

Part-I - Policy on deposits

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 outlines the key features of various deposit products and related banking services offered by the bank. The document aims at providing of information on aspects related to acceptance of deposits, conduct and operations of various deposits accounts, payment of interest on various deposit accounts, closure of deposit accounts etc. It is expected that this document will impart greater transparency 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 commitments to individual customers outlined in Code of Banks Commitment to Customer adopted by the banks. This document is a broad framework under which the rights of common depositors are recognized.

Interest Rates on Deposits which is framed based on master direction – Reserve Bank of India (interest rate on deposits) directions, 2016 dated 03.03.2016 and any modification / changes thereafter.

2. Definition

- a) Bulk deposit means - single Rupee term deposit of Rupees three crore and above (The threshold for bulk deposits, as defined by the RBI, may be subject to change from time to time. Hereafter, any reference to bulk deposits throughout this document shall be interpreted as the applicable threshold.)
- b) Current account means a form of non-interest bearing demand deposit where from withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount
- c) Daily product means the interest applied on the end of day balance
- d) Domestic Rupee deposits mean Rupee deposits maintained in India in the form of current account, savings deposits or term deposit
- e) Family includes members as mentioned in the bank's service/staff regulations

- f) 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
- g) Individual means a natural person
- h) Member of the bank's staff means a person employed on a regular basis whether full-time or part-time and includes a person recruited on probation or employed on a contract of a specified duration or on deputation but does not include a person employed on casual basis
- i) NRE account means a Non-resident External deposit account referred to in Foreign Exchange Management (Deposit) Regulations, 2000 as amended from time to time
- j) NRO account means a Non-resident Ordinary deposit account referred to in Foreign Exchange Management (Deposit) Regulations, 2000 as amended from time to time
- k) Retired member of the bank's staff means an employee retiring whether on superannuation or otherwise as provided in the bank's service/staff regulations
- l) 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
- m) Savings deposit means a form of interest bearing demand deposit which is a deposit account whether designated as savings account, savings bank account, savings deposit account, basic savings bank deposit account (BSBDA) or other account by whatever name called which is subject to the restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the bank during any specified period
- n) Term deposit means an interest bearing deposit received by the bank for a fixed period and shall also include deposits such as recurring / cumulative / annuity / reinvestment deposits and cash certificates

3. Know Your Customer (KYC) Guidelines

Know Your Customer (KYC) is the platform on which banking system operates to avoid the pitfalls of operational, legal and reputation risks and consequential losses by scrupulously adhering to the various procedures laid down for opening and conduct of accounts.

The branches shall follow the appropriate know your customer policies, procedures and internal control mechanism designed to

- i. Establish and document the true identity and address of the customers who maintain / establish relationships, open accounts or conduct business transactions
- ii. Obtain background information on existing and / or new customers

- iii. Safeguard the bank from the risks of doing business with any individual or entity whose identity cannot be determined
- iv. Protect the bank from the risks of having business relationships with any individual or entity who refuses to provide information or who has provided information that contains significant inconsistencies which cannot be resolved after due examination.

Identification through documents provided by the customers

The bank shall establish customers' identity (true names, residential and mailing address) with the help of certain official documents as may be provided by the customer concerned in original

The bank will not rely upon ration card as a document to establish one's identity.

Photograph of the customer and any one of the documents for identity proof along with any one of address proof documents will be obtained for opening accounts of individuals.

Check lists – KYC documents to be obtained from different customers and for different activities based on customer profiling as follows:

Constitution	Documents to be obtained
Account of Individual - BSBDA Account 1. Simple Account (SSS A/C) 2. Small Account (SSSS A/C) 3. SBFIN 4. SBJDY under PMJDY	1. Any of the Officially Valid Document (OVD) 2. Form No.60
Account of Individual – other than BSBDA Accounts.	1. Any of the Officially Valid Document (OVD) 2. Permanent Account Number (PAN)
	1. Any of the Officially Valid Document (OVD). 2. Permanent Account Number (PAN) and any of the following: i. GSTIN registration certificate.

Constitution	Documents to be obtained
Account of Individual – Current Account	ii. Certificate /License issued by the Municipal Authorities under Shop & Establishment Act. iii. Certificate / Registration document issued by Professional Tax Authorities. iv. License issued by the registering authority like Certificate of Practice in the name of individual issued by any of the following professional body incorporated under a statute. • Institute of Chartered Accountants of India • Institute of Cost Accountants of India • Institute of Company Secretaries of India • Indian Medical Council • Food and Drug Control Authorities • Institutions/associations like bar council and Institute of valuers. v. Registration/License document issued by the Central Government/ State Government Authority/ Department.
Account of Minor	1. Any of the Officially Valid Document (OVD) in the name of minor. 2. Permanent Account Number (PAN)-in the name of minor or Form No.60 3. Any of the Officially Valid Document (OVD) in the name of parent/guardian 4. Permanent Account Number (PAN) in the name of parent/guardian
Joint Account	1. Any of the Officially Valid Document (OVD) for all the joint Account Holders. 2. Permanent Account Number (PAN) in respect of all the joint account holders
HUF - Account	1. PAN in the name of HUF 2. Any of the Officially Valid Documents (OVDs) for Kartha and Co – parceners 3. Permanent Account Number (PAN) in respect of Kartha and Co- parceners

Constitution	Documents to be obtained
Self Help Group	1. Required documents to establish the existence of such an entity/SHG. 2. Resolution 3. PAN or Form No.60 4. (a) Any of the Officially Valid Documents for POA & (b) PAN in respect of the office bearers who have been authorized to transact on its behalf.
Account of a Company	1. Certificate of Incorporation 2. Certificate of Commencement of Business 3. Memorandum and Articles of Association; 4. A resolution from the Board of Directors and power of attorney granted to person/s to transact on its behalf; 5. PAN in the name of company 6. GSTIN / UIN 7. List of Directors 8. (a) Any of the Officially Valid Documents (OVDs) & (b) PAN in respect of all directors 9. (a) Any of the Officially Valid Documents (OVDs) & (b) PAN in respect of the person/s holding an attorney to transact on its behalf.
Account of a Proprietary concern	1. Any of the Officially Valid Documents (OVDs) 2. Permanent Account Number (PAN) (as applicable to an individual) for the proprietor. And any two of the following in the name of Proprietary Concern: i) GSTIN / UIN ii) Registration Certificate (in the case of a registered concern); iii) Certificate / License issued by the Municipal Authorities under Shop & Establishment Act; iv) Certificate / Registration Document issued by Professional Tax Authorities; v) License issued by the Registering Authority, like Certificate of Practice issued in the name of proprietary concern by any professional body incorporated under a statute.

Constitution	Documents to be obtained
	vi) The Complete Income Tax Return (not just the acknowledgment) in the name of the sole proprietor where the firm's income is reflected. vii) Utility bills such as electricity / water and landline telephone bills in the name of the proprietary concerns. The illustrative list of documents covered under point no. v is as below: a) License issued by the Registering authority like Certificate of Practice issued by • Institute of Chartered Accountants of India • Institute of Cost Accountants of India • Institute of Company Secretaries of India • Indian Medical Council • Food and Drug Control Authorities • Institutions/associations like bar council and institute of valuers. b) Registration / Licensing document issued in the name of the proprietary concern by the Central Government or State Government Authority/ Department. c) IEC (Importer Exporter Code) issued to the proprietary concern by the office of DGFT. The branches have the discretion to accept only one of those documents as activity proof where they are satisfied that it is not possible to provide two such documents by the prospective customers, in such cases, the Branch Head/Officer would have to undertake Contact Point Verification, collect such information as would be required to establish the existence of such firm, confirm, clarify themselves that the business activity is being carried out at the address furnished in the customer profile by the proprietary concern and produce Contact Point Verification Certificate (in the absence of the additional OVD for business/activity proof) duly signed by the branch official in the format prescribed in the Annexure- 9 which is attached with KYC/AML

Constitution	Documents to be obtained
	Policy 2019-20 with a view to adhere KYC/AML compliance stipulated by RBI without deviation.
Account of a partnership firm	1. Partnership Deed 2. Registration Certificate, 3. PAN in the name of firm. 4. GSTIN / UIN 5. (a) Any of the Officially Valid Documents (OVDs) & (b) PAN in respect of all the partners of the firm 6. (a) Any of the Officially Valid Documents (OVDs) & (b) PAN in respect of the person/s holding an attorney to transact on its behalf.
Account of a Limited Liability Partnership (LLP)	i. Certificate of registration. ii. Limited Liability Partnership agreement. iii. Letter of authority for opening and operating account granted to the authorized signatories. iv. List of designated partners. v. PAN in the name of LLP. vi. GSTIN / UIN. vii. (a) Any of the Officially Valid Documents (OVDs) for POA & (b) PAN in respect of all designated partners. viii. (a) Any of the Officially Valid Documents(OVDs) for POA & (b) PAN in respect of authorized signatories to transact on its behalf.
Account of Trust & Association/ Society/Club	1. Certificate of Registration, if registered. 2. PAN copy of the Trust / Association / Club / Society. 3. Power of Attorney granted to transact business on its behalf, if any. 4. Any document listing out the names and addresses of the trustees and those holding power of Attorney, and other key officials involved in the day to day management of the trust to the satisfaction of the bank. 5. Resolution of the managing body of such association or body of individuals 6. Declaration of Trust/Bye Law of society/Bye-law of Association/Bye-law of club. 7. Attach the Proof of name and address of the

Constitution	Documents to be obtained
	founder, Manager/director and the beneficiaries, telephone/fax number, Telephone bill, Utility bill apart from the above (bills not older than two months). 8. All the persons related to the account and authorized to operate the account must provide separate identity and address Proof in conformity with the details furnished in the application form Note: Obtain DARPAN ID for NPO accounts
Account of Unincorporated Association (or) Body of Individuals	1. Resolution of the Managing Body of such association or Body of Individuals 2. Power of Attorney granted to a person/s to transact on its behalf 3. PAN in the name of Association/Body of Individuals 4. (a)Any of the Officially Valid Documents (OVDs) for POA & (b) PAN in respect of Office Bearers 5. (a)Any of the Officially Valid Documents (OVDs) for POA& (b)PAN in respect of the person/s holding an Attorney to transact on its behalf 6. Such Information as may be required by the bank to collectively establish the legal existence of such an association or Body of Individuals.
Accounts of NRI/PIO	➤ The passport ➤ Permanent Account Number (PAN)-Optional ➤ VISA ➤ The certificate from the Indian Embassy stating the contact address of the customer ➤ The letter from Employer / Certificate from Embassy of the Country of Origin or any appropriate legal authority certifying the local address in India ➤ Driving License ➤ Resident Permit / Government issued identity card ➤ Other Bank Statement – not older than 3 months, required for a period of 3 months with at least 2 self-induced transaction, no bounced cheque reflecting in the statements.

Constitution	Documents to be obtained
Accounts of Foreign Nationals	➤ The passport ➤ VISA If OVD without contact address 1. The document issued by the Government departments of foreign jurisdictions. 2. Letter issued by the Foreign Embassy or Mission in India.
JURIDICAL PERSONS (Juridical Persons such as Government or its Departments, Societies, Universities and Local Bodies like Village Panchayats, Town Panchayats, Municipal Corporations etc.,)	1. Required documents to establish the legal existence of such an entity/juridical person. 2. Power of Attorney granted to a person/s to transact on its behalf 3. (a) Any of the Officially Valid Documents (OVDS) for POA & (b) PAN in respect of the person/s holding a power of attorney to transact on its behalf.

Two separate documents need not be insisted

To ease the burden on the prospective customers in complying with KYC requirements for opening new accounts

- a) If the address on the document submitted for identity proof by the prospective customer is same as that declared by him/her in the account opening form, the document may be accepted as a valid proof for both identity and address
- b) If the address indicated on the document (officially valid document) submitted by the customer differs from the current address mentioned in the account opening form a separate proof of address should be obtained. In such cases, a self-declaration for local address can be obtained from the customer which is to be confirmed by submitting positive confirmation certificate by the branch official after verification.

4. 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

4.1. Demand deposits means a deposit received by the bank which is withdraw able on demand

4.2 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

4.3 Term deposit means a deposit received by the bank for a fixed period withdraw able only after the expiry of the fixed period and include deposits such as recurring / double benefit deposits / short deposits / fixed deposits / monthly income certificate / quarterly income certificate etc.

4.4 Notice deposit means term deposit for specific period but withdraw able on giving at least one complete banking days' notice

4.5 Current account means a form of demand deposit wherefrom withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount

4.6 Withdrawals in account can be by way of cheques, withdrawal forms, through the use of ATMs, by means of electronic transfer through internet, by use of biometric cards, by giving standing instructions to the bank, ECS instructions or through any other means which may come into usage after giving due notice on the bank's website.

4.7 Deposits in account can be made by way of cash, cheques, electronic transfers, ECS and through any other means which may come into usage after giving due notice on the bank's website.

4.8 Different deposit schemes and products

Based on customer's need, market conditions, competition and other driving forces bank is presently offering various products under five deposit schemes which are listed below

Schemes	Product
Savings bank	1. TMB Savings bank account (Anywhere bank account)
	2. TMB Classic Salary savings bank account
	3. TMB Premium savings bank account
	4. TMB Dynamic Youth savings bank account
	5. TMB Royal savings bank account
	6. TMB Visa savings bank account
	7. TMB Santhosh savings bank account
	8. TMB Simple savings bank account
	9. TMB Small savings bank account
	10. TMB Mahila Subha savings bank account

	11. TMB Little Super Star savings bank account
	12. SB (GBG/TASC)
Current deposit	13. TMB Ordinary current account (Anywhere bank account)
	14. TMB Super Flexi current account
	15. Current Account (GBG/TASC)
Fixed deposit	16. TMB fixed deposit
	17. TMB Tax Savings deposit (Malligai)
	18. TMB 20:20 deposit
	19. TMB 400 deposit #
Recurring deposit	20. TMB recurring deposit
	21. TMB Kids recurring deposit
	22. TMB Navarathnamala deposit
	23. TMB Siranjeevee recurring deposit
Reinvestment Plan (RIP)	24. TMB Muthukkuvial deposit
	25. TMB Tax Savings deposit – (Mullai)
	26. TMB cash certificate
	27. TMB Pearl deposit
	28. TMB Porkuvial deposit
	29. TMB Valarnidhi Cash Certificate

- Special deposit scheme will change from time to time. ALCO is authorized to permit introduction of special deposit scheme based upon the market trend.

To cater the needs of all segment of the customers, market requirement and regulatory instructions the bank may at its discretion formulate tailor made deposit /current/savings products suited for cross section of the customers with due approval of the Board and may be launched from time to time.

4.9 Non-resident accounts

Non-resident Indians / persons of Indian origin can open deposit accounts viz. Non-Resident Ordinary Rupee account (NRO), Non-Resident (External) Rupee account (NRE), Foreign Currency Non-Resident (Bank) account (FCNR(B) with any of the B and C category authorized dealer branches of the bank.

In addition to prescribed NRI account opening form and two passport size recent photographs of the depositor, following documents are required to be submitted to open non-resident account.

MANDATORY

1. PAN Mandatory for opening NRE or NRO Savings or Current Account on Non face to face basis. Form 60 can be accepted in absence of PAN Card for opening NRE or NRO Savings account on face to face basis
2. Latest Passport size photograph
3. Self-attested copy of Official Valid Document (OVD). If account is being opened by a NEW TO BANK customer then document need to be additionally be certified by any one of the following:
 - a) Any authorized official of overseas branches of Scheduled Commercial Banks registered in India
 - b) Branches of overseas banks with whom ANY Indian banks have relationships.
 - c) Notary Public abroad.
 - d) Court Magistrate abroad.
 - e) Judge abroad.
 - f) Indian Embassy/Consulate General in the country where the NRI/PIO resides.

PROOF OF IDENTITY**INDIAN PASSPORT HOLDER**

- Photocopy of Valid Indian Passport.

FOREIGN PASSPORT HOLDER

- Photocopy of Valid Foreign Passport.

PROOF OF NRI/PIO STATUS**INDIAN PASSPORT HOLDER**

- Photocopy of Valid VISA (Employment / Residence / Student / Dependent etc.) or Work/ Residence Permit copy.

FOREIGN PASSPORT HOLDER

- Photocopy of OCI (Overseas Citizen if India) card / PIO (Person of Indian Origin) card / PIO Declaration Wherever Applicable.

PROOF OF ADDRESS (C) (ANY ONE I.E. OVERSEAS OR INDIAN)

PROOF OF ADDRESS (Document should be Self-attested and duly certified by above mentioned authorities mandatorily) (Any One i.e. INDIAN or OVERSEAS proof required)

OFFICIALLY VALID DOCUMENTS (OVD)

- Valid Passport
- Driving License

- Aadhar Card (Indian Address Proof)
- Voter's ID card issued by the Election Commission of India (Indian Address Proof)
- Job Card issued by NREGA duly signed by an officer of the State Government (Indian Address Proof)
- Letter issued by the National Population registered containing details of Name & Address.
- Documents issued by the Government departments of foreign jurisdictions (like OCI/PIO Card, Work/Resident Permit, Social Security Card, Green Card etc.) (Accepted only in case of foreign citizen holding PIO/OCI card)
- Letter issued by the Foreign Embassy or Mission in India (Accepted only in case of foreign citizen holding PIO/OCI card)

The branch should obtain telephone/mobile/fax number, email id and local address of the depositor for easy and faster communication. The Branch should also obtain FATCA Declaration and CRS Forms.

4.10 Internet banking – TMB e-connect

The bank has launched internet banking with the name TMB e-connect for individual as well as for corporate customers of all the branches of the bank having the following major services.

1. Account enquiry
2. Statement of accounts
3. Cheque status (issued and deposited) and stop cheque facility
4. Fund transfer to self or linked accounts
5. Fund transfer to other bank accounts (RTGS/NEFT)
6. Fund transfer to third party account within the bank
7. Profile and password maintenance
8. Internet banking activity enquiry
9. Utility bill / credit card bill payment
10. Opening of term deposits accounts online

The Internet banking users are created on the basis of customer ID maintained in Finacle system and hence all accounts (Savings, current, cash credit, overdraft, term deposit and loan) under it will be available for access. The internet banking users will be able to avail the services only after completion of the activation process. It is mandatory for the customers to change the password supplied by the bank while logging in for the first time.

The transaction limits include (Self as well as third party transfer / payment gateway services / online tax payments / NEFT / RTGS) transactions added altogether per day. The Per day / Per Transaction Limits for Internet Banking Transaction will be fixed by committee of executives from time to time.

4.11 SMS banking

The bank provides three types of value added services under SMS banking as detailed below

- 1) SMS push alert services (introduced from 31.03.2008)
- 2) SMS pull services (introduced from 13.02.2014)
- 3) Missed call services (introduced from 26.09.2014)

Except the push alert service, the remaining two services are provided at free of cost for all types of customers.

SMS push alert services

Customers will receive SMS in respect of the following events in their mobile number registered with the bank.

- End of day balance if there is any change in balance
- Transaction alerts for all ATM/debit card transactions/net banking transactions and one time passwords
- Alerts for transactions of ₹5000 and above and when cheques for ₹1 lakh and above is received in inward clearing
- Deposit due date reminder
- Loan Fillment alert
- Inward cheque return
- OD/CC renewal reminder

SMS alert charges will be collected at the rate approved by our Committee of Executives from time to time.

SMS pull services

Customer has to send a simple SMS to (9282112225) to get the balance anytime, anywhere as under

Customers having only one operative account registered for SMS banking alert facility	Customers to send TMB BAL
Customers having more than one operative account registered for SMS banking alert facility	Customers to send TMB BAL XXXXXX XXXXXX – Last 6 digits of the account number.

Missed call services

- Customers should call the number 09211937373 from their registered mobile number. Call will get disconnected automatically after 6 seconds

- No charge will be deducted for the customer by their mobile operator
- Available balance for up to 5 accounts will be sent as SMS response

4.12 Mobile banking

Mobile banking is provided to all the customers of the bank. Mobile Banking can be used by the customer to conduct banking operations / transactions on his TMB accounts from his mobile phone. With TMB m-banking customer can access account information, transfer funds, recharge prepaid mobile number, DTH recharge etc., Mobile banking helps the customer to do banking while on the move directly through his mobile phone. He can access information and conduct transactions on his TMB Bank accounts with the help of his mobile phone anywhere, anytime.

Details of service available in m-banking

- Balance inquiry
- Mini statement
- Funds transfer
- Cheque book request
- Value added services (Mobile recharge and DTH recharge)
- Deposit account opening
- Fisdome (mutual fund investment)

The per day / per transaction limits for Mobile Banking transaction will be fixed by committee of executives from time to time.

4.13 Online deposits

Opening and closure of deposits online has been enabled for FD / RD / MKD / TMB Tax Savings deposit / TMB Valarnidhi Cash Certificate. Customers of the bank who have registered their email id can avail the facility. Auto renewal facility is available for FD and MKD deposits.

4.14 Accidental insurance cover on deposit schemes

The bank offers free personal accidental insurance cover on certain deposit schemes such as TMB SB Premium, TMB Dynamic Youth savings account, TMB Royal savings bank account and Gold and Diamond category customers of TMB Super Flexi current account. The bank reserves the right to offer free accidental insurance facility on any other deposit scheme or withdraw the facility on any deposit scheme at any time.

5. Account opening and operation of deposit accounts

5.1

- a) The bank before opening any deposit account will carry out due diligence as required under know your customer (KYC) guidelines issued by RBI, anti-money laundering rules and regulations. The bank shall obtain only such information to meet with KYC, prevention of money laundering or any other statutory requirements. In case any additional information is asked for it will be sought separately and the bank shall explain the reason for obtaining such additional information. Providing such information will be voluntary unless required by law. The information will be kept confidential unless required by law enforcing agency / banking regulator.
- b) The bank will provide the account opening forms which will contain details of essential information required to be furnished and documents to be produced for verification and/or for record for meeting the KYC requirements.
- c) Customers will be asked to submit documents in respect of KYC at periodic intervals to enable the bank to update its records as required.
- d) The bank shall explain the procedural formalities and provide necessary clarifications sought by the prospective customer while opening a deposit account.
- e) The bank shall give the most important terms and conditions (MITC) governing the deposit facility the customer desires to avail.
- f) At the time of opening of the account the bank shall make available the details of the insurance cover in force under the insurance scheme subject to certain limits and conditions offered by the Deposit Insurance and Credit Guarantee Corporation of India (DICGC).

If the decision to open an account of a prospective depositor requires clearance at a higher level reasons for any delay in opening of the account will be informed to him and the final decision of the bank will be conveyed at the earliest to him.

5.2 The bank is committed to offer a basic savings bank account which will offer the following minimum common facilities to the customers at free of cost. These guidelines inter-alia include

- (a) This account shall not have the requirement of any minimum balance
- (b) The services available in the account will include deposit and withdrawal of cash at bank branch as well as ATMs, receipt/credit of money through electronic payment channels or by means of deposit/collection of cheques drawn by Central/State Government agencies and departments
- (c) While there will be no limit on the number of deposits that can be made in a month account holders will be allowed a maximum of four withdrawals in a month including ATM withdrawals
- (d) Facility of ATM card or ATM-cum-debit card

BSBDA-Small Accounts (when opened on the basis of simplified KYC the account is treated as BSBDA-Small account) offered to the customers would be subject to the following conditions

- i. Total credits in such accounts should not exceed one lakh Rupees in a year
- ii. Maximum balance in the account should not exceed fifty thousand Rupees at any time
- iii. The total of debits by way of cash withdrawals and transfers will not exceed ten thousand Rupees in a month
- iv. Foreign remittances cannot be credited to small accounts without completing normal KYC formalities
- v. Small accounts are valid for a period of 12 months initially which may be extended by another 12 months if the person provides proof of having applied for an officially valid document.

5.3 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 when he approaches for opening a deposit account.

5.4 The regulatory guidelines require banks to categorize customers based on risk perception and prepare profiles of customers for the purpose of transaction monitoring. Inability or unwillingness of a prospective customer to provide necessary information / details could result in the bank not opening an account.

5.5 Inability of an existing customer to furnish details required by the bank to fulfill statutory obligations could also result in closure of the account after due notice[s] is provided to the customer.

5.6

a) For deposit products like savings bank account and current account the bank will normally stipulate certain minimum balances to be maintained as part of terms and conditions governing operation of such accounts. Failure to maintain minimum balance in the account will attract levy of charges as specified by the bank from time to time. For saving bank account the bank may also place restrictions on number of transactions, cash withdrawals etc., for a 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 communicated to the prospective depositor while opening the account.

b) The interest on Savings Deposit is calculated on daily product basis and credited to the customers' accounts on quarterly intervals i.e., 30th June, 30th September, 31st December and 31st March every year.

The changes in interest rates on Savings Bank accounts would be effective as per the decisions taken by ALCO from time to time.

Since SB account is meant for the purpose of savings, any transactions made by the account holders beyond their personal earnings and of business nature will pave way to withhold the payment of interest to those accounts as desired by the Bank on the date from which the transactions are carried out with prior intimation to the account holders. Further, those customers shall be advised to convert their account into current account.

5.7 Savings bank accounts can be opened for eligible person / persons and certain organizations / agencies (as advised by RBI from time to time).

5.8 Current accounts can be opened by individuals / partnership firms / private and public limited companies / HUFs / specified associates / societies / trusts, department of authority created by Government [Central and State], limited liability partnership etc.

5.9 Term deposit accounts can be opened by individuals / partnership firms / private and public limited companies / HUFs / specified associates / societies / trusts, department of authority created by Government [Central and State], limited liability partnership etc.

5.10 While opening a deposit account due diligence process is to be exercised to identify the customer by obtention of recent photograph, verify the proof of identity and proof of address, satisfying about his/her occupation and source of income.

5.11 In addition to the due diligence requirements under KYC norms the bank is required by law to obtain permanent account number (PAN) or alternatively declaration in revised form no. 60 as specified under the Income Tax Act / Rules.

5.12 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). The accounts can be opened in any of the following modes

- Single
- Joint
- Joint (Either or Survivor)
- Joint (Former or Survivor)
- Joint (Latter or Survivor)

5.12.1 SB account can also be opened by a minor represented by guardian or jointly with a major, where minor is represented by natural guardian. Minors above the age of 10 will be allowed to open and operate SB accounts individually subject to the condition that the minor should be able to put a unique signature on his own. ATM cum debit card, cheque book, pass book, internet banking facility and mobile banking facility will also be provided to the minor account holder. However, there will be restrictions on the limits of usage per day with reference to debit card, internet banking and mobile banking. However, no overdraft will be granted to these minors.

5.13 TMB Simple / Small Savings Bank Account (Basic Saving Bank Deposit Account) is available to all customers without the requirement of any minimum balance to be maintained. All the basic common banking facilities are provided to customers without any charges. The customers can get the details at the time of opening the account.

5.14 Operation of joint account - The joint account opened by more than one individual can be operated by single individual or by more than one individual jointly. The mandate for operating the account can be modified with the consent of all account holders. The savings bank account opened by minor jointly with natural guardian / guardian can be operated by natural guardian only.

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

5.15.1 Either or Survivor - If the account is held by two individuals say, A and B, the final balance along with interest if applicable will be paid to survivor on death of anyone of the account holders.

The repayment of deposit on maturity can be made after duly discharging the deposit receipt by any one of the joint depositors. In case the deposit is claimed before maturity it can be allowed only after getting the deposit receipt discharged by all the joint depositors.

In case one of the joint depositors expires before maturity date of deposit the repayment cannot be made to the survivors without the concurrence of the legal heirs of the deceased joint holder. The above condition would not be applicable in case of payment to survivor on maturity.

5.15.2 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 the other two account holders.

The above mandates will be applicable to or become operational only on or after the date of maturity of term deposits. This mandate can be modified by the consent of all the account holders.

5.15.3 Former or Survivor/s - Former alone can withdraw the matured deposit amount when both the depositors are alive. Signatures of both the depositors are necessary in case of deposit is claimed before maturity.

In case the former expired before maturity date of deposit the survivor can withdraw the deposit on maturity. If one of the depositors is deceased before maturity of deposit the repayment of deposit cannot be made to the survivor without the concurrence of the legal heirs of the deceased joint account holder.

5.15.4 Latter or Survivor - If the account is held by two individuals say A and B the final balance along with interest if applicable will be paid to B on death of A. Similarly, in case of death A it will be paid to B on or after the due date of deposit.

The above mandate for opening joint accounts/disposal of balances become operational from the date deposit account is opened. This mandate can be modified by the consent of all the account holders

5.15.5 Non-resident Indians[NRI] are allowed to open NRE / FCNR [B] account jointly with their resident close relative [relative as defined in section 6 of The Companies Act, 1956] on former or survivor basis.

The resident close relative shall be eligible to operate the account as a power of attorney holder in accordance with extant instructions during the life time of NRI / PIO account holder.

Individual resident is permitted to include non-resident close relatives as a joint holder in their resident bank accounts on former or survivor basis. However, such non-resident close relatives shall not be eligible to operate the account during the life time of the resident account holder.

5.16 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.

5.17 The term deposit account holders at the time of placing their deposits itself should give instructions with regard to auto renewal/closure of deposit account on its maturity.

In absence of such mandate in the deposits which were made before date of this policy approval, the bank will seek instructions from the depositor/s as to the

disposal of the deposit by sending 15 days' notice prior to the maturity date of term deposit.

In case the bank still do not receive any instruction from the depositor the bank will renew the deposit excluding deposits like tax savings deposits, recurring deposit, special deposit schemes like TMB Double etc., for the same period of time as the matured deposit at the prevailing rate of interest.

5.18 Nomination facility is available on all deposit accounts opened by the individuals. Nomination is also available to a sole proprietary concern account. Nomination can be made in favour of one individual or more persons not exceeding four, either successively or simultaneously. Nomination so made can be cancelled or changed by the account holder/s any time. Nomination can be modified by the consent of account holder/s. Nomination can be made in favour of a minor also.

5.18 (i) Where the nomination is made successively in favour of more than one person, the nomination shall be effective only in favour of one person in the order of priority specified in section 45ZG. And where the nomination is made simultaneously in favour of more than one person, the nomination shall be effective in favour of all such persons in proportion to which it is declared, and the following terms and conditions shall apply, namely:—

- (a) the nomination shall not be made in favour of more than four persons;
- (b) the nomination shall explicitly state the proportion of amount of deposit in percentage in favour of each nominee;
- (c) the nomination shall be made in respect of the whole amount of deposit;
- (d) if any nominee dies before receiving deposit from the banking company, the nomination in respect of such nominee alone shall become ineffective and the amount of deposit purported to be nominated in favour of deceased nominee shall be treated as if nomination had not been made in respect of that portion of deposit, and any nomination which does not comply with any of the terms and conditions specified in clauses (a) to (c), shall be invalid, as if nomination had not been made by the depositor or all the depositors together, as the case may be.

5.18 (ii) Where one or more individuals hire a locker from a banking company, whether such locker is located in the safe deposit vault of such banking company or elsewhere, the individual or, as the case may be, all the individuals together, may nominate one or more persons not exceeding four, successively, to whom, in the event of the death of the sole hirer or the death of all the hirers, the banking company may give access to the locker and liberty to remove the contents of the locker.

5.18 (iii) Where the nomination is made in favour of more than one person successively, the nomination shall be effective only in favour of one person in the following order of priority, namely:—

- (a) nomination of the first nominee shall be effective if that nominee survives the person or persons who made the nomination;
- (b) nomination of the second nominee shall become effective only after the death of the first nominee;
- (c) nomination of any nominee lower in the order of nomination shall become effective only after the death of all the nominees whose names are higher in the order of nomination.

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

5.20 All customers shall be encouraged to register for email statement at the time of opening of the account. Pass book to savings bank account holders (or) Statement of accounts to current account holders shall be issued only to customers who do not opt for email statement. Normally a statement of account will be issued on monthly basis to a current account holder without any cost. Internet banking user can download the statement of account at free of cost. The passbook will invariably contain (i) full address of the branch (ii) telephone number of the branch (iii) customer care telephone number (iv) brief intelligible particulars in respect of details of credit entries with instrument number and name of the drawee branch and details of debit entries with instrument number and payee's name. Details of ECS, NEFT and RTGS transactions will be indicated with name of the remitter in case of credit and name of the payee in case of debit entries. The bank shall indicate the branch's MICR Code and IFS Code in passbooks and statements of accounts.

5.21 The deposit accounts may be transferred to any other branch of the bank at the request of the depositor without any cost.

5.22 The minimum balance to be maintained in the savings bank account will be displayed in the branches.

For deposit products like savings bank account and current account or any other type of deposit account the customer will be informed

- i. about the minimum balance to be maintained as part of terms and conditions governing operation of such accounts
- ii. about charges which will be levied in case of failure to maintain the minimum balance in the account by customer. Details of the charges will be included in the tariff schedule
- iii. 30 days in advance of any change in minimum balance to be maintained. During this notice period the bank will not charge the customer for non-maintenance of such higher minimum balance prescribed.

Levy of charges for non-maintenance of minimum balance in ordinary savings bank accounts shall be subject to the following guidelines

- i. In the event of a default in maintenance of minimum balance/average minimum balance as agreed to between the bank and the customer, the bank will notify the customer clearly by SMS/email/letter etc. that in the event of the minimum balance not being restored in the account within a month from the date of notice penal charges will be applicable.
- ii. In case the minimum balance is not restored within a reasonable period which shall not be less than one month from the date of notice of shortfall penal charges may be recovered under intimation to the account holder.
- iii. The penal charges are directly proportionate to the extent of shortfall observed. In other words, the charges are a fixed percentage levied on the amount of difference between the actual balance maintained and the minimum balance as agreed upon at the time of opening the account.
- iv. The bank will ensure that the balance in the savings account does not turn into negative balance solely on account of levy of charges for non-maintenance of minimum balances.
- v. Salary accounts in which salary is not credited for continuously more than 3 months, may be converted into regular savings bank account with an intimation to customer.
- vi. Steps may be taken periodically to close un-remunerative/zero balance in operative accounts with at least one month of prior notice to customers.

5.23 Charges

- a. Specific charges for issue of cheque books, additional/duplicate statement of accounts, duplicate passbook, copies of paid cheques, folio charges, debit / ATM card, verification of signature, return of cheque, change in mandate or style of account, closure of savings bank / current accounts etc., will be included in the tariff schedule. Concessions or relief given will not be withdrawn during the original validity period of the concession/relief.
- b. Upgradation of deposit accounts (except in those products where auto-upgradation is inbuilt like TMB Super Flexi current account)
- c. Upgradation of scheme code for savings/current account may be permitted to customers through mobile banking application wherever technically feasible.
- d. Account maintenance charge for the services offered over the counter in addition to the existing service charges as detailed below is introduced afresh w.e.f 01.05.2021.

(All debit and credit transactions carried out through Digital channels are excluded for calculation of number of free transactions)

In case the account meets the terms for upgradation the bank shall upgrade the account only after obtaining consent in writing from the account holder or through any other mode or where consent is obtained through authenticated electronic means after necessary validation.

6. Interest payments

6.1 Interest shall be paid on saving account at the rate decided by the bank from time to time calculated on daily product basis as per Reserve Bank of India guidelines. However, term deposit interest rates are decided by the bank within the general guidelines issued by the Reserve Bank of India from time to time.

6.2 In terms of Reserve Bank of India directives interest shall be calculated at quarterly 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 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 deposit (period of deposit more than a year) where the terminal quarter is incomplete, interest should be calculated for 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.

6.3 The rate of interest on deposits will be prominently displayed in the branch premises. Changes if any with regard to the deposit schemes and other related services shall also be communicated upfront and shall be prominently displayed.

6.4 The bank has statutory obligation to deduct tax deducted at source (TDS) at the applicable rate if the total interest paid / payable on all term deposits held by a person exceeds the amount specified under the Income Tax Act. The bank will issue a tax deduction certificate (TDS certificate) for the amount of tax deducted. The depositor if entitled to exemption from TDS can submit declaration in the prescribed format at the beginning of every financial year. The customers have to necessarily submit form 15G / 15H in duplicate to the branches every year where they have deposits. The declaration filed in form 15G and 15H u/s 197A shall not be valid unless the person filing the declaration furnishes his/her PAN in such declaration. In case of failure to do the same tax is deducted at the rate mentioned in the relevant provisions of the IT Act or at the rate in force or at the rate of 20% whichever is higher. The bank will issue the requisite certificate within the stipulated period if the

bank deducted tax from interest paid / accrued on deposits. The bank will indicate the tax deducted if any on interest on term deposits credited to savings / current account in the passbook / statement of account.

6.5 Acknowledgement by branches at the time of submission of form 15-G / 15-H

Banks are not required to deduct TDS from depositors who submit declaration in form 15G/15H under Income Tax Rules, 1962.

With a view to protect interest of the depositors and for rendering better customer service branches should give an acknowledgment at the time of receipt of form 15G/15H by returning one copy of the form 15G / 15H to the customers as acknowledgement for having received the form 15G / 15H. This will help in building a system of accountability and customers will not be put to inconvenience due to any omission on part of the branch.

6.6 Timely issue of TDS certificate to customers

With a view to protect the interests of the depositor and for rendering better customer service the branches should provide TDS certificate in form 16 A to their customers in respect of whom the branches (banks) have deducted tax at source. The bank shall provide form 16A to the customers well within the time frame prescribed under the Income Tax Rules.

7. Minors' accounts

7.1 A 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 and can sign uniformly. The account in the name of minor can also be opened jointly with guardian with mode of operation of jointly with the parent / guardian or singly by parent / guardian.

7.2 On attaining majority, the erstwhile minor should confirm the balance in his/her account and if the account is operated by the natural guardian / guardian, fresh specimen signature of erstwhile minor duly verified by the guardian would be obtained and kept on record for all operational purposes. The bank shall intimate the date on which the minor becomes major.

7.3 Opening accounts in the name of minors with mothers as guardians

The bank shall allow to open minor accounts (fixed and savings only) with mother as guardian, whenever such requests are received by it subject to the condition

that the minor's account opened with mother as guardian is not allowed to be overdrawn and that they always remain in credit.

The facility of allowing opening of minor accounts with mother as guardian may be extended to recurring deposit accounts also subject to precautions mentioned above.

8. Account of illiterate persons / blind persons and mentally challenged people and those with disabilities like autism, mental retardation, cerebral palsy and multiple disabilities

8.1 Account of illiterate persons / blind persons - The bank may at its discretion open deposit accounts other than current accounts of an illiterate person / blind persons. The account of such persons may be opened provided he/she calls on the bank personally along with a witness who is known to both the depositor and the bank. Normally no cheque book facility is provided for such savings bank account. At the time of withdrawal / repayment of deposit amount and/or interest the account holder should affix his / her thumb impression or mark in the presence of the authorized officer who should verify the identity of the person. The bank will explain the need for proper care and safe keeping of the passbook etc. given to the account holder. The bank official shall explain the terms and conditions governing the account to the illiterate person / blind persons. The bank shall not discriminate while opening such accounts for blind and follow the guidelines of RBI time to time.

8.2 Mentally challenged people and those with disabilities like autism, mental retardation, cerebral palsy and multiple disabilities

The accounts can be opened and operated by the legal guardian as long as he remains the legal guardian of mentally challenged people and those with disabilities like autism, mental retardation, cerebral palsy, and multiple disabilities. The bank will accept the Guardianship Certificate issued either by the District Court under Mental Health Act or by the local committees for the purpose of opening and operating accounts. In case of doubt care may be taken to obtain proper legal advice.

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

The branch may, at the request of all the joint account holders, allow the 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. Under any circumstance the principal depositor (first named depositor) name should not be deleted. However, in no case should the amount or duration of the original deposit undergo a change in any manner in case the deposit is a term deposit.

NRE / FCNR-B / FCNR Plus deposits

Joint accounts can be opened by two or more NRIs and / or PIOs or by a NRI / PIO with a resident relative (as defined in section 2(77) of the Companies Act 2013) on

Former or Survivor basis. However, during the lifetime of the NRI / PIO account holder the resident relative can operate the account only as a power attorney holder.

RFC deposits

Joint accounts can be opened by two or more NRIs and / or PIOs or by a NRI / PIO with a resident relative (as defined in section 2(77) of the Companies Act 2013) on Former or Survivors basis. However, during the lifetime of the NRI / PIO account holder the resident relative cannot operate the account.

NRO deposits

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

10. Customer information

The customer information collected from the customers shall not be used for cross selling of services or products by the bank or its subsidiaries / affiliates. If the bank proposes to use such information it will seek with the consent of the account holder.

11. Secrecy of customer's accounts

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

12. Changing the account

- If the customer is not satisfied with the current / savings account he has opened the customer can approach the bank to switch to any of the other accounts within 14 days of making the first payment into the account. Alternatively, the customer can also claim for refund of the amount which will be paid to the customer along with any interest it may have earned.
- If the customer decides to close the current / savings account, the account will be closed within three working days after receiving the instructions from the customer subject to the customer completing all the formalities and submitting all the required documents.
- If the customer wants to transfer the account to another branch, without obtaining any fresh proofs the account will be transferred to another branch within three working days on the basis of a self-declaration from the customer for the new address. However, the customer has to submit the documentary proof of the new address within a time span of 6 months.

13. Intimation before maturity date

The bank will intimate the depositors of term deposits that do not have any disposal instructions at maturity by any of these mode post, courier, email or SMS at the registered contact details of the depositor at least 15 days prior to the date of maturity of the deposit.

Further an SMS alert is also sent to customers after the closure of the deposit account to the mobile number of the customer which is registered for availing SMS alert facility.

14. Payment of fixed deposits on due date

Term deposits are due for repayment on due date as per the period mentioned at the time of acceptance of deposits. If due date falls on a holiday or a Sunday, payment is due on the next working day. If fixed deposit receipt has been issued to the depositor such fixed deposit receipt should be presented for payment duly discharged by the person(s) in whose favour the receipt was issued. If payment is needed in cash, the discharge shall be over a revenue stamp of ₹1 (minimum) for amounts over ₹5000 (**maximum permitted cash payment is up to ₹20,000**). In case of credit to depositor's account with the bank the discharge over revenue stamp is not required. The fixed deposit receipt itself duly discharged shall be treated as a debit voucher.

The maturity instruction as opted by the customers at the time of opening of accounts will be carried out automatically, wherever deposit advices are issued in an account.

14.1. Issuance of Deposit Advice

The Bank may provide term deposit advice as an acknowledgement to the deposit account holders. The deposit account holders will be required to provide instructions to the Bank at the time of opening itself to deal with the pay-out amount upon maturity by opting auto renewal (or) auto closure on its maturity. New advice will not be issued by the bank during auto-renewal, renewal information may be noted on the rear of the term deposit advice. The deposit/renewal advice may also be centrally generated and sent to customers through digital and / or physical form depending on the technical feasibility and cost effectiveness.

15. Renewal of term deposits

All new fixed deposits shall be placed under auto renewal mode for the original period of the deposit unless contrary instructions such as auto closure are provided by the depositors any time prior to the date of maturity and as per the mode of operation of the account.

Exceptions to the above are

- Non-individual deposits

- Deposits of ₹20 million and above
- Deposits where fixed deposit receipt has been issued and are jointly held
- Tax saver fixed deposits
- Recurring deposits
- TMB Valarnidhi Cash Certificate
- TMB Double
- TMB 20:20
- TMB 400 days special schemes that are introduced without opt out for auto renewal.

In case of auto renewal as the case may be interest rate prevailing on the date of auto renewal shall be applicable. For traditional fixed deposit the principal deposit amount shall be renewed, while for cumulative fixed deposit the entire maturity proceeds shall be renewed.

16. Repayment of term/fixed deposits

The bank will not insist on the signatures of both the depositors to allow repayment of money in fixed/term deposits when the deposit account is opened with operating instructions (sometimes called repayment instructions) Either or Survivor / Former or Survivor.

1. If fixed/term deposit accounts are opened with operating instructions Either or Survivor the signatures of both the depositors need not be obtained for payment of the amount of the deposits on maturity. However, the signatures of both the depositors may have to be obtained in case the deposit is to be paid before maturity. If the operating instruction is Either or Survivor and one of the depositors expires before the maturity no pre-payment of the fixed/term deposit may be allowed without the concurrence of the legal heirs of the deceased joint holder. This however would not stand in the way of making payment to the survivor on maturity.
2. In case the mandate is Former or Survivor, the Former alone can operate/withdraw the matured amount of the fixed/term deposit when both the depositors are alive. However, the signature of both the depositors may have to be obtained in case the deposit is to be paid before maturity. If the former expires before the maturity of the fixed/term deposit the Survivor can withdraw the deposit on maturity. Premature withdrawal would however require the consent of both the parties when both of them are alive and that of the surviving depositor and the legal heirs of the deceased in case of death of one of the depositors.
3. If the joint depositors prefer to allow premature withdrawals of fixed/term deposits also in accordance with the mandate of Either or Survivor / Former or Survivor as the case may be the bank will permit premature withdrawals provided they have given a specific joint mandate from the depositors for the

said purpose and the deposit scheme in which they placed the deposit permits premature closure. In other words, in case of term deposits with Either or Survivor / Former or Survivor mandate the bank will 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.

4. 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 the bank shall allow premature withdrawal of term / fixed deposits by 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.
5. When a fixed deposit account is opened in the joint names of two depositors on Either or Survivor basis and the said joint depositors already have a savings bank account in their names jointly on Either or Survivor instructions, the proceeds of the matured fixed deposit can be credited to the joint savings bank account already opened in the bank. There is no need for opening a separate savings bank account in the name of the first depositor for crediting the proceeds of the fixed deposit.

17. Payment of interest on accounts frozen by branches

Branches are at times required to freeze the accounts of customers based on the orders of the Law Enforcement Authorities. As per RBI guidelines the bank will follow the procedure detailed below in the case of term deposit accounts frozen by the enforcement authorities

- i. A request letter may be obtained from the customer on maturity. While obtaining the request letter from the depositor for renewal branch should also advise him to indicate the term for which the deposit is to be renewed. In case the depositor does not exercise his option of choosing the term for renewal branch may renew the same for a term equal to the original term.
- ii. No new receipt is required to be issued.
- iii. Renewal of deposit may be advised by registered letter / speed post / courier service to the concerned Government department under advice to the depositor. In the advice to the depositor the rate of interest at which the deposit is renewed should also be mentioned.
- iv. If overdue period does not exceed 14 days on the date of receipt of the request letter, renewal may be done from the date of maturity. If it exceeds 14 days banks may pay interest for the overdue period from the date of maturity to till the date of renewal at the applicable rate as per the bank policy. Further with regard to the savings bank accounts frozen by the enforcement

authorities the bank will continue to credit the interest to the account on a regular basis.

18. Premature withdrawal of term deposit

The bank on written 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.

While prematurely closing the deposit before the original maturity date the Bank will pay the interest rates applicable on term deposits shall be as under;

- 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.
- No interest shall be paid where premature withdrawal of deposits takes place before completion of the minimum period specified in section 6 above (seven days currently) under interest rates on domestic term deposits.
- In case the deposit attracts premature closure penalty, the applicable rate of interest for the period the deposit has remained with bank (or) contract rate whichever is lower less the penal rate as may be fixed by the Bank from time to time will be paid.
- There is no penal interest for premature closure of bulk deposits after 7 days of deposits.
- For premature closure of TMB 20:20 deposits, the applicable rate of interest for the period the deposit has remained with bank (or) contract rate whichever is lower less the penal interest 0.50% will be paid.
- The bank shall intimate the depositor about the applicability of penalty in case of premature withdrawal at the time of accepting the deposit.

18.1 Partial Withdrawal in term deposit

The bank on written request from the depositor at its discretion may allow partial withdrawal on term deposit before completion of the period as premature partial withdrawal. While partially withdrawing the deposit before the original maturity date, the bank will pay the interest applicable for the period for which the deposit remained with the bank (or) contract rate whichever is lower less penal interest.

Deposit accepted in Bulk category, the partial withdrawal will be permitted upto its value reaches bulk deposits threshold value (or) other words, accounts opened under Bulk category, shall not be permitted to be categorized under Retail Category due to partial withdrawal. There is no penal interest for premature closure of bulk deposits after 7 days of deposit opening.

The bank shall intimate the depositor about the applicability of penalty in case of partial withdrawal at the time of accepting the deposit on callable and non-callable basis before the maturity.

The partial withdrawal facility may also be permitted through digital channel like mobile and internet banking subject to penal interest as applicable. Partial withdrawal for Retail Term Deposit should allowed only through their linked operative account. Retail Term Deposits exists without linked operative accounts will not be allowed for partial withdrawal facility.

The Committee of Executives is permitted to device the standard operating procedure for implementation of allowing partial withdrawal facility for Retail & Bulk deposit account holders.

18.2. Non-Callable Term Deposit

The Bank may offer term deposits without premature withdrawal option. The bank may offer domestic term deposits (TDs)/NRE/NRO without premature withdrawal option, provided that all Term Deposits accepted from individuals (held singly or jointly) for amount of Rupees one crore and below shall have premature withdrawal facility. Further, the bank may offer differential rate on interest on term deposits based on non-callability of deposits (ie. non-availability of premature withdrawal option) in addition to tenor and size of deposits.

19. 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 or at the contracted rate whichever lower will be paid. Renewal details may be written on the backside of the deposit advice with details such as renewed principal amount, term, rate of interest, maturity amount and maturity date.

Exemption

In case of splitting of the amount of term deposit at the request from the claimant/s of deceased depositors or joint account holders no penalty for premature withdrawal of the term deposit shall be levied if the **period and aggregate amount of the deposit do not undergo any change.**

20. Renewal of overdue term deposits

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

maturity to the date of renewal at the prevailing rate of interest applicable for 15 days term deposits and credited with the original maturity amount and then open it as a fresh term deposit with applicable rate of interest for further period of renewal.

21. Advances against term 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 on subsequent date not on the date of opening the deposit. The bank may also consider loan against deposit standing in the name of minor. However, a suitable declaration stating that loan is for the benefit of the minor is to be furnished by the depositor - applicant.

22. Settlement of dues in deceased deposit account

22.1 Accounts with survivor/nominee clause

a. In the case of a deposit account of a deceased depositor where the depositor had utilized the nomination facility and made a valid nomination or where the account was opened with the survivorship clause (either or survivor or anyone or survivor or former or survivor or latter or survivor) payment of the balance in the deposit account to the survivor(s) or nominee of the deceased deposit account holder will be made provided

- i. the identity of the survivor(s)/nominee and the fact of the death of the account holder is established through appropriate documentary evidence
- ii. there is no order from the competent court restraining the bank from making the payment from the account of the deceased

In such cases payment to the survivor(s) or nominee of the deceased depositors will be made without insisting on production of succession certificate, letter of administration or probate etc., or obtaining any bond of indemnity or surety from the survivor(s) or nominee irrespective of the amount standing to the credit of the deceased account holder.

b. The survivor(s) / nominee would be receiving the payment from the bank as a trustee of the legal heirs of the deceased depositor i.e., such payment shall not affect the right or claim which any person may have against the survivor(s) / nominee to whom the payment is made.

c. The payment made to the survivor(s) / nominee subject to the foregoing conditions would constitute a full discharge of the bank's liability.

d. In case of term deposits with Either or Survivor / Former or Survivor mandate premature withdrawal on death of one of the depositors of the deposit by the surviving joint depositor/s will be permitted only if there is a mandate from all the depositors to this effect.

22.2 Accounts without the survivor/nominee clause

In case where the deceased depositor had not made any nomination or for the accounts other than those styled as either or survivor (such as single or jointly operated accounts) the bank will adopt a simplified procedure for repayment to the legal heir(s) of the depositor keeping in view the imperative need to avoid inconvenience and undue hardship to the common person. Keeping in view the risk management policy, the bank will fix a minimum threshold limit up to which claims in respect of the deceased depositors could be settled without insisting on production of any documentation other than a letter of indemnity.

22.3 Time limit for settlement of claims

The bank will settle the claims in respect of deceased depositors and release the payments to survivor(s) / nominee within a period not exceeding 15 days from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claimant(s) to the bank's satisfaction.

22.4 Premature termination of term deposit accounts

In the case of term deposits the bank will incorporate a clause in the account opening form itself to the effect that in the event of the death of the depositor premature termination of term deposits would be allowed. The conditions subject to which such premature withdrawal would be permitted would also be specified in the account opening form. Such premature withdrawal would not attract any penal charge.

22.5 Treatment of flows in the name of the deceased depositor

In order to avoid hardship to the survivor(s) / nominee of a deposit account the bank will obtain appropriate agreement / authorization from the survivor(s) / nominee with regard to the treatment of pipeline flows in the name of the deceased account holder. In this regard the bank will consider adopting either of the following two approaches

- i. The bank could be authorized by the survivor(s) / nominee of a deceased account holder to open an account styled as estate of _____, the deceased where all the pipeline flows in the name of the deceased account holder could be allowed to be credited provided no withdrawals are made
- or
- ii. The bank could be authorized by the survivor(s) / nominee to return the pipeline flows to the remitter with the remark account holder deceased and to intimate the survivor(s) / nominee accordingly

The survivor(s) / nominee / legal heir(s) could then approach the remitter to effect payment through a negotiable instrument or through electronic transfer in the name of the appropriate beneficiary.

23. Interest payable on term deposit in deceased account

The rate of interest on matured deposits standing in the name of a deceased individual depositor or two or more joint depositors where one of the depositors is dead shall be as under

23.1 In the event of death of the depositor before the date of maturity of deposit and amount of the deposit is claimed after the date of maturity the bank shall pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment the bank shall pay simple interest at the applicable rate obtaining 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.

23.2 However in the case of death of the depositor after the date of maturity of the deposit the bank shall pay interest at savings deposit rate from the date of maturity till the date of payment.

24. 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.

25. Stop payment facility

- a. The bank will accept stop payment instructions from the customers in respect of cheques issued by them. On receipt of the instructions an acknowledgement will be issued to the customer and take action provided these cheques have not already been cleared.
- b. Charges if any will be levied on such requests as indicated in the tariff schedule.
- c. The bank will compensate the customer as per the compensation policy of the bank in case a cheque is paid subsequent to the receipt of stop payment instructions.

26. Inoperative/dormant accounts

Accounts which are not operated for a period of 2 years will be transferred to a separate dormant / inoperative account status in the interest of the depositor as well as the bank. The bank shall inform the customers three months before their accounts be treated as inoperative / dormant accounts.

- The customer will be informed at the time of opening the account itself the circumstances under which the account will be classified as inoperative /

dormant. The customer will be informed three months before his account is classified as inoperative / dormant

- An SMS / email will be sent to the customer advising that the account has been classified as inoperative / dormant
- The joint account holder/s will also be notified about the account being classified as inoperative / dormant
- The customer will also be informed the procedure to be followed to activate the account
- No charges will be levied merely because the account is inoperative / dormant
- No charges will be levied for activation of the inoperative account

27. Closure/freezing of the account

The bank reserves the right to close or freeze the accounts of the depositor after due notice to the customers for reasons which may include, but not limited to, the following

1. In case any of the documents furnished towards identity and address proof are found to be fake/forges/defective
2. In case fraudulent/forged/fake cheques/bank drafts or any such instruments are attempted to be cleared/cleared through the accounts
3. In case of frequent return of inward/outward cheques in the account
4. Any false /misleading information given or suppression of any material fact
5. Detection of the name of the account holder in prohibitory list
6. Unsatisfactory conduct of the account in terms of volume/type of transactions non-maintenance of minimum balance etc., and non-intimation of change in communication address leading to customer's whereabouts being unknown.

Under normal circumstances the bank will not close the account without giving at least 30 days' notice indicating the reasons for such closure. In such cases customer will be required to make alternate arrangements for cheques already issued by them and desist from issuing any fresh cheques on such account.

28. Closure of the account requested by the customer

When the customer desires to close the account a written request under the recorded signature of the customer addressed to the base branch should be sent by the customer accompanied with the passbook (if issued) and all unused cheque leaves. The debit card/ATM card issued in the account also should be surrendered. In case of partnership firm and joint account the letter of request should be signed by all the partners and all the account holders respectively. In case of limited companies, a board resolution authorizing closure of the account is required. If the customer so desires the passbook (if issued) with amply branded as account closed may be retained by the customer. The balance standing to the credit of such account with interest will be paid to the customer.

29. Accounts of physically impaired person

A physically impaired person may open an ordinary savings bank account in his sole name or jointly with other person(s). The bank at its discretion may open deposit accounts other than current accounts. 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. Guardianship certificate issued either by the District Court under Mental Health Act, 1987 or by the local level committees under the National Trust for the welfare of persons with Autism, Cerebral Palsy, Mental retardation and Multiple Disabilities Act, 1999 is required for the purpose of opening / operating accounts.

30. Accounts of visually impaired person

A visually impaired person may open an ordinary savings bank account in his sole name or jointly with other person(s). The bank at its discretion may open deposit accounts other than current accounts of visually impaired 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. The signature of the witness to this effect will be obtained in the account opening form. Visually impaired persons can open cheque book operated accounts after fulfilling the requirement of the bank.

31. Accounts of Transgender persons

- In case of a person claiming to be transgender and needs to open account or to do any banking transaction, the person will be recognized as “Third Gender” and the details shall be accepted in the Account Opening Forms/ or other applicable forms as such.
- The salutation of such person shall be “Mx”

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

32. Redressal of complaints and grievances

Depositors having any complaint / grievance 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 details of the internal set up for redressal of complaints / grievances will be displayed in the branch premises. The branch officials 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 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.

33. Regulatory Inclusion

The guidelines issued by regulatory authorities from time to time will form part of this policy and will be deemed to be incorporated in the policy as and when such guidelines are made applicable.

Part – II - Policy on interest rate on deposits

34. Short Title and Commencement

- a) This policy shall be called policy on interest rate on deposits for 2024-25 which is framed based on Master Direction - Reserve Bank of India (interest rate on deposits) directions, 2016 dated 03.03.2016 and any modification / changes thereafter.

This policy shall come into effect from the Board approval date and shall be valid for one year.

35. Interest Rate Framework

The bank shall pay interest on deposits of money (other than current account deposits) accepted by it or renewed by the bank in the domestic, Non-Resident Ordinary (NRO), Non-Resident (External) accounts (NRE) and Foreign Currency Non-Resident accounts (Banks) scheme {FCNR(B)}, FCNR plus and RFC deposit account on the terms and conditions specified in the policy

- a) All deposit interest rates shall be decided by the ALCO within the general guidelines issued by the RBI from time to time. The following factors shall be generally taken into the consideration while fixing interest rate for various maturities
- i. Peer group deposit interest rates, industry trend, RBI policy rates and their anticipated movements
 - ii. Future direction of interest rate movement based on prevailing economic scenario
 - iii. Expected outflow of deposits maturing in near term and expected credit off take in near term
 - iv. To meet ALM mismatches in specific time buckets
 - v. Decision on funding mixes between wholesale versus retail deposits
 - vi. Maintaining net interest margin (NIM) of the Bank above 3% through bringing down cost of deposit
 - vii. Requirement of the bank either to sustain or spur growth
- b) The rates shall be 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 on the same date at any of the branches/offices.
- c) Interest rates payable on deposits shall be strictly as per the schedule of interest rates disclosed in advance.
- d) The rates shall not be subject to negotiation between the depositors and the bank.

- e) The interest rates offered shall be reasonable, consistent, transparent and available for supervisory review/scrutiny as and when required.
- f) All transactions involving payment of interest on deposits shall be rounded off to the nearest Rupee for Rupee deposits and to two decimal places for FCNR (B), FCNR plus and RFC deposits.

g) Deposits maturing on non-business working day

- i. If a term deposit is maturing for payment on a non-business working day 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. The proceeds of the deposit will be paid to the customer on the succeeding working day.

- ii. In case of reinvestment deposits and recurring deposits the interest shall be paid for the intervening non-business working day on the maturity value

Domestic Rupee Deposits

36. Interest rate on Domestic Current Account

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.

37. Interest rate on Domestic Saving Deposits

Interest on domestic rupee savings deposits shall be calculated on a daily product basis as under;

- A uniform interest rate shall be set on balance up to Rupees one lakh, irrespective of the amount in the account within this limit.

Our high value domestic savings bank account holder insists higher rate of interest for end of day balance in their accounts.

Our Committee of Executive may be permitted to fix differential rate of interest and threshold end of day limit balance for domestic rupee savings bank account over and above rupees one lakh as recommended through ALCO in line with RBI guidelines issues from time to time.

38. Interest rates on Domestic Term Deposits

In addition to the conditions laid down above (point no.35) in this policy, interest rates on term deposits shall vary only on account of one or more of the following reasons

(i) Tenor of deposits

The 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

(ii) Size of deposits

Differential interest rate shall be offered only on bulk deposits

(iii) Non- availability of premature withdrawal option

The bank shall exercise the option to offer term deposits without premature withdrawal option (non-callable) provided that all term deposits accepted from individuals (held singly or jointly) for **amount of Rupees one crore and below** shall have premature withdrawal facility.

39. Payment of additional interest on domestic deposits

(a) The bank shall 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 term deposits of bank's staff as well as on deposits of Managing Director & CEO or such other Executives appointed for a fixed tenure, subject to the following conditions;

- (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 maturity of a term deposit account.
- (ii) 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.
- (iii) The additional interest may be paid on the following deposits after obtaining a declaration from the depositor concerned that the amount deposited or which may be deposited from time to time into such account belong to the depositor.
 - member or a retired member of the bank's staff either singly or jointly with any member or members of his/her family where staff member / retired staff member is first account holder / depositor or
 - the spouse of a deceased member or a deceased retired member of the bank's staff and
 - an association or a fund, members of which are members of the bank's staff

(b) The additional interest rate for senior citizens (including Super Senior Citizen) shall be considered by the Competent authority as and when required. The approving authority for increasing the additional rate is ALCO.

(c) The bank shall at its discretion formulate term deposit schemes specifically for resident Indian senior citizens /super 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/ super senior citizen.

(d) The bank shall give its resident Indian retired staff who are senior citizens / super senior citizens either singly or jointly with his/her spouse 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 being retired members of the banks' staff. For joint accounts such deposit account should be opened with Former or Survivor clause only where first named person will be the retired staff member. The staff member who has been retired compulsorily or in consequence of disciplinary action is not eligible for the benefit of additional interest rate. In case of Managing Director & CEO and other such executives who are senior citizens / super senior citizens and appointed on contract basis for specified duration/fixed tenure both benefits (additional interest rate for staff plus senior citizens/super senior citizens) shall be permitted.

40. Interest on overdue domestic deposits

(a) The rate of interest to be paid on renewal of overdue term deposits shall be as under;

When a term deposit is renewed on maturity, on renewed deposit, interest rate for the period specified by the depositor as applicable on the date of maturity would be applied. If request for renewal is received after the date of maturity such overdue deposits will be renewed with effect from the date of maturity at interest rate applicable as on the due date provided such request is received within 14 days from the date of maturity. In respect of overdue deposits renewed after 14 days from the date of maturity interest for the overdue period will be calculated from the date of maturity to date of renewal at the prevailing rate of interest applicable for 15 days term deposits and credited with the original maturity amount and then opened as a fresh term deposit with applicable rate of interest for further period of renewal.

(b) If a Term Deposit 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 term deposit, whichever is lower.

41. Periodicity of payment of interest on domestic savings deposits

(a)

Existing Guidelines	Details of amendments/new guidelines
Prevailing system for payment interest on Savings Bank Deposits: Currently our bank is paying interest for savings bank deposits on quarterly intervals	As per RBI Circular No.DBOD.No.Dir.BC.69/13.03.00/2013-14 dated 29.11.2013, Banks were advised to pay to interest on savings and term deposits at quarterly (or) longer rests. As banks are functioning on core banking platform, it has been decided to review the above instructions. Accordingly, banks will now have the option to pay interest on rupee savings and term deposits at intervals shorter than quarterly intervals. This revised instruction is applicable to domestic rupee deposits including Ordinary Non-Resident (NRO) and Non-Resident (External) (NRE) savings and term deposits. As regard, FCNR(B) deposits, the existing guidelines issued in this regard will remain unchanged. Our Trust, Association, Society, Club Savings bank account (TASC) and Government Business Group (GBG) savings bank account holders insist monthly interest for their savings bank account. Considering their request, we may permit to pay monthly interest for TASC and GBG savings bank accounts. For the remaining accounts, the existing guideline will be prevailed.

(b) Interest on savings bank accounts including those frozen by the enforcement authorities shall be credited on quarterly basis irrespective of the operational status of the account.

Rupee Deposits of Non-Residents

42. 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

(a) The interest rates on term deposits shall be subject to the conditions laid down in point no.38 - interest rate on domestic term deposit of this policy.

(b) Interest rates on savings deposits under Non-Resident (External) Rupee (NRE) deposit / ordinary Non-Resident (NRO) deposits shall be in accordance with interest rate on domestic saving deposit as mentioned above in this policy.

(c) Interest rates on NRE/NRO term deposits shall vary only on account of one or more of the following reasons

(i) Tenor of deposits

The bank shall have the freedom to determine the maturity / tenor of the deposit subject to the condition that minimum tenor of NRE term deposits shall be one year and that of NRO term deposits shall be **seven days** to comply with RBI direction.

(ii) Size of deposits

Differential interest rate shall be offered only on bulk deposits

(d) Interest rates on NRE / NRO deposits shall not be higher than those offered to comparable domestic Rupee term deposits.

(e) 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.

(f) Interest on savings deposits shall be credited at quarterly intervals.

(g) If a NRE account holder immediately on return to India requests for conversion of the NRE term deposit into Resident Foreign Currency Account (RFC) interest shall be paid as under

- i. if the NRE deposit has not run for a minimum period of one year interest shall be paid at a rate not exceeding the rate payable on savings deposits held in RFC accounts
- ii. In all other cases, interest shall be paid at the contracted rate

43. Prohibition on marking lien

The account holder of NRE savings deposits can withdraw the savings deposits at any time. Hence the bank shall not mark any type of lien direct or indirect against NRE saving deposits.

44. Penalty on premature withdrawal of NRE deposits

- a. 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. While prematurely closing the deposit before the original maturity date
 - No interest will be paid if the deposit has not completed one year from the date of the deposit
 - If the deposit is prematurely closed after completion of one year but before the maturity the bank will pay the interest applicable for the period for which the deposit remained with the bank (or) contracted rate whichever is lower less penalty as may be fixed by the Bank from time to

time. The bank shall intimate the depositor about the applicability of penalty in case of premature withdrawal at the time of accepting the deposit.

- b. No penalty shall be levied for premature withdrawal of NRE term deposits for conversion into Resident Foreign Currency (RFC) Account.
- c. Penalties for premature withdrawal shall be levied for conversion of NRE deposit into FCNR (B) deposit and vice versa.

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

In case the claimants of a 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.

Foreign Currency Deposits

46. Foreign Currency (Non-Resident) accounts (Banks) scheme

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

- (a) The interest rates shall be subject to the conditions laid down in interest rate framework
- (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

- One year and above but less than two years
- Two years and above but less than three years
- Three years and above but less than four years
- Four years and above but less than five years
- Five years only

Provided that the bank shall not accept or renew FCNR (B) deposits over five years and no recurring deposits shall be accepted under the FCNR (B) scheme.

- (ii) Size of deposits – the bank shall decide the currency-wise minimum quantum on which differential rates of interest may be offered which may vary from time to time.

(c) The interest rates on all deposits including where differential rates of interest are offered shall be subject to the overall ceiling prescribed at point no (g) given below

(d) 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.

(e) The interest reset period shall be six months for all floating rate deposits

(f) The Overnight Alternative Reference Rate for the Respective Currency /SWAP as on the last working day of the preceding month shall form the base for fixing ceiling rates for the interest rates offered effective for the following month

(g) The interest rates ceiling on FCNR (B) deposits shall be as advised by RBI. The prevalent ceiling is as under

Period of deposit	Ceiling rate
1 year to less than 3 years	ARR / SWAP plus 250 basis points
3 years and above up to and including 5 years	ARR / SWAP plus 350 basis points

ALCO has power to fix / vary interest rates for various tenors subject to overall ceiling prescribed by RBI.

(h) The Overnight Alternative Reference Rate for the Respective Currency / SWAP 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.

(i) High Value Deposit committee as the authority to provide special rate of interest for FCNR(B) deposit if the INR equivalent of the foreign currency at the time of opening the account is bulk term deposit, subject to the ceiling as stipulated by RBI.

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

- Interest on the deposits accepted under the scheme shall be calculated on the basis of 360 days to a year
- The interest on FCNR (B) deposits shall be calculated and paid at intervals of half yearly each and thereafter for the remaining actual number of days
- The interest calculation for FCNR(B) deposits opened for 360 days shall be on simple interest basis and for deposit above 360 days, it shall be on half yearly compounded basis.

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

48. 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. In all other cases the minimum duration of deposit from the date of renewal should be 1 year.
- b. If such renewed deposit is withdrawn before completion of the minimum stipulated period of one year from the date of renewal no interest will be paid from the date of the original maturity i.e. in such cases the original maturity amount will be paid. If any interest has been paid during the intervening period such interest shall be recovered.

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

In the case of a term deposit standing in the name/s of

- i. a deceased individual depositor
- ii. two or more joint depositors where one of the depositors has died interest should be paid in the manner indicated below
 - a. At the contracted rate on the maturity of the deposit
 - b. In the event of the payment of the deposit being claimed before the maturity date, the bank should pay interest at the rate applicable to the period for which the deposit remained with the bank and not at the contracted rate without charging penalty for pre-payment
 - c. In the event of death of the depositor before the date of maturity of the deposit and the amount of the deposit being claimed after the date of maturity, the bank should pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment the bank should pay 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. However, in the case of death of the depositor after the date of maturity of the deposit, the bank should pay interest at a rate operative on the date of maturity in respect of savings deposits held under Resident Foreign Currency (RFC) account scheme from the date of maturity till the date of payment
 - d. If, on request from the claimant/s the bank agrees to split the amount of term deposit and issues two or more receipts individually in the name/s of the claimant/s it should not be construed as premature withdrawal of the term deposit for the purpose of levy of penalty provided the period and aggregate amount of the deposit do not undergo any change

Note

In the case of claimant/s being residents the maturity proceeds may be converted into Indian Rupees on the date of maturity and interest be paid for the subsequent period at the rate applicable to a deposit of similar maturity under the domestic deposit scheme.

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

The bank shall at its 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

51. Premature withdrawal of FCNR (B) term deposit

The bank shall on request from the depositor permit premature withdrawal of deposits under the FCNR (B) scheme.

The prevalent terms with effect from 01.09.2016 is enumerated below

2. No interest will be paid for the FCNR (B), FCNR plus and RFC deposits which are prematurely closed before completion of one year from the date of opening of the deposit.
3. For the deposits which are prematurely closed after completion of one year from the date of opening of the deposit interest shall be paid at the rate of interest applicable for the period for which the deposit remained with the bank prevailing on the date of opening of the said deposit or the contracted rate of interest **whichever is less minus penal clause as may be applicable, which is 1% as of now.**

Exemption (Premature renewal)

In the case of FCNR (B), FCNR plus and RFC deposits which are extended during the tenure of the deposit for a period longer than the balance period (i.e. the remaining period of the deposit) the period of the extended deposit shall be minimum

of twelve months and a maximum of 5 years effective from the date of original deposit subject to the following conditions

1. If such premature extension is done before completion of 12 months no interest is payable on such deposit (as per RBI guidelines).
2. In all other cases interest shall be paid at the rate applicable for period for which the deposit has actually run as prevailing on the date of opening the deposit or the contracted rate of interest whichever is less without any penal clause.

Note:

If such extended deposit is prematurely closed the payment of interest will be as given below

1. No interest will be paid if the deposit has not crossed the minimum period of 12 months from the date of the original deposit.
2. In other cases, interest will be paid at the rate of interest ruling on the date of the original deposit (deposit before the premature renewal) for the period for which the deposit has run from the date of the original deposit or the contracted interest rate of the original deposit whichever is less minus penal clause as may be applicable, which is 1% as of now

The penal clause will be applicable for all the new deposits opened / deposits which are renewed on or after 01.09.2016.

a) In case if the rates of interest for a particular currency is below 1% on any maturity and if such deposits are prematurely closed the resultant interest rate will fall into the negative horizon if we apply the penal interest.

In view of the above in the cases of premature closure of FCNR(B), FCNR plus and RFC deposits in any currency which are prematurely closed after completion of one year from the date of the deposit (after completion of one year from date of original deposit in case of prematurely renewed deposits) for which the resultant interest rate goes negative after application of penal interest of 1% the bank shall pay the principal to the depositor disregarding the penal interest clause since the application of negative interest will lead to erosion in the principal amount.

This rule is applicable for all FCNR (B), FCNR plus and RFC deposits which are opened / renewed on or after 01.09.2016.

(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 term deposit at the request from the claimant/s of deceased depositor or joint depositors in writing 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) 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.

52. Resident Foreign Currency Accounts Scheme

- To park funds for those NRIs / PIOs who have returned to India for permanent settlement (Returning Indians)
- Account can be opened in USD, EURO, GBP, CAD, AUD, JPY, CHF
- It can be opened either individually or jointly with any other person eligible to open RFC account
- Both principal and interest are payable in foreign currency. Hence there is no exchange loss on principal and interest
- **Account types permissible**
 - **Current Deposit**
 - **Savings Deposit**
 - Term Deposit
 - Special Term Deposit
- Interest earned is subject to tax depending on the status of the account holder i.e. resident or RNOR (Resident but not ordinarily resident)
- It can be converted to FCNR (B) / NRE accounts in case the person regains NRI status

The terms and conditions of the resident foreign currency account scheme shall be in accordance with the terms and conditions applicable to foreign currency non-resident (Banks) scheme including interest on deposits.

- Interest earned is subject to tax depending on the status of the account holder i.e. resident or RNOR (Resident but not ordinarily resident)
- It can be converted to FCNR (B) / NRE accounts in case the person regains NRI status

Prohibitions and Exemptions

53. Prohibitions

The bank 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 ₹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.

(f) Accept deposits from/at the instance of private financiers or unincorporated bodies under any arrangement which provides for either issue of deposit receipt/s favouring client/s of private financiers or giving of an authority by power of attorney nomination or otherwise for such clients receiving such deposits on maturity.

(g) Grant advances against term deposits maintained with other banks.

(h) Mark any lien in favour of third parties against deposit receipts issued by the bank and issue a confirmation for the same.

(i) 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 organisations / agencies listed in Schedule-I.

Explanation

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

(j) Create any fund to be utilized for charitable purposes in consultation with the depositors.

54. 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 etc.

Schedule- I

(1)	Primary co-operative credit society which is being financed by the bank
(2)	Khadi and village industries boards
(3)	Agriculture produce market committee
(4)	Societies registered under the Societies Registration Act, 1860 or any other corresponding law in force in a State or a Union Territory except societies registered under the State Co-operative Societies Acts and specific state enactment creating Land Mortgage Banks.
(5)	Companies licensed by the Central Government under Section 8 of Companies Act, 2013 or Section 25 of Companies Act, 1956 or under the corresponding provision in the Indian Companies Act, 1913 and permitted, not to add to their names the words 'limited' or the words 'private limited'.
(6)	Institutions other than those mentioned in point no.53(i) and whose entire income is exempt from payment of Income-tax under the Income Tax Act, 1961.
(7)	Government departments / bodies / agencies in respect of grants/ subsidies released for implementation of various 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.
(8)	Development of Women and Children in Rural Areas (DWCRA).
(9)	Self-help groups (SHGs) registered or unregistered which are engaged in promoting savings habits among their members.
(10)	Farmers' clubs – Vikas Volunteer Vahini – VVV.

55. Review of the policy

The bank shall review the policy on an annual basis.

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