

DEPOSITS & DEPOSIT INTEREST RATE POLICY

Version	Date	Document by	Reviewed by	Remarks
1.0	08 Feb 2018			
1.1	08 Aug 2018	Debasish Mohapatra	Rahul Mallick	<p><u>Modified the clause : Additional Interest to the Bank's Staff</u></p> <p>Deposits maintained by staff members (both full-time and part-time employees of the bank, including contract employees, as defined in RBI's Master Circular on deposits and interest rate) shall be eligible for additional rate of interest of 0.5%</p>
1.2	10 May 2019			<p><u>Annual Review</u></p> <p>Deletion of the following clause on Tax deduction</p> <p>The Bank has a statutory obligation to deduct tax at source for all term deposits, recurring deposits and savings account as per RBI defined policy. 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, for a maximum period up to the end of that financial year.</p> <p>Addition of the following clause on Tax deduction at source</p> <p>The Bank has a statutory obligation to deduct tax at source for all term deposits and recurring deposits as per the provisions of Income tax act, 1961 wherever the amount of interest exceeds the threshold limit. The Bank will issue tax deduction certificate (Form 16A) for the amount of tax deducted. However, where the total income of the deposit holders is below the basis exemption limit which is not chargeable to income tax, they can submit the declaration in the prescribed format (Form 15G or 15H). The said declaration has to be submitted in the beginning of the every financial year and also at the time of opening of new deposits to avoid deduction of tax.</p>

1.3	7 th Sep' 2020	Kartikeya Yadav	Sandeep Arora	<p>Modification of clause for interest calculation: [PAGE 6]</p> <p><u>Deletion of following clause</u></p> <p>For the purpose of interest calculation for actual number of days (in case interest is calculated for incomplete month), the denominator is always taken as 365 days irrespective of whether it is a leap year.</p> <p><u>Addition of following clause [PAGE 6]</u></p> <p>The interest is computed based on the actual number of days in a year i.e. 365 days for a non-leap year and 366 days for a leap year. The tenor of Deposit is calculated in number of days.</p>
1.4	7 th Sep' 2020	Kartikeya Yadav	Sandeep Arora	<p><u>Addition of following clause [PAGE 6]</u></p> <p>In case of premature withdrawal of fixed deposit: The Interest rate applicable for premature closure will be lower of the rate for the original /contracted tenure for which the deposit has been booked OR the rate as prevailing on the date of deposit for the tenure for which the deposit has been in force with the Bank.</p>
1.5	24 th Mar 2021	Kartikeya Yadav	Sandeep Arora	<p>Modifications on <u>PAGE 6</u>:</p> <p><u>Addition of following clause</u> The rate of interest on various deposit schemes shall be displayed in advance at the branch premises/ website at all times.</p> <p><u>Deletion of following clause</u> The committee may delegate some activities in deciding interest rates to appropriate personnel (e.g. Liability Head).</p> <p><u>Addition of following clause</u> The interest rates on deposits 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, accepted on the same date for the same tenor.</p>

2.0	26 th April'2022	Chandresh Ranjan	Ashish Saxena	<p>Modification of flow, presentation and content across pointers.</p> <p>Addition of pre-mature closure penalty clause under section 6.1.</p> <p>Updation of preferential interest rate to Sr. Citizen's in TD.</p> <p>Inclusion of maximum insurance amount under DICGC in point 11.</p> <p>Inclusion of "Need for Discipline" circular extract for opening CA, under section 5.1.2.</p> <p>Addition of Exemption & Exclusion section as per Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016 under section 13.</p>
2.1	6 th Feb'2023	Shriya Kamat	Ashish Saxena	<p>Addition of the following clause under Premature Withdrawal of Term Deposits</p> <p>However, under exceptional circumstances and on case-to-case basis, MD & CEO and Branch Banking Head (BBH) may allow premature closure of non-callable deposits.</p>
2.2	15 th Oct 2024	Akshay Dattani	Ashish Saxena	<p>Change in premature penalty from 0.5% to 1%</p> <p>Change in bulk deposit definition from Rs. 200 lacs to Rs. 300 lacs in line with recent RBI regulations</p> <p>Change in the minimum amount limit for Individuals & HUFs for Non-Callable fixed deposit as prescribed by RBI</p> <p>Premature withdrawal of Non-Callable FD – Matrix changed to Branch Banking Head, Chief Compliance Officer & Chief Risk Officer</p> <p>Removal of interest calculation clause for</p>

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1. Introduction

Jana Small Finance Bank (herein after referred to as “the Bank”), in furtherance of the objectives for which it is set up, shall inter alia undertake basic Banking activities of acceptance of deposits other than lending activities to underserved section. 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. This policy outlines the guiding principles in respect of formulation of various deposit products offered by the Bank and terms and conditions governing the conduct of the account.

While adopting this policy, the Bank reiterates its commitments to individual customers outlined in Bankers' Fair Practice Code of Indian Banks' Association and applicable regulatory requirements. Bank has formulated a transparent and comprehensive policy setting out the rights of the depositors in general and small depositors in particular. This policy also covers all the aspects of operations of deposit accounts, charges to be levied and other related issues to facilitate interaction of depositors at branch levels. This policy is also explicit in regard to secrecy and confidentiality of the customer information. Providing other facilities by "tying up" with placement of deposits is clearly a restrictive practice.

2. Objectives of the Policy

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

This document is a broad framework under which the rights of common depositors are recognized. Detailed operational instructions on various deposit schemes and related services shall be issued from time to time, changes if any will be notified to the customers in a transparent manner as per regulatory guideline.

3. Applicability

This policy shall be applicable to all its customers, employees and officers as well as Business Correspondent agents/ across all branches/ business segments of the Bank. While the provisions of this policy are directly applicable to the staff that are facing clients, all employees of the Bank shall be guided by the principles of this policy. This policy shall be applicable to all deposits offered/ accepted or proposed to be offered/ accepted by the Bank and lays down a framework for accepting, operations, servicing and closure of all time and demand deposits held with the Bank.

4. Governance Structure

In case of any change, this Policy shall undergo an approval process by the Board of Directors. If there is any change in this Policy, consequent upon any change in regulatory guidelines, market conditions, etc., such changes and approvals shall be deemed to be part of the Policy until the policy and framework are subsequently approved.

All operational changes w.r.t. Interest Rates shall be approved by the Bank's Asset Liability Management Committee (ALCO). The Product related changes shall be approved by the Product Management Committee (PMC) of the Bank.

5. Types of Deposit Accounts

The Bank may choose to offer following types of Deposit Products.

5.1. Demand Deposit

Demand deposit means a deposit received by the Bank, which is withdrawable on demand. There are two types of Demand Deposits:

5.1.1. *Savings Account (Including Non-Residents)*

Savings account means a form of interest bearing demand deposit primarily meant to encourage savings habit, withdrawable by means of internet banking, mobile banking, cheque, ATM, Debit card & UPI etc. It shall include both Basic Savings Bank Deposit Account (BSBDA) and Small Savings Account as mandated by the RBI and other savings accounts with varying features as designed by the Bank basis the need of its customer segment and competition. This is subjected to the restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the Bank during any specified period.

The 'Basic Savings Bank Deposit Account' would be subject to Bank's laid down guidelines on KYC for opening of accounts issued from time to time.

If such account is opened on the basis of simplified KYC norms, the account would additionally be treated as a 'Small Account' and would be subject to system restrictions on the account balance, credit summation and withdrawals/transfers.

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

Bank to adhere to the permissible credits and debits in the NR (NRO and NRE) accounts as specified in the applicable guidelines.

5.1.2. *Current Account*

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 and shall also be deemed to include other deposit accounts which are neither Savings Deposit nor Term Deposit.

Opening of Current Accounts with Bank shall also be governed by the RBI Circular on Opening of Current Accounts by Banks - and shall ensure the norms are followed as given in the RBI issued Consolidated Circular on Opening of Current Accounts and CC/OD Accounts by Banks – reference RBI/2022-23/27 DOR.CRE.REC.23/21.08.008/2022-23 dated April 19, 2022.

Bank shall be required to monitor all current accounts and CC/ODs regularly, at least on a half-yearly basis, specifically with respect to the exposure of the banking system to the borrower, to ensure compliance with instructions contained in the above circular.

5.2. *Term/Time Deposit*

Term/Time deposit means an interest bearing deposit received by the Bank for a fixed period. Within these categories, there are specific accounts that can be opened, based on the requirements of the account holder and Bank's offering. The Bank shall pay interest monthly/quarterly/half yearly/annually/at maturity to the depositor. Term deposits also include recurring deposits, bulk deposits, senior citizen deposits, tax saver deposits etc. or any term deposit product that the bank may introduce in future within permissible regulation.

The following are the illustrative types of Term Deposits:

5.2.1. *Fixed Deposits including Non-Resident Fixed Deposits*

Fixed deposit (FD) is an account where a sum of money is kept with the bank, whereby the bank pays interest at a pre-determined rate for the time duration of the deposit. The fixed deposit can be opened for a minimum period of 7 days to maximum of 10 years apart from NRE fixed deposits. NRE deposits can be opened for a minimum period of 1 year to maximum of 10 years. The rate of interest paid for fixed deposit will vary according to tenure and amount. At the end of the term, the principal and interest is returned to the customer or may be renewed as per the existing terms with customer's consent. We offer two types of variants under FD - Cumulative FD and Non-Cumulative FD. The detailed features and benefits are explained in the respective Product Note.

Cumulative Fixed Deposits:

A cumulative fixed deposit account will also be offered where interest will be reinvested. Interest is compounded quarterly based on the offering as defined as approved by ALCO.

Non-Cumulative Fixed Deposits:

A Non-cumulative fixed deposit account will be offered to customers where an amount (minimum sum defined by the bank) is kept with the bank and the bank pays interest at a pre-determined rate for the time duration of the deposit.

Bulk Deposits:

"Bulk Deposit" means Single Rupee term deposits of Rupees Three crore and above. RBI had allowed banks to use "Callability" as a distinguishing feature for a bank fixed deposit. With this feature, the Bank will offer a differential rate of interest on the deposits under Callable and Non-callable feature.

Tax Saver Deposits:

Bank Tax Saver deposit Scheme, 2006 was introduced under clause (xxi) of subsection (2) of section 80C of the Income-Tax Act, 1961 (43 of 1961) vide notification no. SO 1220 (E) dated 28th July 2006 permitting scheduled bank to open term deposits for a period not less than five years (For 1825 Days) by income tax assessee under section 80C for tax exemption.

The major benefit of investing in tax saver fixed deposit is that it helps depositor save income under Section 80C of IT Act 1961 Depositors get benefit of tax deduction upto Rs. 1,50,000/- and the deduction benefit is available to individuals, HUF and Senior Citizens.

Third Party Deposits:

Third Party Deposit is a term deposit account where Fixed Deposits are booked under the existing Customer id of the depositor. The deposit stands in the name of the concerned Government Department / Organization and advices are issued to the customers for further submission to the Govt agencies. A lien will be marked in favour of the concerned government department.

Sweep Deposit:

Sweep Deposit is a term deposit where the deposit linked with CASA and is booked for the value over and above the threshold limit defined for relevant CASA product. The Interest rate is decided by the Assets Liability Management Committee (ALCO) of the Bank.

5.2.2. *Recurring Deposits including Non-Residents*

Recurring deposits (RD) is a term deposit account where a customer invests fixed sum of amount per month in the recurring deposit account maintained with the Bank and interest is earned as per the pre-determined rate usually the same as fixed deposit rate. These accounts can be funded by giving standing instructions by which bank withdraws a fixed amount on a fixed date of the month from the

savings/current bank account of the customer (as per his mandate), and the same is credited to RD account.

5.3. Deposit Scheme for Senior Citizens

The Bank has special deposit product for Senior Citizens which permits preferential interest in respect of such deposits which is up to 1% (as approved by ALCO from time to time) higher than the regular term deposits. For Non-Resident Sr. Citizen customers' additional preferential interest is not applicable. Preferential rate benefit is also not applicable to Sr. Citizen Customers on Bulk, Non-Callable Deposit scheme, Sweep Deposit & specific deposits as may be defined by the bank from time to time. The Bank offers Fixed Deposit and Recurring deposit for senior citizens. The Bank shall have simplified procedures for transfer of deposits to the nominee of such depositors in the event of death.

5.4. Deposit Scheme for Bank Staff Deposit

The Bank shall at its discretion, allow additional interest at a rate not exceeding one per cent per annum over and above the card rate of interest subject to following conditions:

- The benefit of additional interest rate on deposits on account of being Bank's own staff, this includes both full-time and part-time employees of the Bank (including contract employees). However, it excludes employees forced to retire/ asked to quit due to disciplinary reasons.
- This benefit shall also be made available to the Chairman, Managing Director and the Executive Directors of the Bank.
- The additional interest is payable only so long as 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;

For employees who resign from the Bank, the staff account gets converted to a regular savings account. In case of an existing term deposit relationship of the staff with the Bank, it will continue at the contracted rate till the first maturity.

Jana Small Finance Bank offers 0.50% additional Interest rate (as approved by ALCO from time to time) to its staff, as defined above in their Savings Account & Term Deposit Accounts.

6. Interest Rates and Calculation of Interest

The Bank shall pay interest on savings account, RD, FD, Sweep FD at the rates as decided by the Bank within the general guidelines issued by the RBI from time to time. The Bank would obtain prior approval of Asset Liability Management Committee (ALCO) for fixing interest rates on deposits (Savings, RD, FD, Sweep, etc.) accounts

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.
- Differential rates of interest may be provided for any end-of-day savings bank balance exceeding Rupees one lakh.

No interest shall be paid on balances in current accounts. However, customers will be given an option of sweep deposit wherein above a certain threshold the balance amount will be swept in to fixed deposits in multiple of INR 5,000 /-.

The Bank shall display the rate of interest on deposits in the branch premises/website. The Bank shall communicate upfront to the deposit account holder of any changes, if any, with regard to the deposit schemes and other related services.

The Bank shall determine the rate of interest on savings account on a daily available balance basis. The Bank shall pay the customer interest on his savings balance on quarterly or monthly basis irrespective of operational status of the account.

The interest rates on deposits 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, accepted on the same date for the same tenor. Interest rates payable on deposits shall be strictly as per the schedule of interest rates disclosed in advance.

The interest is computed based on the actual number of days in a year i.e. 365 days for a non-leap year and 366 days for a leap year. The tenor of Deposit is calculated in number of days.

For all Non-Cumulative Fixed Deposits, interest is calculated on Simple interest basis. Interest payouts are as per financial year: Monthly Interest payouts will be on 1st of every month, Quarterly Interest payouts will be on the 1st of every quarter, Half-yearly payouts will be on 1st October & 1st April and Annual interest payouts will be on 1st April irrespective of the date of booking.

For Cumulative Fixed Deposits, interest is accumulated / re-invested at quarterly intervals as per product details available on the Jana Bank website.

The Bank has a statutory obligation to deduct tax at source for all term deposits and recurring deposits as per the provisions of Income tax act, 1961 wherever the amount of interest exceeds the threshold limit.

The Bank will issue tax deduction certificate (Form 16A) for the amount of tax deducted. However, where the total income of the deposit holders is below the basic exemption limit which is not chargeable to income tax, they can submit the declaration in the prescribed format (Form 15G or 15H).

The said declaration has to be submitted in the beginning of the every financial year and also at the time of opening of new deposits to avoid deduction of tax.

No interest shall be paid, where premature withdrawal of deposits takes place before completion of the minimum period of the deposit

6.1. Premature Withdrawal of Term Deposits

At the time of opening of the deposit, the Bank shall inform the customer of the premature withdrawal option, if available for the deposit being opened and the penal charges in respect of such withdrawal. The Bank shall also publicise this information by way of its website and the notice board at branches.

For Non-callable deposits, the Bank has the option to disallow premature withdrawal of large fixed deposits (fixed deposits over Rs. 1 crore) held by account holders including individuals (incl. senior citizen and HUFs) & fixed deposit over Rs. 15 lakhs for non-individual clients provided it was made known to the customer at the time of opening of the account.

The Bank at its discretion shall allow withdrawal of term deposit before completion of the period of the deposit agreed upon at the time of placing the deposit on request from the depositor/s. Such premature withdrawal shall be subject to the penalty applicable on premature withdrawal.

The term deposit must run for a minimum tenor of 7 days for FD and 30 days for RD, from the date of depositor request in order to earn any interest. Premature withdrawals before this minimum tenor will result in zero interest payment to the client. For NRE FD premature within 1 year will result in zero interest payment to the client.

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

Pre-Mature withdrawal is allowed on all deposits apart from Tax Saver deposits and Non-Callable deposits. However, under exceptional circumstances and on case-to-case basis, MD & CEO / Branch Banking Head (BBH), Chief Compliance Officer and / or Chief Risk Officer may allow premature closure of non-callable deposits.

Penalty on Premature Withdrawal of Term Deposit

Bank shall bring the penalty clause to the notice of depositor upon acceptance of deposit and the same shall be made available on Bank's website also.

In case of premature withdrawal of fixed deposit:

- The Interest rate applicable for premature closure will be lower of the rate for the original /contracted tenure for which the deposit has been booked OR the rate as prevailing on the date of deposit for the tenure for which the of deposit has been in force with the Bank.
- In case of premature withdrawal of the deposit, interest will not be paid at the originally contracted rate. In such cases interest will be paid at the applicable rate of interest for the duration which the deposit is maintained with the Bank minus premature withdrawal General penal rate as follows:
 - Fixed Deposit less than INR 300 Lakhs (Less than 'Bulk' FD) – 1%
 - Fixed Deposits greater than or equal to INR 300 Lakhs ('Bulk' FD) – 1%
- Partial withdrawal may be allowed on specified FD products as may be decided from time to time.
- Bank may change penal rates for different products however the maximum cap across all deposits will be 1%. The same will be updated on the Bank's website in the rates and charges section.
- For ex. : Liquid Plus FD penal rates is 0%

6.2. Renewal of Overdue Term Deposits

When a term deposit is renewed on maturity, the Bank shall apply the interest rate as applicable on the date of maturity on the maturity amount. If the request for renewal is received within 14 days from the date of maturity, the Bank shall renew such overdue deposits with effect from the date of maturity at the interest rate applicable as on the due date.

In respect of overdue deposits renewed after 14 days from the date of maturity, the interest for the overdue period will be paid at the savings bank rate till the date of the request for renewal. The interest rate as applicable on the date of the request for renewal shall be applied in respect of renewal of such term deposits.

If a Term Deposit matures and the proceeds remain unpaid, the amount left unclaimed would attract Savings Bank Rate of Interest.

6.3. Payment of interest on accounts frozen by the Bank by the order of the enforcement authorities term deposits/savings account

For Term Deposit:

A request (physical/ digital) shall be obtained from the customer on maturity, specifying 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, the deposit shall be renewed for a term equal to the original term.

No new receipt shall be issued to the customer.

Renewal of deposit shall be advised by registered letter / speed post / courier service/ SMS/ e-mail 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 shall also be mentioned.

In the case of a term deposit standing in the name/s of (1) a deceased individual depositor or (2) two or more joint depositor(s), where one of the depositors has died, interest shall be paid in the manner indicated below:-

In case of premature withdrawal, 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 penalty shall be charged in case of a premature withdrawal from the account of a deceased depositor.

On the date of maturity, interest shall be paid at the contracted rate.

If the claim is after the date of maturity, irrespective of whether the death occurred before or 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 savings 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.

For Savings Account:

The Bank shall continue to credit the interest to the account on a regular basis Interest payable on deposit account of a deceased depositor

In the case of balances lying in current account standing in the name of a deceased individual depositor/sole proprietorship concern, interest shall be paid 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.

For Current Account:

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.

7. Opening and Operation of Deposit Accounts

Bank will offer all types of deposit accounts such as Current Accounts (CA), Savings Accounts (SA), Term Deposits (TD) & Recurring Deposit (RD) including Non Resident CASA & TD, to all eligible segment of customers in accordance to the KYC policy of the Bank and there will be separate operational guidelines issued by the bank for accepting such deposits. The Bank shall launch any new domestic deposit mobilization with the approval of the Product Management Committee and Board, as required, after ensuring compliance with the regulatory requirements.

7.1. Facilities for all Deposit accounts

The Bank shall provide its customers details of various types of Bank accounts that can be opened and highlight the key features for each type of account. The Bank shall ensure that the product material, brochures or any literature highlighting the terms and conditions as well as service charges/ fees of the product, is fair, clear and not misleading.

- The branch staff/ BC agents of the Bank shall carry out due diligence as required under "Know Your Customer" (KYC) guidelines issued by RBI and or such other norms or procedures adopted by the Bank before opening any deposit account as defined in the KYC/AML Policy of the Bank.
- The Bank shall open accounts providing basic banking services to unbanked / disadvantaged sections of the society with relaxed customer acceptance norms as per regulatory guidelines as elaborated in the KYC/AML policy of the Bank.
- The Bank shall undertake due diligence process, while opening a deposit account which involves identification of the person, verification of address, satisfying about his occupation and source of income. The Bank shall obtain fresh photographs from the customer proposing to open the account.
- The Bank shall categorize customers based on the risk perception and prepare profiles of customers for the purpose of transaction monitoring. Periodic re-KYC of customers based on their risk categorisation shall be carried out by the Bank in line with the KYC / AML policy.
- The Bank shall provide the prospective depositor with account opening forms and other material such as brochures indicating service charges, Code of Commitment to Customers. The Bank official opening the account shall explain the procedural formalities and provide necessary clarifications sought by the prospective depositor when he/she approaches for opening a deposit account.
- The Bank shall communicate to the prospective depositor all details regarding terms and conditions for operation of the accounts and schedule of charges and fees for various services provided while opening the account or from time to time as the case may be. The applicants can reach out to the branch or a Bank executive for any queries or clarification that they may have in relation to account opening.
- The Bank staff shall have the right to decline the opening of account if the account holder is not able or willing to provide necessary information regarding his address or identity.
- The Bank reserves the right, at its sole discretion, to open the Bank account upon receipt of an application, and at such terms, as the Bank may prescribe from time to time.
- Bank offers clients an option to provide nomination on their deposit account/s.

7.1.1. Minor Accounts

The Bank shall instruct their branches to allow minors to open / operate accounts jointly with parent/guardians till the minor becomes major. The Bank shall allow natural (mother or father) or legal guardians of the minor to operate the minor's account.

The Bank shall not grant overdraft /loan to such minors. The Bank shall ensure that minor accounts are not overdrawn and always remain in credit.

The Bank shall obtain from the account holder (erstwhile minor) on attaining majority, specimen signature, identification documents and his/her latest photograph to allow operations by the account holder of the account.

Minors above the age of 10 years may be allowed to open and operate savings bank accounts independently, if they so desire. On attaining majority, confirmation will be obtained from the erstwhile minor on the balance in his/her account and if the account is operated by the natural guardian / legal guardian, fresh operating instructions and specimen signature of erstwhile minor will be obtained and kept on record for all operational purposes.

7.1.2. Accounts for persons with disabilities/illiterate persons/visually impaired person/Senior Citizens

Accounts for illiterate persons

The Bank shall allow a person to open any accounts provided the applicant shall be accompanied along with a witness, who is known to the Bank. The Bank shall not discriminate while opening accounts for illiterate / blind and follow the guidelines of RBI from time to time.

The Bank official shall be present in case of persons with disabilities/illiterate persons/visually impaired person visits the branch for withdrawals/ repayment of term deposit and the account holder is required to affix his/ her thumb impression/mark.

Disabled persons who are unable to write

The Bank shall open bank account for persons with disabilities and unable to write but capable of affixing thumb impression. The Bank shall allow the account holder/ any other person to operate the account.

Blind/Visually Impaired Person

The Bank shall ensure that there is no discrimination in offering any facility to a blind/ visually impaired person and shall allow all banking facilities such as cheque book facility including third party cheques, ATM facility, Net banking facility, retail loans, etc. to be offered to such customers.

Under-Guardian accounts for Disabled (adult) persons with autism, cerebral palsy, mental retardation and multiple disabilities:

The Bank shall allow opening of accounts of persons with Autism, Cerebral Palsy, Mental Retardation, Mental Illness and Mental Disabilities after appointing guardian/managers and shall also take note of the legal position and orders/certificates issued by the competent authority, under the acts applicable to such account holders. The bank shall allow operations of Old, sick and incapacitated persons in reference to (RBI Master Circular on customer service dated July 01, 2015)

Senior Citizens:

Scheduled Commercial Banks shall, at their discretion, formulate term deposit schemes specifically for resident Indian senior citizens, offering higher and fixed rates of interest as compared to normal deposits of any size. 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.

The Bank shall open the accounts of senior citizens with the below mentioned facilities

I. Cheque Book Facility

- a) Minimum 25 cheque leaves every year shall be provided free of cost (on request).

- b) Bank shall not insist on physical presence of senior citizens for getting cheque book and shall issue cheque book for requests received through Internet and Mobile Banking channels
- II. **Automatic conversion of status of Sr. Citizen:**
Sr. Citizen's status in Bank system shall be automatically converted when primary account holder attains 60 years of age based on the date of birth available in bank's records
- III. **Ease of filing Form 15G/H**
Banks shall provide senior citizens Form 15G/H once in a year (preferably in April) to enable them to submit the same, where applicable, within the stipulated time.
- IV. **Door Step Banking**
Senior citizens of more than 70 years of age shall be provided door step banking for basic banking facilities, such as pick up of cash and instruments against receipt, delivery of cash against withdrawal from account, delivery of demand drafts, and submission of Know Your Customer (KYC) documents. This facility is offered at no additional cost / charge / fee to senior citizens

Transgender:

In case of a person claiming to be transgender and needs to open account or to do any banking transaction, the person will be recognized as "Third Gender" and the details shall be accepted in the AOFs/ or other applicable forms as such. All transgender customers shall be treated equally to other male/ female customers without any discrimination.

7.1.3. *Accounts under Special Situations*

In case of special situations including accounts of entities or individuals involved in bankruptcy proceedings, legal/ regulatory proceedings or other special situations, the Bank shall continue to service account operation requests by account owners/ authorized signatories, unless instructed otherwise in writing by appropriate authorities.

Upon receipt of such instructions, the Bank shall ensure appropriate action, including, but not limited to monitoring or freezing of the concerned accounts.

7.1.4. *Operation of Joint Accounts*

The Bank shall allow the deposit accounts to be opened by the account holder singly or jointly with any other eligible person. Joint accounts can be opened by more than one individual and can be operated either singly or jointly, as specified by all the account holders. The operating rules in a joint account can be modified only with the consent of all account holders. The joint account holders can give any of the following mandates for operations of the account:

Either or Survivor:

This is applicable for accounts with two holders. The account can be operated by any one of the account holders during the lifetime of the account holders and the survivor in case of death of any of the account holders. It is clarified that 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.

Anyone or Survivors:

This is applicable for accounts with more than 2 account holders. The account can be operated by any one of the account holders during the lifetime of all the account holders and the survivors in the case of the death of any of the account holders.

Former or Survivor:

This is applicable for accounts with more than 2 account holders. The account can be operated by the first holder of the account and the survivors in the case of death of any of the account holders. Joint accounts can be opened by two or more NRIs and/or PIOs or by an NRI/PIO with a resident relative(s) on 'former or survivor' basis. However, during the life time of the NRI/PIO account holder, the resident relative can operate the account only as a Power of Attorney holder.

Joint signatories:

This is applicable for accounts with two or more account holders. The account shall be operated by all the account holders during the lifetime of all the account holders.

There could be other mode of operations as well, as defined and permitted by the Bank and basis the request from customers.

7.1.5. Addition / Deletion of Account Holders

The Bank may at the request of all the joint account holders allow addition or deletion of name/s of joint account holder/s or allow an individual depositor to add the name of another person as a joint account holder. Primary holder cannot be deleted from the accounts. This is permissible only in the case of death of primary holder. In other cases with mutual consent of all the account holders, the secondary holders in the account can be modified.

The Bank shall at its discretion and at the request of the joint account holders of a deposit receipt allow the splitting of the joint deposit in the name of each of the joint account holders only provided that the period and aggregate amount of the deposit do not undergo any change.

In case of NRE deposits, it should be held jointly with non-residents only. However, a resident individual may be added as joint holder in NRE / NRO account under "Former or Survivor" mode of operations only.

7.1.6. Mandate/ Power of Attorney holder

The Bank shall register mandate/ power of attorney given by the customer authorizing another person to operate the account on his/her behalf at the specific request of the depositor subject to adequate due diligence of the person being authorized to operate the account. Operations on an NRE account may be allowed in terms of Power of Attorney or other authority granted in favour of a resident by the non-resident account holder, provided such operations are restricted to withdrawals for local payments or remittance to the account holder himself through banking channels.

The resident Power of Attorney holder is not allowed to

- i. Open a NRE account;
- ii. Repatriate outside India funds held in the account other than to the account holder himself;
- iii. Make payment by way of gift to a resident on behalf of the account holder;
- iv. Transfer funds from the account to another NRE account.

7.2. Facilities for Demand Deposit

The Bank shall open savings and current accounts for eligible persons in line with the applicable regulatory requirements, which shall be elaborated in the Product note on savings accounts and current accounts. Standing instructions can be given to the Bank for transfer/remittance of funds from one account to other account(s) maintained in the same branch, any other branch of the bank.

The bank accepts mutilated / soiled notes from customers / non-customers for exchange. Process of acceptance of such notes has been defined as per RBI's note refund rules and circulated to all the branches for adherence.

All branches of the Bank offer the facility of exchange of soiled notes, exchange of mutilated and cut notes, exchange of coins including uncurrent coins into notes or coins. The process of exchange would be as per RBI's Note Refund Rules.

"The demand deposit accounts may be transferred to any other branch of the Bank at the request of the depositor."

7.2.1. Minimum Balance / Service charges

In respect to the BSBDA accounts, the Bank shall not stipulate any minimum balance to be maintained. In accounts other than BSBDA, the Bank shall stipulate the minimum balance to be maintained on a monthly/ quarterly/ annual basis, which shall be communicated upfront to the customer by way of the Schedule of Charges.

The Bank shall levy penal/service charges in the event of non-maintenance of minimum balance, which shall be notified to the customer clearly by SMS / email / letter, etc. If the customer does not restore the minimum balance within 1 month from the date of notice of the shortfall, the Bank shall recover the penal/service charges after due intimation to the customer. However, if the account is inoperative, the Bank shall not charge penal charges for minimum balance.

Information on other charges, where applicable, for services rendered by the Bank are provided in the Schedule of Charges of such accounts, which shall be explained by the Bank staff and also given to the customer at the time of account opening. For amendment of the service charges, bank will provide intimation through website display & branch notice board, 30 days in advance to the customers. (Reference: RBI Master Circular on customer service dated July 01, 2015)

7.2.2. Account Statements / passbook

The Bank shall offer statement / passbook facility for all savings account holders. In case of customers who have opted for the monthly statement of accounts, the Bank shall provide the statements with informative and intelligible entries.

In case of Account statement (physical) request by the Customer, the Bank shall levy charges as specified in the Schedule of Charges. In the interest of better customer service, it has been decided that Banks shall at a minimum provide the relevant details in respect of entries in the accounts

7.2.3. Stop Payment Facility

The Bank will accept stop payment instruction from the account holders in respect of cheques issued by them within the specified timeframe as per the channels specified by the Bank from time to time. Charges, as specified in the Schedule of Charges, will be applied.

In case of loss of the cheques in transit or clearing or at the branch, the Bank staff shall immediately inform the customer so that he/ she can place the stop payment instructions in respect of such cheques. Such stop payment of instruction shall not be subject to any charges.

8. Rounding Off of Transactions

All transactions, including payment of interest on deposits/charging of interest on advances, shall be rounded off to the nearest rupee i.e., fractions of fifty paise and above shall be rounded off to the next higher rupee and fractions of less than fifty paise shall be ignored.

The Bank shall also ensure that cheques/ drafts issued by customers containing fractions of a rupee are not rejected or dishonored.

9. Policy on Term Deposits Maturing on Non-Working Days

If a term deposit (incl. NRE deposits) is maturing for payment/ renewal 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 next working day.

In case of an instruction for automatic renewal, the deposit would be renewed on the first working day after the date of maturity of the deposit

10. Customer Information Utilization & Secrecy of Customer's Account

The Bank shall maintain complete confidentiality of the customers' information and shall not disclose details/particulars of the customer's account to a third person or party. The Bank shall not share any such information for the purposes of cross-selling. In certain exceptions, the Bank shall share the customer information:

- Where disclosure is under compulsion of law
- Where there is duty to the public to disclose
- Where interest of bank requires disclosure and
- Where the disclosure is made with the express or implied consent of the customer.

The Bank shall obtain necessary information from the customer in order to ascertain the identity of the customer. Any additional information sought by the Bank shall only be on a voluntary basis and the Bank official shall explain to the customer the reasons on why such information is necessary/ required.

11. Insurance Cover for Deposits

The Bank shall inform the customers that all bank deposits are covered under the insurance scheme offered by Deposit Insurance and Credit Guarantee Corporation of India (DICGC) subject to a maximum of Rs 5 lakh. The Bank shall communicate to the customer that the limit of Rs 5 lakh is inclusive of both the principal and accrued interest on such deposit held by the customer in the same capacity and right in all branches of the Bank.

However, deposits held by banks, Central and State governments (including quasi government bodies, local autonomous bodies, Government Corporation) and foreign government are not covered under the scheme.

12. Redressal of Complaints and Grievances

If the customer is unhappy or has any complaint regarding the products/ services offered to him/ her, the designated authority of the Bank shall handle customer complaint/ grievances raised by depositors.

The Bank shall display the names of the Nodal Officers for redressal of complaints / grievances in the branch premises and internal set up for redressal of complaints shall be displayed on the Bank's website. The branch officials shall provide all required information regarding procedure for lodging the complaint.

The grievance redressal mechanisms available shall be as specified in the Grievance Redressal policy of the bank.

13. Prohibitions and Exemptions

Prohibitions

Banks shall not:

- 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:
 - Commission paid to agents employed to collect door-to-door deposits under a special scheme.
 - Commission paid to Direct Selling agents/Direct Marketing Agents as part of the outsourcing arrangements.
 - Remuneration paid to Business facilitators or Business Correspondents.
- Offer prize/lottery/free trips (in India and/or abroad), etc or any other initiative having element of chance for mobilizing deposits. However, inexpensive gifts costing not more than Rupees 250/- which is the amount prescribed by the Indian Banks' Association (IBA) as part of the Ground Rules and Code of Ethics framed by them may, at the bank's discretion, be given to depositors at the time of accepting deposits.
- 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 mobilisation.
- 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.
- Accept interest-free deposit other than in current account or pay compensation indirectly.
- Accept deposits from/at the instance of private financiers or unincorporated bodies under any arrangement which provides for either issue of deposit receipt/s favouring client/s of private financiers or giving of an authority by power of attorney, nomination or other-wise, for such clients receiving such deposits on maturity.
- Grant advances against term deposits maintained with other banks.

- Open a savings deposit account in the name of entities other than individuals, Karta of HUF and organisations/agencies as allowed by the Reserve Bank of India.
- Create any fund to be utilized for charitable purposes in consultation with the depositors.

Exemptions

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

- A deposit received by the bank:
 - from the institutions permitted to participate in the Call/Notice/Term Money Market both as lenders and borrowers.
 - for which it has issued a participation certificate;
 - under the Capital Gains Accounts Scheme, 1988, framed by the Government of India in pursuance of sub-section (2) of Section 54, sub-section (2) of Section 54B, sub-section (2) of Section 54D, sub-section (4) of Section 54F and sub-section (2) of Section 54G of the Income-Tax Act, 1961; and
 - under the Certificate of Deposit Scheme.
- Payment of interest on delayed collection of outstation instruments like cheques, drafts, bills, telegraphic/mail transfers, etc.

14. Policy Implementation and Update

This policy shall come into force from the date of approval by the Board of the Bank. This may be reviewed annually or on an as-needed basis, but shall be effective till subsequent approval by the Board of the Bank.