Account Number but does not submit the Aadhar number or the Permanent Account Number at the time of commencement of an account based relationship, the customer shall submit the proof of Aadhar Enrolment and Application for PAN/ Form 60 as the case may be at the time of account opening. Further the customer has to submit Aadhar Number and PAN within a period of six months from the date of the commencement of the account based relationship. Existing Accounts will cease to be operational till the time the Aadhaar number and Permanent Account Number is submitted by the customer. On submission of Aadhar Number to the Bank Aadhar authentication will be done by using e-KYC biometric authentication facility.
- g) In case of Current Accounts of Company/Partnership Firm/ Unincorporated Association or a Body of individuals/trust Aadhar number/s and Permanent Account Number/s as defined in the Income-tax Rules, 1962, issued to Directors/officials/employees holding an attorney to transact or where an Aadhar number has not been assigned, proof of application towards enrolment for Aadhar and in case Permanent Account Number (PAN) is not submitted an officially valid document other than Aadhar and PAN shall be submitted. If authorized signatory/ies are not eligible to be enrolled for Aadhar number and do not submit the Permanent Account Number, certified copy of an officially valid document shall be submitted.
- h) Govt. of India vide Notification dated 10.05.2022 has made obtaining PAN or Aadhar mandatory as per Rule 114BA & 114BB for certain transactions for the purpose of section 139A(1)(vii) & 139(6A) including opening of a current account by a person.
- i) Small Accounts& NRI Accounts are kept out of purview of Aadhar Authentication.
- j) Persons belonging to low income group both in Urban and Rural areas who are not able to produce documents to satisfy the Bank about their identity and address and intend to open small accounts are allowed to open such Accounts subject to RBI guidelines issued from time to time and at present is as under :



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- The aggregate of all credits in a financial year does not exceed Rs. 1,00,000/- (Rupees one lakh).
- The aggregate of all withdrawals in a month does not exceed Rs.10,000/- (Rupees ten thousand).
- The balance at any point of time does not exceed Rs.50,000/- (Rupees fifty thousand).
- A self-attested photograph of the account holder is produced and signature or thumb print/s of the account holders are affixed in the presence of designated officer.
- These small accounts are valid normally for a period of twelve months. Thereafter, such accounts are allowed to continue for a further period of twelve more months, if the account holder provides a document showing that she/he has applied for any of the officially valid document, within twelve months of opening the small account.
- No foreign remittance is credited to the account unless identity of the client is fully established by producing officially valid documents or any other evidence as to the identity and address of the customer to the satisfaction of the Bank.

3.2 Operations of Deposit Accounts

- a) Deposit accounts can be opened by an individual in his own name (status: known as account in single name) or by more than one individual in their own names (status: known as Joint Account).
- b) The Joint Account opened by more than one individual can be operated by single individual or by more than one individual jointly (Jointly by all/ either or Survivor/ Anyone or Survivor/ Latter or Survivor / Former or Survivor). Operating instructions of this nature are obtained from the customer at the time of account opening or at a later date with due consent of all the account holders. The Savings Bank Account opened by minor jointly with natural guardian /legal guardian can be operated by natural guardian/ **legal** guardian only.

3.3 Operational Instructions

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 survivor on 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:** If the account is held by two individuals, the final balance along with interest ,if applicable will be paid to the former on the date of maturity and to survivor on death of the former. The clause "Former or Survivor" becomes effective only in case of death of the original depositor and the second named account holder does not have the right to revoke the instructions during the lifetime of the first named account holder.
- iv) **Latter or Survivor:** If the account is held by two individuals, the final balance along with interest, if applicable, will be paid to latter on maturity and to the survivor on death of the latter.

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

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

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

3.4 Addition or deletion of the name/s of joint account holders

The bank may at the request of all the joint account holders allow addition or deletion of name/s of joint account holder/s if the circumstances so warrant or allow an individual depositor to add the name of another person as a joint account holder. However, the name of the first (considered to be the principal holder) cannot be deleted.

3.5 Nomination

- i) Nomination facility is available on all deposit accounts opened by the individuals singly or jointly. This is not available in accounts in the name of an institution or society or in any representative capacity as the holder of an office or otherwise. e.g. M.D. of a company, Secretary of an Association, partner of a firm, karta of HUF etc. However, the facility of nomination is available in respect of deposits held in the name of a sole proprietary concern also. Nomination can be made in favour of one individual only or such no's as directed by RBI time to time. Nomination so made can be cancelled or changed by the account holder/(s) any time.
- ii) In case of depositors putting his/her thumb impressions on the prescribed Forms for making nomination, cancellation or change thereof, the form is required to be attested by two witnesses. Nomination can be made in favour of a minor also.

iii) Printing status of Nominee is available in the Passbook & manually in case of Term



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Deposit.

- iv) Nomination facility is available for joint deposit accounts with operating instructions as 'E' or 'S' also. In the case of joint accounts, the nominee's right arises only after the death of all the depositors. Bank recommends that all depositors avail of the nomination facility for smooth settlement of claim by the legal heirs in unforeseen circumstances. The nominee, in the event of death of the depositor/s would receive the balance outstanding in the account as a trustee of legal heirs.
- v) Bank recommends that all depositors avail Nomination facility. If depositors do not want to give nomination, they will give in writing (Nomination opt-out form) that they do not want nomination in the account. Branch will keep opt-out form along with Account opening Form securely. The depositor will be informed of the advantages of the nomination facility while opening a deposit account.
- vi) An acknowledgment of Nomination details will be issued to the depositor/s on request.

3.6 Minor's Accounts

The minor can open Savings Bank Account and the same can be operated by the natural guardian or by minor himself / herself, if he/she is above the age of 10 years provided the minor should be able to read and write and be capable in the opinion of Branch Manager/ Joint Manager of understanding what he /she does. ATM will be issued, however, no cheque books will be issued and no overdraft /loan will be granted to such Minor Accounts.

- i) The account can also be opened jointly with natural guardian /**Legal guardian (appointed by the Court)** or with mother as the guardian.
- ii) On attaining majority, the erstwhile minor should confirm the balance in his/her account and if the account is operated by the natural guardian, fresh specimen signature and the photograph of erstwhile minor duly verified by the natural guardian would be obtained and kept on record for all operational purposes. Cheques issued by the guardian prior to the date of minor attaining majority but presented after the minor attains majority would require confirmation from the minor.
- iii) Time Deposits account may also be opened in name of minors.
- iv) However minors below 10 years cannot open their accounts through Business Correspondent points and they have to approach a branch for the purpose.

3.7 Account of Illiterate/Blind Person/ Transgender.

The Bank may at its discretion open deposit accounts other than Current Accounts of illiterate person. The account of such person may be opened provided he/she calls on the Bank personally along with a witness who is known to both the depositor and the Bank. At the time of withdrawal/ repayment of deposit amount and/or interest, the account holder should affix his / her thumb impression or mark



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in the presence of the authorized officer who should verify the identity of the person. The Bank will explain the need for proper care and safe keeping of the passbook etc. given to the account holder. The Bank official shall explain the terms and conditions governing the account to the illiterate/blind person.

Bank shall invariably be offering all banking facilities such as cheque book, ATM facility, Internet Banking, lockers, retail loans, credit cards etc to Blind/visually challenged persons without any discrimination and all possible assistance shall be rendered to these persons for availing these facilities.

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

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

Account of Transgender Persons:

Transgender persons can decide their self-identified gender such as male, female or third gender, which has been made available in all forms/applications etc. All transgender customers shall be treated equally to other male/female customers without any discrimination.

3.8 ACCOUNT OF PERSONS WITH AUTISM, CEREBRAL PALSY, MENTAL RETARDATION & MULTIPLE DISABILITIES: Saving bank and term deposits can also be opened in the name of persons with autism, cerebral palsy, mental retardation and multiple disabilities by the legal guardian appointed by the District Court under Mental Health Act, 1987 or by the local Level Committees set up under the National Trust for welfare of persons with autism, cerebral palsy, mental retardation and multiple disabilities under Disabilities Act, 1999. Legal guardian, so appointed, will furnish an indemnity-cum-undertaking bond duly stamped as per the local law in force along with Guardianship Certificate.

3.9 Transfer of Account

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

3.10 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 terms and conditions of opening of the account. Alternatively, the Bank provides facility of Pass Book also.



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3.11 Interest Payments

Interest on Savings and term deposits will be calculated on daily basis at the rates specified by the Bank taking into account the overall guidelines issued by Reserve Bank of India from time to time.

In accordance with latest guidelines issued by RBI(dated 03rdMarch) 2016,periodicity of interest on Savings Bank accounts, is quarterly including NRE/NRO SB accounts.

Presently Interest for the period March to May will be credited in June, Interest for June to August will be credited in September, interest for September to November will be credited in December and interest for December to February will be credited in March every year.

No interest shall be paid on deposits held in current accounts. Provided that balances lying in current account standing in the name of a deceased individual depositor or sole proprietorship concern shall attract interest from the date of death of the depositor till the date of repayment to the claimant/s at the rate of interest applicable to savings deposit as on the date of payment.

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

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

3.12 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 and from branch channel during customer hours. Phone Banking numbers are made available to customers whenever a Card is issued and all branches contain a detailed leaflet with the numbers.

3.13 Stop Payment Facility

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

3.14 Dormant Accounts/ Inoperative Accounts

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

The bank does not levy penal charges for non-maintenance of minimum balances in any account that is classified as an inoperative/Dormant Account. (RBI/2023-



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3.15 Unclaimed Account/Deposit:

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

Such Unclaimed account would be transferred to a separate account status in the interest of the depositor and the Bank. No charges would be levied by the Bank for migrating an account from Dormant / unclaimed to Operative account. RBI has established "Depositors Education and Awareness Fund (DEAF-2014)" under Section 26 of Banking Regulation Act 1949, where all the credit balance lying in the unclaimed accounts are transferred. The Bank is liable to pay the amount to the depositor/claimant and claim refund of such amount from the Fund.

4. TERM DEPOSIT

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

4.1 Types of Term Deposits:

- i) **Fixed Deposits- Interest is periodically paid out:-** Deposits can be accepted for a period as prescribed by RBI from time to time. Interest shall be payable Quarterly /Monthly (at discounted rate).Interest may be paid by cash (subject to certain conditions of Income Tax Act, 1961) or credited to operative account or by issuance of PO/DD.
- ii) **Cumulative Term Deposit -Interest accumulated on quarterly compounding basis:-** Deposits can be accepted for a period as prescribed by RBI from time to time. Interest is calculated on quarterly compounded rests. Interest on cumulative deposits is deemed as reinvested. No interest outflow is allowed under this scheme till the maturity of the Term Deposit.
- iii) **Flexi Fixed Deposit (FFD) -** Selective schemes of Savings Account have facility of Auto Sweep where balances above a certain threshold are swept out to Flexi Deposits in multiples of a sweep out amount (Threshold amount, Sweep out amount and deposit period are scheme specific). Whenever the balance in a savings account fall short below (stipulated balance requirement) to clear any debits in the operative account, the FFD can be broken as per the set latest



process of the Bank.

iv) Tax Savings Term Deposit – is a term deposit wherein the customer gets a tax benefit under section 80 C of Income Tax Act 1961 on the amount invested, although the interest paid on these deposits is taxable. Deposit can be made under FD/MIP/QIP scheme.

v) Non-Callable Deposits –

As per Direction of RBI, Bank can pay differential rate of interest on term deposit above Rupees one crore without premature withdrawal option. (RBI/2023-24/74 DOR.SPE. REC. No 51/13.03.000/2023-24 October 26, 2023)

- In exceptional condition premature withdrawal permission may be granted by Regional Head. The Regional Head will assess the exceptional condition and after being satisfied with the reason he may allow. Exceptional Conditions are:

1. Branch made deposit erroneously.
2. Non-Callable auto renewed in Non-Callable
3. Customer wanted modification within 15 days of making of Non-callable Deposit
4. Customer's Death.
5. Non-callable Deposit held in the name of Govt Bodies.

- In case of Premature Withdrawal, the rate applicable to Non-Callable shall not be applicable and the deposit will be treated as Callable Term Deposit. Further 2% Penal Interest on callable deposit rate will be applicable for premature payment of deposits (i.e. the date of contract) for period for which the deposit has actually remained with the Bank or the Contracted Rate whichever is lower. Penalty will not be applicable in case of error made by the branch.

vi) Tender deposits, guarantee money, deposit of the amount of compensation etc. awarded by the Claims tribunal etc. will be issued in the name of the "Government Department - Account name of the Depositor" after obtaining application form, along with a letter from the depositor to the effect that the deposit in question is taken as a security for due performance of his contract with the concerned government department and that the deposit might be held, renewed or released according to the instructions of the concerned department. Deposit receipt are delivered with a covering letter stating the party's (applicant's) name on whose account, it has been issued.

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

vii. Call deposits to contractors : Deposit at call receipts can be issued as a special case, to the contractors (tenderers) for amounts earmarked against the earnest



money held in current account with them, for submission to Government departments with tender papers relating to construction contract as per government or local bodies requirements, with the permission of higher authorities.

viii. **TERM DEPOSITS OVER TEN YEARS (COURT ORDER):** The Domestic & NRO Rupee Term Deposits can be opened for minimum period of 7 days and maximum up to 10 Years. For NRE Term Deposits, minimum period is 1 Year and maximum up to 10 Years. However, Depositors are allowed for Domestic Rupee Term Deposits to be opened for more than permissible period, i.e. 10 Years, in case of 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.

4.2 Interest Payments

Bank shall have the freedom to determine the maturity/tenor of the deposit subject to the condition that minimum tenor of the deposit offered shall be seven days. The interest rates applicable on term deposits withdrawn before the maturity date shall be as under:

1. Interest shall be paid at the rate applicable to the amount and period for which the deposit remained with the bank and not at the contracted rate.
 2. No interest shall be paid, where premature withdrawal of deposits takes place before completion of the minimum period i.e., 7 days.
- i) In terms of Reserve Bank of India directives, interest shall be calculated at quarterly compounding intervals on term deposits and paid at the rate decided by the Bank depending upon the period of deposits. In case of monthly deposit scheme, the interest shall be calculated for the quarter on compounding basis and paid monthly at discounted value. The interest on term deposits is calculated by the Bank in accordance with the formulae and conventions advised by Indian Banks' Association.

Accordingly Bank has adopted following methodology.

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

- For Deposits of 2 Quarters and above, interest is calculated in quarterly compounded for complete quarters and where the terminal quarter incomplete, interest is calculated proportionately for the actual no of days reckoning the year 365/366 days.
- The Maturity Amount mentioned in the receipt is calculated without giving TDS effect. While calculating interest for half year (Quarterly compounded), the interest calculated for previous half year (quarterly compounded) minus



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TDS will be added to principal amount for calculating interest for current Half Year.

- For Short Deposits of less than 2 quarters but more than 1 quarter simple interest will be paid for complete quarter plus interest for remaining days reckoning the year 365-366 days (without compound effect).
- For short deposits of less than one quarter interest is calculated proportionately for actual number of days reckoning the year 365-366 days.

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

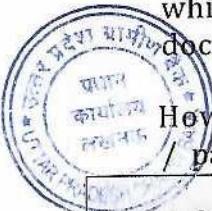
iii) **Deduction of Income tax at source from payment of interest on time deposits (section 194A of income tax act 1961) w.e.f 1st July 1995**

Income tax is to be deducted in cases where the total interest paid or credited on all time deposits in the name of a depositor with Bank as a whole, whether singly or jointly (as first named person) exceeds the specified limit per financial year as under income tax act 1961. Tax is to be deducted either at the time of credit to the account or payment of interest to the depositor whichever is earlier subject to change in limits of interest eligible for tax limit from time to time.

In case the depositor submits following Form before end of April every year, no tax may be deducted.

- Non-corporate customers other than Senior Citizens -Form No.15G along with PAN (w.e.f. 1st April 2010)
 - Senior Citizens i.e. individuals of the age of -60- years or more - Form No.15H along with PAN (w.e.f. 1st April 2010) W.e.f. 1st April 2010. Income Tax Department has made it mandatory to quote Permanent Account Number (PAN) by deductees in all cases where TDS is applicable, failure of which would attract the TDS at a higher rate(**as per Income Tax guidelines**) or normal rate (normal rate of 10%)whichever is higher. Further it has also been made compulsory to mention PAN on form No.15G / 15H w.e.f. 1st April 2010.
 - The Bank will issue a system generated tax deduction certificate (TDS Certificate) for the amount of tax deducted.
- v). Interest earned/accrued on NRE term deposits is tax free in India under the relevant provisions of Income Tax Act in India and hence no tax at source is deductible in respect of these deposits."In case of NRO deposits" 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.

However, bank has statutory obligation to deduct tax at source on any interest paid / payable on NRO term deposits at the specified rates. If PAN is submitted with a



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declaration applicable under Double Tax Avoidance Treaty - TDS is deducted @ applicable rate for the country of residence of the customer.

- vi) All interest payments will be rounded off to the nearest rupee.
- 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 further period on the date of maturity. In absence of such mandate, the Bank will automatically renew the deposit as under.
 - If deposit is placed for more than one year it will be automatically renewed for one year at the prevailing rate on due date.
 - if deposit is placed for less than one year it will be automatically renewed for same period at the prevailing rate on due date.

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

4.3 Premature Withdrawal of Term Deposit

The Bank on request from the depositor, at its discretion may allow withdrawal of Term deposit before completion of the period of the Deposit agreed upon at the time of placing the deposit. The Bank shall declare their penal interest rates, policy for premature withdrawal of Term Deposit from time to time. The components of penalty shall be clearly brought to the notice of the depositors at the time of acceptance of deposits and if not, no penalty shall be levied.

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

- For premature withdrawal of all deposits will be paid one percent less than the rate which was applicable at the time of placing the deposit for the period for which the deposit has actually run or contracted rate whichever is lower.
- Penalty is waived on settlement of claims in the deceased depositor's accounts and two or more joint depositors where one of the depositors has died; Interest is paid at applicable rate.

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



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

4.4 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 without penalty.

4.5 Renewal of Overdue Term Deposit

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

1. Whenever an overdue deposit is presented for renewal within 14 days of its maturity, the deposit will be renewed with effect from the date of maturity at interest rate applicable as on the due date.
2. Whenever an overdue deposit is presented for renewal after 14 days from its maturity, interest for the overdue period is to be paid as under:

The interest for the overdue period is to be calculated as per the interest rate applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower and interest will be added to the original maturity amount and new fixed deposit will be created with interest rate applicable as on the presentment date.

3. When the overdue deposit is presented for encashment, the amount left unclaimed with the bank shall attract rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower.

4.6 Advances Against Deposits

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

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

4.7 Settlement Of Dues In Deceased Deposit Account

If the depositor has registered nomination with the Bank, the balance outstanding in the account of the deceased depositor will be transferred to the account of nominee as after the Bank satisfies about the identity of the nominee etc. Payment is made to nominee as representative of legal heirs.



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

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

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

In the absence of nomination and when there are no disputes among the claimants, the Bank will pay the amount outstanding in the account of deceased person against joint application and indemnity by all legal heirs or the person mandated by the legal heirs to receive the payment on their behalf without insisting on legal documents up to the limit approved by the Bank's Board. This is to ensure that the common depositors are not put to hardship on account of delays in completing legal formalities.

When the claim for a joint savings bank account is settled, the branches should take necessary precautions and preferably ask the survivor to close the account. However, if the survivor makes a special request, the branch manager may in his/her discretion, allow the account to be continued in the name of the survivor on a case-to-case basis while taking all the necessary precautions and ensuring all guidelines adhered to.

4.8 Interest Payable On Term Deposit in Deceased Account

In the event of death of the depositor before the date of maturity of deposit and amount of the deposit is claimed after the date of maturity, the Bank shall pay interest at the contracted rate till the date of maturity. From the date of maturity till the date of payment, the Bank shall pay simple interest at the applicable rate as on the date of maturity, for the period for which the deposit remained with the bank beyond the date of maturity, as per the Bank's policy in this regard.

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

4.9 Insurance Cover For Deposits

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



5. ACCOUNTS RELATED TO NON- RESIDENT INDIAN AND PIO:**5.1 General information/Definition under FEMA:**

- 1) "NRE account" means a Non-resident External deposit account referred to in Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.
- 2) "NRO account" means a Non-resident ordinary deposit account referred to in Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.
- 3) 'Deposit' includes deposit of money with a Bank, company, proprietary concern, partnership firm, corporate body, trust or any other person;
- 4) "Bulk Deposit" means single Rupee term deposits of Rs.1 Crore and above;
- 5) "Notice deposit" means term deposit for specific period but withdrawable on giving at least one complete Banking days' notice.

5.2 Non- Resident Indian:

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

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

- (A) Person residing in India for more than one hundred and eighty-two days during the course of the preceding financial year but does not include -
 - a) For or on taking up employment outside India, or
 - b) For carrying on outside India a business or vocation outside India, or
 - c) For any other purpose, in such circumstances as would indicate his intention to stay outside India for an uncertain period;
- B. Person who has come to or stays in India, in either case, otherwise than -
 - a) For or on taking up employment in India, or
 - b) For carrying on in India a business or vocation in India, or
 - c) For any other purpose, in such circumstances as would indicate his intention to stay in India for an uncertain period;

5.3 Person Of Indian Origin:

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



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

5.4 General Guidelines:

- Only External source of funds can be credited to NRE Accounts.
- Residents cannot open Non-Resident and Non-Residents cannot open Resident Accounts.
- The NRIs and PIOs, can open accounts – NRO & NRE – in India.
- Non-Resident Indians may be allowed to open joint account with Resident on FORMER or SURVIVOUR basis and Resident Indian may also be allowed to open joint account with NRIs on FORMER or SURVIVOUR basis, with close relatives as defined in regulation 6 of Companies Act 2013.
- The Non-Resident status should be continuously checked and ensured. When a Resident person becomes Non-Resident, his/ her existing Resident Account shall be designated as NRO A/c.
- Non-Resident accounts (NRO/ NRE) can be maintained in the name(s) of individuals with Indian Nationality/Origin.
- The Non-Residents with foreign nationality and Non-Indian Origin are also eligible to open and maintain NRO accounts in India.
- For opening an account for the Pakistanis entities/ Bangladeshi entities, prior permission of the Reserve Bank is to be obtained.
- However, individuals of Bangladesh nationality may be allowed to open accounts subject to the individual/s holding a valid visa and valid residential permit issued by Foreigner Registration Office (FRO)/ Foreigner Regional Registration Office (FRRO) concerned without prior permission of RBI.
- Account may be introduced by passport. The signature on the account opening form for operations may be the same or different from that is available on the passport.
- Banks shall not mark any type of lien, direct or indirect, against NRE Saving Deposits.

5.5 Non-Resident (ORDINARY) Rupee Account:**A. Eligibility for opening of NRO Account:**

- All the individuals NRIs and PIOs can open NRO account in India. Foreign national having Work Visa / Student Visa / Tourist Visa can also open NRO accounts if their stay in India is less than six months.

The individuals of Bangladesh nationality may be allowed to open NRO account without the approval of the RBI subject to the following conditions:



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- The Bank concerned should satisfy itself that the individual is holding valid visa and valid residential permit issued by Foreigner Registration Office (FRO)/Foreigner Regional Registration Office (FRRO) concerned.
- Business entity of Bangladesh & Individuals/Business entity of Pakistan should not be allowed to open NRO account without prior approval of RBI.

B. Types of Accounts:

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

C. Joint Accounts with Residents:

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

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

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

E. Operations in the Accounts:

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

❖ Credits:

- Transfers from other NRO accounts, proceeds of loan disbursed by Bank/s against security of NRO Term Deposits/NRE Term Deposits.
- Sale proceeds of assets including immovable property acquired out of rupee funds or by way of legacy/inheritance.
- Resident individual may make a rupee gift or may lend to a NRI/PIO who is a close relative of the resident individual [close relative as defined in Section 6 of the Companies Act, 1956] by way of crossed cheque /electronic transfer. The amount shall be credited to the Non-Resident (Ordinary) Rupee Account (NRO) a/c of the NRI/PIO and credit of such gift amount or loan amount may be treated as an eligible credit to NRO a/c. The gift amount or loan amount would be within the overall limit of USD 250,000 per financial year as permitted under the Liberalized Remittance Scheme (LRS) for a resident individual.
- Legitimate dues in India of the account holder: This includes current income like rent, dividend, and pension interest etc.

❖ Debits:

- The account can be debited for the purpose of local payments, transfers to other

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NRO accounts.

- Income-tax - It shall be mandatory on the part of Authorized Dealers to comply with the requirement of tax laws, as applicable.

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

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

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

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

5.6 NRO Term Deposit:

A. Tenor:-

Banks shall have the freedom to determine the maturity tenor of the deposit subject to the condition that minimum tenor of NRO Term Deposits shall be seven days.

B. Renewal of Term Deposits / Overdue Deposit:-

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

C. Auto Renewal of Term Deposit:-

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

If the depositor does not come forward to renew FDR or does not give renewal instruction on due date, all term deposit of any maturity would be automatically renewed for one year

D. Prepayment:-

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

E. Request for Longer Maturity:-



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

F. Nomination Facility:-

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

G. TDS on Interest Paid on Term Deposit/Recurring Deposit:

The definition of time deposits has changed and w.e.f. 01-06-2015 the definition of Time Deposit will include Recurring Deposits. Hence TDS will be deducted on such Deposits where interest payment exceeds the threshold limit (as prescribed in Income Tax Act, 1961) in a Financial Year.

H. Double Tax Avoidance Agreement:

As per extant Income Tax Provisions, TDS is required to be deducted from interest payment on NRO Deposit at the time of payment or at the time of credit whichever is earlier.

The income earned in India- by the person resident outside India- are taxable in his host country and are also subject to tax in India with certain conditions. India has entered into Double Taxation Avoidance Agreement (DTAA) with some countries for the purpose of Avoidance of Double Tax (ADT).

6. NON-RESIDENT (EXTERNAL) RUPEE ACCOUNT:

6.1 NRE Term Deposit - Tenor:

RBI permits Banks to accept NRE Deposits between the maturity period range of one year to three years. However, Banks are also allowed to accept NRE Deposits above three years looking to their Asset-Liability point of view. Our Bank is accepting Deposits for a minimum period of -1- year and maximum period of 10 Years.

6.2 Joint Account:-

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

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

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



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They are members of a Hindu undivided family;

Or

They are husband and wife;

Or

The one is related to the other in the manner indicated in Schedule IA.

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

6.3 Nomination and Settlement of Deceased Accounts:

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

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

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

6.4 Interest Rate on NRE Savings Deposit Account:-

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

6.5 Tax Exemption:

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

7. INTEREST RATE FRAMEWORK:

- a) The rates are uniform across all branches and for all customers and there shall be no discrimination in the matter of interest paid on the deposits, between one deposit and another of similar amount, accepted on the same date, at any of its offices".

"Interest rates payable on deposits shall be strictly as per the schedule of interest rates disclosed in advance. Bank is maintaining the bulk deposit interest rate card in Core Banking system to facilitate supervisory review". All transactions,

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involving payment of interest on deposits shall be rounded off to the nearest rupee for rupee deposits.

b) **Deposits maturing on Non-Business working day.** If a term deposit is maturing for payment on a non-business working day, interest will be at the originally contracted rate on the original principal deposit amount for the non-business working day, intervening between the date of the maturity of the specified term of the deposit and the date of payment of the proceeds of the deposit on the succeeding working day. In case of reinvestment deposits and recurring deposits, Bank shall pay interest for the intervening non-business working day on maturity value.

In respect of a term deposit maturing for payment on 2nd or 4th Saturday /Sunday or a holiday or a non-business working day, branches may pay interest at the originally contracted rate on the deposit amount for the 2nd or 4th Saturday/Sunday/non-business working day intervening between the date of expiry of the specified term of the deposit and the date of payment of the proceeds of the deposit on the succeeding working day.

c) Payment of Additional Interest on domestic deposits at the Bank's discretion, we allow additional interest of one per cent per annum, over and above the rate of interest mentioned in the schedule of interest rates on savings or a term deposits of Bank's staff, subject to the following conditions:

- The additional interest is payable till the person continues to be eligible for the same and in case of his ceasing to be so eligible, till the maturity of a term deposit account.
- Benefits of additional interest to Bank's staff member or retired staff member is available only in case of the staff member or retired staff members has an account singly or jointly with family member where the staff member/retired staff member is the "Principal Account Holder".
- In case of employees taken over pursuant to the scheme of amalgamation, the additional interest is allowed only if the interest at the contractual rate together with the additional interest does not exceed the rate, which could have been allowed if such employees were originally employed by the Bank.
- In the case of employees taken on deputation from another Bank, the Bank from which they are deputed may allow additional interest in respect of the savings or term deposit account opened with it during the period of deputation.
- In the case of persons taken on deputation for a fixed tenure or on a contract of a fixed tenure, the benefit will cease to accrue on the expiry of the term of deputation or contract, as the case may be.
- Bank Employees' Federations, in which Bank employees are not direct members, shall not be eligible for additional interest.

➤ The additional interest may be paid on the following deposits after obtaining a



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declaration from the depositor concerned, that the monies deposited or which may be deposited from time to time into such account belong to the depositor:

- I. Member or a retired member of the Bank's staff, either singly or jointly with any member or members of his/her family; or
- II. The spouse of a deceased member or a deceased retired member of the Bank's staff; and
- III. An Association or a fund, members of which are members of the Bank's staff.
- IV. Resident Indian retired staffs, who are senior citizens, the benefit of additional interest rates as admissible to senior citizens over and above the additional interest payable to them by virtue of their being retired members of the Banks' staff.
- V. Bank shall, at their discretion, formulate term deposit schemes specifically for resident Indian senior citizens, offering higher and fixed rates of interest as compared to normal deposits of any Size.
- VI. Term Deposit schemes specifically for resident Indian senior citizens, offering higher and fixed rates of interest as compared to normal deposits of any size. Provided that this facility is not offered on the Term Deposit standing in the name of an HUF or the Karta of the Hindu Undivided Family (HUF), even if the Karta is a resident Indian Senior Citizen.

d. Consequence of transfer of branch of one bank to another bank

Deposits accounts transferred from one bank branch to another bank branch on account of takeover of bank branches in rural and semi-urban centers shall adhere to the following conditions:

- deposit accounts shall deemed to be transferred to the new bank branch and will continue to be governed by the terms of contract agreed to between the customer and the bank branch that is being taken over.
- The same rate of interest shall be payable till maturity on such transferred deposits, as was payable at the time of takeover of the branch.

e) Exclusions & Inclusions for additional interest payment to Sr. Citizens @ 0.50%

Exclusions:

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



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- SB accounts
- Overdue Deposits

Inclusions:

Individual Customers who attains the age of 60 years or more on the date of TD account opening or Renewal

- As per scheme specific where Sr. Citizen Interest benefits is applicable as per Bank's guidelines.
- Additional interest @0.50% would be payable or as decided by the Bank from time to time.
- Separate interest table code to Sr. Citizen Interest benefit would be available for each eligible scheme. Additional interest should not be paid through customer or account preferential field in FINACLE.

8. PROHIBITIONS AND EXEMPTIONS:

Banks shall not:

- a) Pay any remuneration or fees or commission or brokerage or incentives on deposits in any form or manner to any Individual, Firm, Company, Association, Institution or any other person except:
 - i) Commission paid to agents employed to collect Door-to-Door deposits under a special scheme.
 - ii) Commission paid to Direct Selling Agents/Direct Marketing Agents as part of the outsourcing arrangements.
 - iii) Remuneration paid to Business facilitators or Business Correspondents.
- b) Offer prize/lottery/free trips (in India and/or abroad), etc. or any other initiative having element of chance for mobilizing deposits. However, inexpensive gifts costing not more than Rupees 250/- which is the amount prescribed by the Indian Banks' Association (IBA) as part of the Ground Rules and Code of Ethics framed by them may, at the Bank's discretion, be given to depositors at the time of accepting deposits.
- c) Resort to unethical practices of raising of resources through agents/third parties to meet the credit needs of the existing/prospective borrowers or to grant loans to the intermediaries based on the consideration of deposit mobilization.
- d) Issue any advertisement/literature soliciting deposits from public highlighting only the compounded yield on term deposits without indicating the actual rate of simple interest offered by the Bank for the particular period. Simple rate of interest per annum for the period of deposit should be indicated invariably.
- e) Accept interest-free deposit other than in current account or pay compensation indirectly.

Accept deposits from/at the instance of private financiers or Unincorporated Bodies under any arrangement which provides for either issue of deposit receipt/s favoring clients of private financiers or giving of an authority by power of



attorney, nomination or other-wise, for such clients receiving such deposits on maturity.

- g) Grant advances against Term Deposits maintained with other Banks.
- h) Open a Savings Deposit account in the name of Entities other than individuals, Karta of HUF and Organizations/Agencies listed in Schedule -I.
- i) Create any fund to be utilized for charitable purposes in consultation with the depositors.

Exemptions:

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

a. A Deposit Received by the Bank:

- i) From the institutions permitted to participate in the Call/Notice/Term Money Market both as lenders and borrowers.
- ii) For which it has issued a participation certificate;
- iii) Under the Certificate of Deposit Scheme.

b. Payment of Interest on Delayed collection of outstation instruments like cheques, drafts, bills, telegraphic/mail transfers, etc.

9. Other Important Information.

9.1 Customer Information

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

9.2: Rights of Depositors: Bank is having an exclusive "Customers Rights Policy"

Bank is having an exclusive "**Customers Rights Policy**" in vogue duly approved by its board. The policy clearly spells out the rights of depositors. The policy is available on Bank's website.

9.3 Secrecy of Customers Accounts

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

9.4 Suo Motu Closure of Saving and Current Account

The Bank shall close accounts, which are in contravention of the contract constituting the basis of Banker-Customer relationship, do not adhere to the prescribed rules and are considered undesirable and un-remunerative. These



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accounts shall be closed only after sending proper written notice to the customer with a notice period of 30 days, at the address of the customer as per Bank records. Examples of undesirable and un-remunerative features are:

- a. Drawing cheques without funds.
- b. Rash / fraudulent transactions routed through Bank account which may expose the Bank to unnecessary risks.
- c. Zero Balance Accounts
- d. Dormant / inoperative accounts as per extant RBI directives.
- e. Accounts where transactions, such as huge cash transactions, are being made, disproportionate to the given profile of the customer.
- f. Accounts in which, in the opinion of the Bank, transactions having Money Laundering angle are being conducted.
- g. Accounts, in which, the Bank is not able to apply appropriate KYC measures due to non - furnishing of information by customer and / or non - co-operation in this regard.
- h. Non-compliance of Minimum Balance requirements for current and savings account as applicable to the relevant scheme / product.
- i. Issuing of "Stop Payment" instructions frequently.
- j. Number of transactions far in excess of stipulated limit without maintaining sufficient balance.
- k. Default in/arrears of statutory dues and other payments.
- l. Frequent receipt of Attachment Orders/Notices from various Authorities.
- m. Frequent involvement in section 138 (N.I. Act) proceedings.
- n. Evidence of usage of funds and or receipts of funds for terrorists and disruptive activities against the State or society.
- o. Any directive from any Government or Regulatory Authorities for closure of account.
- p. An account has been opened by oversight or otherwise in contravention of the IBA code for Banking Practice containing, inter-alia, prohibition against opening of accounts in the name of certain bodies / organizations, the same should be closed after reasonable notice.
- q. Post issuance of notice by Bank, informing Bank's decision to close the A/c along with reason if there is no response within the stipulated time (30 days of notice), the branch may close the account and remit the balance by means of Banker's Cheque / Draft in his/her favour after deducting all usual service charges.

9.5 Redressal of complaints and grievances

Depositors having any complaint / grievances with regard to services rendered by the Bank has a right to approach authority (ies) designated by the Bank for handling customer complaint / grievances. The names of the nodal officers for redressal of complaints / grievances will be displayed in the branch premises and internal set up for redressal of complaints is displayed on the Bank's website. The branch officials



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shall provide all required information regarding procedure for lodging the complaint. In case the depositor does not get response from the Bank within 30 days from the date of complaint or he is not satisfied with the response received from the Bank, he has a right to approach Banking Ombudsman appointed by the Reserve Bank of India.

9.6. Compliance:

- The schedule of Interest Rates payable on deposits is disclosed in advance for the information of the customers.
- The interest paid on deposits to all the customers should be as per interest rate decided by ALCO and should not be subject to negotiation between the depositor and the Bank.
- In case the customer is having Cash Credit or Overdraft facilities in banking system, Current Account may be opened with certain terms & condition as prescribed under guideline by RBI.
- In case of introduction of New Product, it is to be intensively monitored in the first 6 months after introduction.
- The Statutory/Regulatory guidelines issued by Regulator/Statutory Body/Bank Board are to be followed scrupulously.
- **No Temporary Overdraft (TOD) allowed in Saving Accounts and Current Accounts (Not applicable on PMJDY savings bank account holders having overdraft facility).**

9.7. Periodicity of Review of the policy:

The policy shall be reviewed on annual basis i.e one year from the date of approval by the Hon'ble Board or till the next approval whichever is earlier.

Any change made by the Govt. of India/ RBI/ NABARD/MHA from time to time shall form integral part of the policy with immediate effect and it shall be treated modified to that extent. The validity of the policy shall be three years from the date of approval of the Board. In case the policy cannot be reviewed on or before due date, The Chairman is authorized for allowing to continue with the policy for further three months from the due date of review.



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