



बैंक जमा पर नीति

Policy on Bank Deposits

2024-25



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Chapter-1 PREAMBLE

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

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

While adopting this policy, the bank reiterates its commitment to individual customers outlined in the Bankers' Fair Practice Code of the Indian Banks' Association. This document is a broad framework under which the rights of common depositors are recognized. Detailed operational instructions on various deposit schemes and related services will be issued from time to time.

Chapter-2 TYPES OF DEPOSIT ACCOUNTS

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

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

- iv. “**Term Deposit**” means a deposit received by the Bank for a fixed period – withdrawable only after the expiry of the fixed period; subject to terms & conditions stipulated by the Bank, from time to time and include deposits such as Recurring/Double Benefit Deposit/Short Deposit/Fixed Deposit/CD Plus, SB Plus etc.

Chapter-3

ACCOUNT OPENING AND OPERATIONS OF DEPOSIT ACCOUNTS

A) Customer Acceptance and KYC Norms

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

- (v) The due diligence process, while opening a Deposit Account involves, satisfying the identity of the person, verification of address, satisfying about his/her occupation and source of income and obtaining a recent photograph of the person/s opening/operating the account, as a part of the due diligence process. As per the provisions of the Prevention of Money Laundering Act, 2002 and the rules made there under by the Government, as well as guidelines issued by the Reserve Bank of India (RBI) on KYC, obtaining identification documents for every customer is mandatory and introduction by a 3rd party is not a substitute for KYC documentation. The 'Basic Savings Bank Deposit Account' would be subject to RBI instructions on Know Your Customer (KYC) / Anti-Money Laundering (AML) for opening of bank accounts issued from time to time. If such account is opened based on simplified KYC norms, the account would additionally be treated as a BSBDA-'Small Account' and would be subject to conditions stipulated for such accounts as indicated in paragraph 3.2.2(l) (A) (vi) of RBI Master Circular dated July 01, 2015, on 'KYC norms / AML standards / Combating of Financing of Terrorism (CFT) / Obligation of banks under PMLA, 2002'.
- (vi) In addition to the due diligence requirements, under KYC norms, the bank is required by law to obtain Permanent Account Number (PAN) or General Index Register (till such time Permanent Account Number is allotted) or alternatively declaration in Form No. 60 or 61 as specified under the Income Tax Act / Rules and PMLA Rules amended vide notification dated 1st June 2017 and subsequent amendments.

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

B) Opening of Accounts

- i) The account opening forms and other material would be provided to the prospective depositor by the Bank. The same will contain details of information to be furnished and documents to be produced for verification and/or for record. It is expected of the Bank Official while opening the account, are to explain the procedural formalities and provide necessary clarifications sought by the prospective depositors when they approach for opening a deposit account.
- ii) The bank shall also allow customers to open Deposit accounts online through mobile application, website and / or any other prevalent electronic media, taking all the precautions and necessary KYC / Video KYC as per the extant regulatory guidelines from time to time.

- iii) Deposit Accounts can be opened by an individual in his own name or jointly by more than one individual in their joint name. SB Account can also be opened by a minor, jointly with his Natural Guardian or with Mother, as the Guardian. Minors of the age of 10 years & above who can sign will also be allowed to open and operate SB Account, independently.

C) Basic Savings Bank Deposit Accounts (BSBDA)

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

D) Savings Bank Accounts

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

Schedule-1

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

E) Current Accounts

Can be opened by Individuals/Proprietorship Firms/Partnership Firms/Private & Public Limited Companies/HUFs/Specified Associates/Societies/Trusts, etc. As per RBI norms, all entities which are entitled to open any bank account can open a current account. Where the person is opening a current account for the purpose of business, branches will carry out physical verification of the shop/business/establishment. Branches, after opening current accounts will also verify that the nature and volume of transactions are commensurate to business. Bank has a detailed STANDARD OPERATING PROCEDURE (SOP) -for Opening of Current Accounts by Banks – the Need for Discipline in place. (HO GOD Circular letter 2022-23/26 dated 19.05.2022).

F) Term Deposits

- i. Term Deposit Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates / Societies / Trusts, Departments of Authority created by Government (Central or State), Limited Liability Partnership etc.
- ii. The Term Deposits are classified into two broad categories viz. Retail Term Deposits and Bulk Deposits. The limit for the same is defined by RBI from time to time. At present a single Rupee term deposit of below Rupees Three Crore is defined as a Retail deposit and that of Rupees Three Crore and above is defined as a **Bulk deposit** (Reference RBI/2024-25/40 DoR.SPE.REC.24/13.03.00/2024-2025 Dated 07-06-2024).
The general information on various Deposits products & Interest rates offered by our Bank is available on the Bank's website.
- iii. The Term Deposit Account holders at the time of placing their deposits can give instructions about the closure of the Deposit Account or renewal of deposit for a further period on the date of maturity. In the absence of any such instructions, there will be an automatic renewal of the deposits for the same period as was for the last deposit at the prevalent rate of interest on the date of renewal. However, in case of a non-KYC compliant / pending REKYC account, the account will be frozen and only after completion of KYC, it can be renewed with value date.

G) Debit cards- Issue and Eligibility

- i) Bank may issue Debit cards to customers having Saving Bank/Current Accounts. Bank may charge on debit card transactions within stipulated benchmarks as per applicable regulatory guidelines. The bank has fixed a Merchant Discount Rate keeping it competitive with the market. Bank has formulated a comprehensive debit card issuance policy including policy on co-branded debit cards with the approval of the Board and the debit cards are issued to the customers in accordance with the Card Management Policy- Version 6 approved by the board on 20-12-2023. The main features of the said policy regarding eligibility norms for issue of debit cards are as under:
- ii) Customers who can be issued Debit Cards:
 - a) Renewal of Debit cards after getting explicit consent of the customers, excluding cases where the customers are ineligible.
 - b) To all Individual customers having Operative Accounts - Savings Bank account, Current Account held Singly, held jointly only when the Operational Instruction is "Either or Survivor" OR "Any one of Us". Cards may be issued to all joint account holders.
 - c) To all Individual customers having Operative Accounts - Savings Bank account, Current Account having Operational Instruction as "Former or Survivor". In such case Debit Card shall be issued to Former/First Account holder only.
 - d) If the Mandate for operation is other than the ones mentioned above, Debit Card still can be issued to a joint account holder if letter of authority/Application for issuance of Debit Card is executed by all the account holders.
 - e) Proprietary Current Accounts in personal names of the Proprietor. Partnership (as per the operating instructions mentioned in the partnership agreement) and HUF Operative Accounts to KARTA with the consent of all co-parceners.
 - f) NRE Operative accounts, including Power of Attorney (POA) holder/ Mandatee.
 - g) Staff Accounts (Only saving account).
 - h) Pension Accounts (Only saving account).
 - i) Self-operated Minor's Account where age is 15 years and above, where Debit Card with limited facility is available.
 - j) Differently abled Persons, Illiterate persons, visually challenged.
 - k) No frills / Small Accounts
 - l) PAN Number is Mandatory for Issuance of International Debit Card
- iii) Customers who are not eligible for Debit Cards:
 - a) Customers where mobile number is not seeded or is non-KYC compliant.
 - b) Company Accounts
 - c) Trust Accounts

- d) Accounts opened in the name of Club, Societies, Government and Quasi-Government Departments
 - e) Insolvent entities, including mentally disabled persons, firms and companies etc.
 - f) Accounts where Debit Operation is frozen by Court / Government Authorities / Bank
 - g) Deceased Accounts where joint account holders account holder/all/ Proprietor/Partner(s) has/have deceased.
 - h) Undesirable Accounts or where Notice for closure of account has been served
- iv) Renewal of Debit card shall not be done in respect of Cards where:
- a) There have been no customer-initiated transactions (either card present or card not present) validated through Debit Card within the last one year of the expiry date of the card
 - b) The customer has surrendered the card or closed the account
 - c) When cards are hot listed/inactive.
 - d) The linked accounts are closed/dormant/NPA
 - e) The customer has not provided his/her consent.
- iv) Debit Card to Joint Account Holders
- In case of Operative Accounts having Mode of Operation as "Either or Survivor" or "Any one of Us", the Debit Card issued to the First Account Holder shall be treated as Primary card and the Debit Card issued to other account Holder/s treated as Add-on-card. In case of all Individual customers having Operative Accounts with Operational Instruction as "Former or Survivor" shall be issued to Former/First Account holder only. If the Mandate for operation is other than the ones mentioned above, Debit Card still can be issued to a joint account holder if letter of authority/application for issuance of Debit Card is executed by all the account holders in his/her favor.

H) Minimum Balance Requirements

i) Saving and Current accounts:

For deposit products like Saving Bank (SB) Account and Current Deposit (CD) Account, the Bank will normally stipulate a certain minimum balance/minimum Average Quarterly Balance (AQB)/Average Monthly Balance (AMB) to be maintained as a part of the terms and conditions governing operations of such accounts which will be displayed on the branch notice board/Website. Failure to maintain minimum balance/ minimum Average Quarterly Balance (AQB)/Average Monthly Balance (AMB) in the account will attract a levy of charges as specified by the Bank from time to time. Upon completion of 45 days of the quarter/15 days of the month (AQB/AMB), the Bank will endeavor to send a message requesting them to maintain average balance in their accounts to avoid any penalty. The SMS shall go to the

account holders whose AQB/AMB is less than the prescribed AQB /AMB required to be maintained in account. Accordingly, if the requisite Average Quarterly Balance (AQB) / Average Monthly Balance (AMB) of one quarter (AQB)/ one month (AMB) is not maintained in the savings bank account, penal charges shall be levied by the system on the completion of the quarter (AQB) /month (AMB) and the same will be notified to the customer through SMS. The charges shall be levied slab-wise based on AQB/AMB maintained in the account vis-à-vis stipulated AQB/AMB requirement. The slab structure for recovery of charges in the various categories of Saving Bank and Current account is available on Bank's website and is subject to revision from time to time.

ii) Term Deposit minimum amount:

- Minimum Term Deposit amount is Rs.10000/-
- In case of Earnest money, tender or court order, the minimum amount can be less than Rs. 10000/- provided it is supported by relevant documents.
- Recurring Deposit amount (min. instalment amount) is Rs.500/-
- Flexi Recurring Deposit account (min. instalment amount) is Rs.1000/-
- There would be no cap on maximum amount of Term deposits but there would be a cap of Rs 10,00,000 (instalment amount) which can be accepted by the branches under Recurring deposits and Flexi recurring deposits. For amount over Rs 10,00,000 branches must get prior approval from GM HO-Resource Mobilisation.

I) Operations in Account

- i. For SB and CD Accounts, Bank may also place restrictions on the number of transactions, cash withdrawals, etc., within a given period. Similarly, the Bank may specify charges for issuance of cheque books, additional statements of accounts, duplicate passbook, account maintenance charges, etc. Statement of Account is sent through email on customer's request, it is also made available through internet banking, mobile banking, phone banking and Mini statement through ATM. All such details regarding terms and conditions for the operation of the accounts and schedule of charges for various services provided are available on the Bank's website and are subject to revision from time to time.
- ii. The Bank has already implemented Mobile and Internet Banking after obtaining requisite approval from the Reserve Bank of India. The Bank has also obtained necessary approvals for the perceived risks and mitigation measures have been adopted before launching the scheme. Bank may place per transaction limit, based on the risk perception with the approval of the Board/Competent Authority. The use of mobile banking services for cross-border inward and outward transfers is presently not permitted.

- iii. At the request of the depositor(s), the Bank may permit and register the mandate/power of attorney given by him/her/them, authorizing another person to operate the Account on his/her/their behalf.
- iv. Depositors availing internet/mobile banking facility under Star Connect (Retail)/BOI Mobile App, with funds transfer option, can open or close FDR online. E-mail advice is sent to the customer on registered E-mail ID and no physical advice is sent for Term Deposits booked through Net Banking/Mobile Banking. In case no E-mail Id is registered, the customer must collect the Term Deposit receipt from the Branch. Customers can check Term Deposit holdings on Term deposit summary page on the next working day. The Term Deposit Online facility consists of both online opening and closing of TDR opened online. The online closure of term deposits is channel specific i.e. Term Deposits opened through Internet Banking with a mode of operation as single can be closed through Internet Banking only and Term Deposits opened through Mobile banking with mode of operation as single and can be closed through mobile banking application only. The customer needs to visit the branch for all the other cases and other activities related to TDR like Loan against TDR, Change/Cancellation of Nomination, etc. The customer can update the details of nomination through internet banking for single account initially. However, any change in existing nominations is not accepted through Internet Banking.
- v. Specific charges for the issue of cheque books, additional/duplicate statement of account, passbook, copies of paid cheques, account maintenance charges, ATM/Debit Card charges, verification of signatures, return of cheques, change in mandate or style of account, etc. will be recovered as applicable from time to time.
- vi. In general, a Passbook will be provided by the Bank to the depositors for SB Account and a statement of account for CD account holders periodically as per the terms and conditions of opening the Account. E-statements of accounts shall be sent on the registered E-mail Id of SB Account holder and CD Account holder.
- vii. The Deposit Accounts may be transferred to any other branch of the Bank at the request of the Account Holders (request to be submitted with parent bank branch where the account is maintained).
- viii. The bank offers a choice of electronic channels to customers for conducting their banking transactions, which channels includes ATM, Internet banking, mobile banking including SMS banking facility and phone banking. Wherever such electronic facilities are offered as a part of the basic

account/product, the Bank will obtain specific consent from the customers after explaining the risks associated with availing of the facility.

J) Operations in Joint Account –

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

i) The Joint Account Holders can give any of the following mandates for the disposal of balances in the above Accounts:

a) **“Either or Survivor”**: If the account is held by two individuals, say A & B, the final balance along with interest, if applicable, will be paid to **either of the account holders i.e. A or B, on the date of maturity**. In case of a premature closure, signatures of both the individual account holders would be required or of the survivor on death of anyone of the Account Holders.

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

c) **“Anyone or Survivor/s”**: If the Account is held by more than two individuals, say A, B and C, the final balance along with Interest, if applicable, will be paid to any one if all of them are alive or to the survivor/s on the death of any of the Account Holders

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

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

- ii) If the joint depositors prefer premature withdrawal of deposits in accordance with the mandate of 'Either or Survivor', 'Anyone or Survivor' or 'Former or Survivor', the Bank may allow a premature withdrawal of term deposits to the surviving depositor/s without seeking concurrence of the legal heirs of the deceased deposit holder(s), provided all the depositors have given a specific joint mandate for the said purpose at the time of opening the account or at any time subsequently during the tenure of the deposit.
- iii) There are no restrictions for persons of the Queer community to open a joint bank account and to nominate a person in queer relationship as a nominee to receive the balance in the account, in the event of death of the account holder.
- iv) ADDITION OR DELETION OF THE NAME/S IN AN ACCOUNT
In Joint Account, the Bank may at the request of all the Joint Account holders allow addition or deletion of name/s of Joint Account holders if the circumstances so warrant. In the case of individual Accounts, the Bank may allow an individual depositor to add the name of another individual as a Joint Account Holder. However, the amount or duration of the original deposit shall undergo a change in any manner in case of term deposit.

K. Nomination

- (i) A nomination facility is available for all deposit accounts opened by the individuals. Nomination is also available to a Sole Proprietary Concern Account. Nomination is not permitted in favor of Company, Firm, Trust, HUF, etc.
- (ii) The Bank recommends that all depositors should avail themselves of the nomination facility.
- (iii) The nominee, in the event of death of the depositor/s, would receive the balance outstanding in the Account of the deceased as a Trustee of the Legal Heirs. The depositor will be informed of the advantages of the nomination facility while opening a Deposit Account.
- (iv) The depositor has the discretion of putting nominee's name on passbook/term deposit receipt.
- (v) Nomination can be made in favor of one or more persons not exceeding four, either successively or simultaneously.
- (vi) Where the nomination is made successively in favour of more than one person under clause (v) above, the nomination shall be effective only in favour of one person in the order of priority specified in section 45ZG of The Banking regulation Act, 1949.
- (vii) Where the nomination is made simultaneously in favour of more than one person under clause (v) above, 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 bank, 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,
- (e) any nomination which does not comply with any of the terms and conditions specified in clause (a) to (c) above, shall be invalid, as if nomination had not been made by the depositor or all the depositors together, as the case may be.

(viii) Where the nomination is made simultaneously in favour of more than one person successively under clause (v) above, 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.
- (d) where the order of nomination is not mentioned, persons shall be deemed to have nominated in the order in which their names appear in the nomination.

(ix) Nomination so made can be cancelled or modified by the Account Holder/s at any time.

(x) Nomination can be made in favor of a minor also. In case the nominee is a minor, the depositor (s) while making the nomination should appoint another individual not being a minor to receive the amount of deposit on behalf of minor nominee in the event of the death of depositor(s) during the minority of the nominee. In the case of Joint Accounts, nomination or modifications of nomination should be made by all depositors, jointly.

L) STOP PAYMENT FACILITY:

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

Chapter-4
INTEREST IN DEPOSIT ACCOUNTS:

A General Terms

i) Interest shall be paid on the Savings Account at the rate specified by the Bank from time to time which will be calculated on a daily product basis and will be credited quarterly in the months of May, August, November and February, or at the time of closure of the account.

ii) In terms of RBI directives, interest shall be calculated at quarterly intervals on Term Deposits and will be paid at the rate decided by the Bank, depending upon the period of the deposit. In the case of a monthly deposit scheme, the Interest shall be calculated for the quarter and paid monthly at a discounted value. The Interest on Term Deposits is calculated by the Bank in accordance with the formulae and conventions advised by the Indian Banks' Association.

iii) The rate of Interest on Deposits will be prominently displayed in the branch premises/on the Bank's Website from time to time. Changes in rates, if any, about the deposit schemes and other related services shall also be given coverage in the media.

iv) The rate of interest on Term Deposits is decided by the Asset Liability Management Committee (ALCO). The Bank doesn't discriminate in the matter of interest paid on retail deposits, between one deposit and another, accepted on the same date and for the same maturity, whether such deposits are accepted at the same office or different offices of the bank. However, the Bank reserves the right to give higher ROI to select categories (Staff/Ex-staff/Senior/Super Senior Citizens).

v) The Bank has statutory obligations to deduct tax at source if the total interest paid/payable on all Term Deposits held by a person during a financial year exceeds the amount specified under the Income Tax Act. The customer may give instructions to deduct TDS payable on the deposit, from an operative account linked to the Term Deposit account otherwise the amount of tax would be deducted from interest payable on term deposits and the maturity proceeds of the deposits will be lower than that mentioned on Term Deposit receipt. The Bank will issue a Tax Deduction Certificate (TDS) for tax deducted. The depositor, if entitled to exemption from TDS, shall submit a declaration in

the prescribed format i.e. Form 15G/15H at the beginning of every financial year. DEPOSITORS must furnish their PAN Number along with 15G /15H. Failure to furnish PAN or Form 15G/15H, annually, will result in a deduction of TDS at the prevailing rate advised by the Income Tax department.

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

B) Additional rate of interest

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

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

a) Additional Rate of Interest to Staff members –

- Staff/Ex-Staff Member (including Chairman, Managing Director & CEO, Executive Director or such other Executive appointed for a fixed tenure for period of their tenure), wherein the first account holder is Staff/Ex-Staff, and the Employee Id is entered in the Cust Id linked to Term Deposit account
- Spouse of deceased Staff (Spouse of deceased Staff should be First account holder)/ or any family member of the deceased Staff who is getting the Family pension of the deceased staff.
- Retired Staff who have taken VRS (including VRS prior to Finacle)
- An association or a fund of Staff members (not of Ex-Staff members) i.e. any association of Staff members that does not have any EX-Staff as a member of the association.
- However, the additional rate cannot exceed one percent.
- Additional rate of interest on term deposits for Staff members will be applicable to the amount owned and deposited by the Staff. If asked for, Staff must provide proof of source of income which should be justifiable and accepted by the Bank.

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

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

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

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

It is decided by the Bank that Senior/Super Senior Citizen interest rate benefit is to be given to the customers who are Senior/Super Senior Citizen during the time of making or renewing of TDR. This benefit will also be offered to customers who prematurely break the TDR and seek renewal extension for a longer period. The age of the depositor making/renewing /extension of TDR will be considered while offering additional ROI over the card rate. The provision of Senior/Super Senior Citizen rates is to be provided with the following conditions:

1. **Deposit amount:** This provision shall be applicable for retail term deposit only i.e. for less than Rs.3 crore and applicable for the following: -
 - a) Minimum Deposit amount is Rs.10000/-
 - b) Normal Recurring Deposit amount (min. instalment amount) Rs.500/- o Flexi Recurring Deposit account (min. instalment amount) Rs.1000/-
 - c) Remaining tenor of the TDR is minimum 6 months & above.

2. Tenure of the deposit to be run after the making/renewal/extension is to be considered for fixing additional ROI. The said Tenor is described as under

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

as decided by ALCO from time to time

d) Premature closure penalty:

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

e) Additional Rate of Interest in Savings Bank deposits:

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

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

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

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

- (i) The additional interest is payable till the person continues to be eligible for the same and in case of his ceasing to be so eligible,

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

C) Mode of calculation of interest:

i. SAVINGS BANK ACCOUNTS:

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

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

ii. DEPOSIT ACCOUNTS:

No. interest would be paid on deposits held in current deposit accounts. However individual depositor account or sole proprietorship concern account of the deceased shall attract interest from the date of death till the date of repayment

to the claimant(s) at the rate of interest applicable to SB accounts prevailing on the date of payment.

iii. TERM DEPOSIT ACCOUNTS:

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

iv. SHORT DEPOSITS AND FIXED DEPOSITS:

a.

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

b.

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

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

Chapter-5

SPECIAL CATEGORY OF DEPOSIT ACCOUNTS

A. MINORS:

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

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

B. ACCOUNTS OF ILLITERATE:

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

C. ACCOUNTS OF VISUALLY CHALLENGED PERSONS:

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

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

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

In addition to the facilities mentioned above, the bank is also committed to extending basic banking facilities through Doorstep Banking such as pick up of cash and instruments against receipt, delivery of cash against withdrawal from account, delivery of

demand drafts, submission of Know Your Customer (KYC) documents, Life certificate etc. at the Premises/ residence of such customers. All the latest doorstep banking facilities as mentioned in <https://www.psbdsb.in/> shall also be extended.

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

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

E. ACCOUNTS OF TRANSGENDER PERSONS

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

F. ACCOUNTS OF PRISONERS

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

Chapter-6
RIGHTS OF CUSTOMER

A. CUSTOMER INFORMATION:

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

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

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

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

Some of the important polices available are:

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

B. INSURANCE COVER FOR DEPOSITS:

All Bank Deposits are covered under the Insurance Scheme offered by the Deposit Insurance and Credit Guarantee Corporation of India (DICGC), subject to certain limits and conditions.

C. SECRECY OF CUSTOMER’S ACCOUNTS:

The Bank shall not disclose details/particulars of the customer’s Account to a third person or party without the expressed or implied consent of the customer. However, there are some exceptions, viz. disclosure of information as required by any law or by an order of the Court, Regulatory Authority or Govt. Agency and where the interest of the Bank requires disclosure or larger public interest warrants such disclosure of information.

D. REDRESSAL OF COMPLAINTS AND GRIEVANCES:

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

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

Chapter-7 **RULES REGARDING TERM DEPOSITS**

A. Premature withdrawal /closure of term deposit:

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

In addition, the Bank can levy penalties, as applicable from time to time. Further, the Bank may disallow premature withdrawals of a large Rupee term deposit of Rs.3 crore and above of all depositors, including deposits of individual and HUFs.

Renewal of deposits before the date of its maturity shall not be regarded as involving premature repayment provided the deposit is held with the bank after the date of renewal for a period longer than the remaining period of the original contract. Penalty is also not applicable on settlement of claims in the deceased depositor’s accounts in the case of a term deposit standing in the name of a deceased individual depositor and two or more joint depositors where one of the depositors has died. For payment before maturity, in case the deposit receipt is in joint names, all the joint account holders (Except F or S) must discharge the Term Deposit Receipt.

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

B. Premature renewal of term deposit:

In case the depositor desires to renew the deposit by seeking premature closure of an existing Term Deposit Account, the Bank will permit the renewal at the applicable rate on the date of renewal, provided the deposit is renewed for a period longer than the balance/ un-run period of the original deposit. While prematurely closing a deposit for the purpose of renewal, interest on the deposit for the broken period will be paid at the rate applicable to the period for which the deposit remained with the Bank or contracted rate of interest whichever is lower and not necessarily at the contracted rate.

C. Renewal of overdue term deposits:

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

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

If a Term Deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract a rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower.

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

D. Automatic renewal of term deposits on due date:

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

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

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

(i) If a term deposit is maturing for payment on a non-business working day, and the bank is unable to effect payment of TDR, then the Bank shall pay interest at the originally contracted rate on the original principal deposit amount for the non-business working day, intervening between the date of the maturity of the specified term of the deposit and the date of payment of the proceeds of the deposit on the succeeding working day.

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

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

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

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

G. Settlement of dues in deceased deposit account:

i.) If the Depositor has registered nomination with the Bank; - the balance outstanding in the Account of the deceased depositor will be transferred to the account of/paid to the nominee when a valid claim on prescribed format is received and the Bank is satisfied with the identity of the nominee.

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

iii.) In Joint Deposit Accounts under operational instructions “operated jointly”, where no nomination is made and when one of the Joint Account Holders dies, the Bank is required to make payment jointly to the legal heirs of the deceased person and the surviving depositor(s). However, if the Joint Account holders had given a mandate for disposal of the balance in the Account in the form such as “either or survivor or “former or survivor”, the payment will be made as per the mandate to avoid delays on production of legal documents by the heirs of the deceased.

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

v.) The Bank has a separate Board approved policy on the Bank’s Policy on Operational Procedure for Settlement of Claims of Deceased Depositors Accounts. The policy was last approved by the Board on 25.09.2023. The Branch would settle the dues of deceased deposit account claims under the guidelines of the said policy.

H. Interest Payable on Term Deposit In Deceased Account

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

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

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

I. ADVANCES AGAINST DEPOSITS:

The Bank may consider a request from the depositor(s) for a loan/overdraft facility against the Bank's own term deposit(s) duly discharged by the depositor(s) on the execution of necessary security documents. The Bank may also consider a loan against the deposit(s) standing in the name of a minor. However, a suitable declaration from the Guardian stating that the loan is for the benefit of the minor, is to be furnished by the Guardian applicant. In the event of challenge by the Minor on attaining majority, Bank may proceed against the Guardian (Borrower) for recovery of Bank dues as a clean loan (ab initio).

J. TERM DEPOSITS OVER TEN YEARS (COURT ORDER)

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

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

K. SPLITTING OF DEPOSITS:

The bank offers customers the benefit of a higher rate of interest, based on the maturity period and /or the amount deposited. The rates of interest are different for different buckets and maturity periods. There are instances when this can be breached by splitting deposits. Splitting of deposits is multiple term deposits made on with the same

value date & with the same maturity period in a single customer ID regardless of the TD scheme code. Splitting Term Deposits in such a way may result in accommodation / undue benefit to the customer, causing loss to the Bank. Multiple deposits exceeding Rs 3 crore created for different specific purposes with same value date and tenor will not come under purview of splitting of deposits, provided customer submits supporting documents.

The circumstances of splitting of deposits arises when:

i) When the customer makes deposits for the same maturity period with the same value date at various times, resulting in total deposit amount breaching the buckets with the need arising for change in the applicable rate of interest.

ii) When the customer makes deposits either online or through branch and during day end process, the old deposits are auto renewed for the same period and same maturity as made by customers, which may result in the total amount breaching the buckets with the need for a change in the applicable rate of interest.

iii) For certain customers maintaining higher balances in CD or SB account, the Bank has provided facilities of auto sweeping the higher balance available in the operative account into Flexi Fixed Deposits (FFDs). This sweep is done on predetermined days and is for predetermined periods. Whenever the balance in the operative account falls below a threshold level funds are withdrawn from the FFDs. These FFDs seldom run to their full maturity. Further the period of FFD is prefixed and the amount is not often in the control of the depositor. This parking of excess liquidity is essentially a part of the operative CD/SB account. In view of the same, such FFDs which are created due to auto sweep facility would be kept out of the purview of splitting of deposit and card rates would be offered to these FFDs. In the case of SB Plus or CD Plus the closure of part deposits by the customer will not change the applicable rate of interest if such closure results in a change in bucket amount for that date and maturity.

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

Chapter-8 **NRO/NRE/FCNR ACCOUNTS**

A. Non-Resident Ordinary Account (NRO):

NRIs can open non-resident ordinary deposit accounts for collecting their funds from local bonafide transactions. NRO accounts being rupee accounts, the exchange risk on such deposits is borne by the depositors themselves. When a resident becomes an NRI, his/her existing rupee accounts are designated as NRO accounts. These accounts can be maintained as current, savings or Term deposit accounts. The interest rates applicable to these deposits are in accordance with RBI guidelines. However, the interest earned is subjected to tax as per IT act.

Funds in NRO account are not repatriable except for all current income. Balances in an NRO account of NRIs/ PIOs are remittable up to USD 1 (one) million per financial year (April-March) along with their other eligible assets subject to submission of 15CA/CB Form evidencing that the taxes are paid for the amount being repatriated. NRO accounts can also be opened to meet the requirements of foreign nationals' resident in India.

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

These accounts are opened with funds remitted to India through a banking channel from abroad. These accounts are maintained as current, savings or term deposits. NRE term deposit is accepted for a minimum period of one year as per RBI directives. Local payment can be made freely. This is a repatriable account and transfer of funds from another NRE or FCNR(B) account is also permitted. Since these accounts are maintained in rupees, the depositor is exposed to exchange risk for conversion into foreign currency. The interest rates payable on NRE deposits have been deregulated w.e.f 16.12.2011.

Non-Resident accounts (NRE/NRO) having international mobile numbers shall be allowed to get on-boarded /transact in UPI, provided the accounts are the ones that are allowed as per extant FEMA /RBI/AML/CFT checks and regulations in force from time to time.

C. Permissible Debits and Credits in NRO Accounts

i. Credits

a. Proceeds of remittances received in any permitted currency from outside India through banking channels or any permitted currency tendered by the account holder during his temporary visit to India or transfers from rupee accounts of non-resident banks.

b. Legitimate dues in India of the account holder.

c. Transfers from other NRO accounts.

d. Any amount received by the account holder in accordance with the rules or regulations made under the FEMA and RBI regulations

ii. Debits

a. All local payments in rupees including payments for investments subject to Compliance with the relevant regulations made by the Reserve Bank.

b. Remittance outside India of current income in India of the account holder net of Applicable taxes.

c. Transfers to other NRO accounts.

d. Settlement of charges on International Credit Cards issued by authorized dealer/ Banks in India to NRIs or PIOs, subject to the limits for repatriation of balances held in NRO accounts specified in regulation 4(2) of Foreign Exchange Management (Remittance of Assets) Regulations, 2016.

D. Permissible Debits and Credits in NRE Accounts:

i. Permitted Credits:

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

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

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

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

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

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

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

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

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

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

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

ii. Permitted Debits:

- a. Local disbursements.
- b. Remittances outside India.
- c. Transfer to NRE/ FCNR (B) accounts of the account holder or any other person eligible to maintain such account.
- d. Investment in shares/ securities/ commercial paper of an Indian company or for purchase of immovable property in India provided such investment/ purchase is covered by the regulations made, or the general/ special permission granted by the Reserve Bank.
- e. Any other transaction if covered under general or special permission granted by the Reserve Bank.

E. Interest rates on Rupee Deposits-Non-Residents

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

- i. Interest rates on NRE/NRO term deposits shall vary only on account of one or more of the following reasons:

a. Tenor of Deposits:

The minimum tenor of NRE term deposits shall be one year and that of NRO term deposits shall be seven days.

The maximum tenor of NRE and NRO term deposits shall be 10 years.

b. Size of Deposits:

Differential interest rates shall not be offered on any deposits

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

F. Prohibition on marking lien

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

G. Penalty on premature withdrawal of NRE deposits

Subject to the following:

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

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

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

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

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

I. Non-Resident Accounts

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

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

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

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

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

J. Foreign Currency Deposits:

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

These deposits are accepted from non-resident individuals of Indian nationality or origin (NRI) and are maintained in US Dollars, Pound Sterling, Euros, Japanese

Yen, AUD, CAD. Only term deposits are accepted under this category. The depositors are protected from exchange risk. As per the RBI directives the minimum maturity period is one year, and maximum maturity period is five years. Interest rates on FCNR term deposits are as per the directives of the RBI. ALCO of Bank decides the rate of interest payable on FCNR Deposits within the framework/directives specified by RBI.

All debits/ credits permissible in respect of NRE accounts as specified in Chapter 8. para D. shall be permissible in respect of these accounts also.

ii. Resident Foreign Currency Account:

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

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

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

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

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

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

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

ii. Size of deposits

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

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

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

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

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

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

Period of deposit	Ceiling rate
1 year to less than 3 years	Overnight Alternative Reference Rate for the respective currency/ Swap plus 400 basis points
3 years and above up to and including 5 years	Overnight Alternative Reference Rate for the respective currency / Swap plus 500 basis points

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

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

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

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

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

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

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

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

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

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

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

Bank shall pay interest on the term deposits standing in the name(s) of a deceased FCNR(B) individual depositor or two or more joint depositors where one of the depositors has died, as under: -

(a) If paid on the maturity of the deposit, interest shall be paid at the contracted rate.

(b) If the deposit is claimed before the maturity date, interest shall be paid not at the contracted rate but at the rate applicable to the period for which the deposit remained with the bank and without charging penalty for pre-payment.

(c) In case the depositor dies before the date of maturity of the deposit, but the amount of the deposit is claimed after the date of maturity, interest shall be paid at the contracted rate till the date of maturity and simple interest at the applicable rate operative on the date of maturity for the period for which the deposit remained with the bank beyond the date of maturity.

(d) In case of death of the depositor after the date of maturity of the deposit, the interest rate operative on the date of maturity in respect of savings deposits held under Resident Foreign Currency (RFC) Account Scheme shall be paid from the date of maturity till the date of payment.

(e) In case the claimants are residents, the maturity proceeds shall be converted into Indian Rupees on the date of maturity and interest shall be paid for the subsequent period at the rate applicable to a domestic term deposit of similar maturity.

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

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

(a) The rate of interest as applicable to FCNR (B) deposits shall continue.

(b) Such deposits shall be treated as resident deposits from the date of return of the account holder to India.

(c) The FCNR (B) deposits on maturity shall be converted into Resident Rupee Deposit Account or RFC Account (if eligible) at the option of the account holder.

(d) The rate of interest on the new deposit (Rupee account or RFC Account) shall be the relevant rate applicable for such deposit account.

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

Subject to the conditions as per FEMA and RBI Directions, Bank shall pay interest at the time of conversion of FCNR(B) Account into RFC/Resident Rupee Account even if the deposit has not completed the minimum maturity period mentioned in Chapter 8. Para iii.a. above, Provided that the rate of interest shall not exceed the rate payable on savings bank deposits held under RFC Account Scheme.

ix. Premature withdrawal of deposits

(a) Bank shall, on request from the depositor, permit premature withdrawal of deposits under the FCNR(B) Scheme.

(b) If the premature withdrawal of FCNR(B) deposits takes place before completion of the minimum stipulated period as mentioned in Chapter 8. Para iii.a. above, no interest shall be paid.

x. Penalty on Premature Withdrawal of deposits

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

(a) The components of the penalty shall be clearly brought to the notice of the depositors at the time of acceptance of the deposits. If not, the exchange loss arising out of premature withdrawal shall be borne by the Bank.

(b) Penalty shall be levied on premature withdrawal of FCNR(B) deposits

(i) When the depositors return to India for permanent settlement.

(ii) For conversion of FCNR (B) deposits into NRE deposits or vice-versa.

(c) In case of splitting of the amount of the term deposit at the request of the claimant/s, no penalty for premature withdrawal of the term deposit shall be levied if the period and aggregate amount of the deposit do not undergo any change.

(d) Bank may levy a penalty to recover the swap cost in the case of premature withdrawal of FCNR (B) deposits.

(e) No penalties shall be levied in the case of premature conversion of balances held in FCNR (B) deposits into RFC Accounts by Non-Resident Indians on their return to India.

xi. Change of Residential Status of NRO Account Holder

a. From Resident to Non-resident: When a person resident in India leaves India for a country (other than Nepal or Bhutan) for taking up employment or for carrying on business or vocation outside India or for any other purpose indicating his intention to stay outside India for an uncertain period, his existing account should be designated as a Non-Resident (Ordinary) Account.

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

xii. Change of Residential Status of the NRE Account Holders

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

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

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

Chapter-9 SPECIAL SCHEMES

A. NON-CALLABLE DEPOSITS:

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

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

The prepayment can be allowed under exceptional cases:

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

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

* RBI notification dated 26-10-2023

B. GREEN DEPOSIT FRAMEWORK:

RBI issued a press release on 8 February 2023 on the ‘Statement on Developmental and Regulatory Policies’. One of the guidelines proposed in the press release was on developing an overall green finance ecosystem including a broad framework for acceptance of green deposits. Subsequently, on 11 April 2023, RBI issued a Framework for Acceptance of Green Deposits. The framework is effective from 1 June 2023 (RBI/2023-24/14 DOR.SFG.REC.10.30/30.01.021/2023-24 dated 11-04-2023).

This is comprehensively covered under Part -4 of this policy.

Chapter-10
MISCELLENOUS

A. APPROVING AUTHORITY

i. Approving Authority for entering into MOU with Govt. Department / PSUs /Corporate/Other entity for bulk account opening:

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

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

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

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

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

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

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

B. ROLE OF ALCO & FUNDS COMMITTEE:

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

C. INCENTIVES / LOTTERY / EXTRA BENEFIT OFFERS FOR DEPOSITS:

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

PART -2

INOPERATIVE/ DORMANT

ACCOUNTS

&

UNCLAIMED DEPOSIT POLICY

**PART-2 -- INOPERATIVE/ DORMANT ACCOUNTS
& UNCLAIMED DEPOSIT POLICY--- INDEX**

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POLICY ON DORMANT/INOPERATIVE ACCOUNTS/UNCLAIMED DEPOSITS

Chapter -1.

INTRODUCTION

Accounts which are not operated for a continuous period of two years by the customers are required to be classified as inoperative / dormant accounts as per the guidelines of Reserve Bank of India. Such inoperative / dormant accounts attract inherent risk and pose difficulties to the Bank, Customers and / or to their legal heirs in tracing the account to make it operative and /or for making payment to the customers / legal heirs.

In view of increasing volume of inoperative accounts in the banking sector & amount of unclaimed deposit i.e. deposit accounts which are not operated since last 10 years and the inherent risk associated with such deposits, RBI has directed banks to put in place a policy and should play a more pro-active role in strengthening the regulatory framework for inoperative/dormant accounts i.e. accounts which are not operated for the last two years and unclaimed deposits. Accordingly, this policy document on inoperative / dormant accounts has formulated to outline the principles of various safeguards and obligations on the part of the bank to fulfil its commitments towards the customers and recognizing the rights of the customers.

Chapter -2.

OBJECTIVE OF THE POLICY

The objective of the policy is to put in place a framework for classification of inoperative / dormant accounts & unclaimed deposits and efforts for activation, grievance redressal mechanism for quick resolution of complaints related to inoperative account, record keeping and periodic review of these accounts.

Chapter- 3.

SCOPE OF THE POLICY

The policy covers guidelines and procedures for dealing with potential dormant accounts, inoperative accounts and unclaimed deposits.

Chapter--4.

DEFINITIONS

As per Reserve Bank of India notification no. DOR.SOG (LEG).REC/64/09.08.024/2023-24 dated January 1, 2024, on revised guidelines on inoperative Accounts/Unclaimed Deposits in Banks w.e.f. 01.04.2024, the definitions are as below: -

i. **Bank induced transaction-** Transactions in the account initiated by the bank as per its extant policy such as charges, fees, interest payments, penalties, taxes (an illustrative list is given below).

Bank Induced Transactions

1	All types of charges levied by banks including taxes deducted
2	Savings Bank account interests

ii. **Customer induced transaction-** The transactions in account which are in the nature of:

a) a financial transaction initiated by or done at the behest of the account holder by the bank/ third party (an illustrative list is given in below) or

Financial Transactions:

S.N	Type of Transactions
1	ATM/ Cash withdrawal/deposit
2	RTGS / NEFT/ IMPS /UPI/ AePS/ ABPS Transactions
3	Internet Banking Transactions
4	Debit Card Transactions
5	Transfer of funds from / to the linked CBDC(e-Rupee) account
6	Cheque Clearing
7	Remittance of funds by way of demand drafts
8	Cash withdrawal by third party through cheque
9	Standing Instructions issued by the customer
10	NACH Debit / Credits
11	Term Deposit Interest / proceeds
12	Dividend on shares/Interest on Debentures or any other investment proceeds
13	Direct Benefit Transfer (DBT) credits
14	Refunds like refunds related to e-commerce payments, Income Tax Returns, etc
15	National Electronic Toll Collection (NETC) debits

b) a non-financial transaction (as point no. iv of this para) or

c) KYC updation done in face-to-face physical mode or through digital channels such as internet banking or mobile banking application of the bank.

iii. Financial transaction- A monetary transaction in the savings/ current account of the customer with the bank either by way of a credit or debit transaction.

iv. Non-financial transaction- An enquiry or request for any product/ service initiated by the account holder through any ATM or internet banking or mobile banking application of the bank or through Third Party Application Providers, which requires two-factor authentication (2FA) and leaves a trail for audit purposes or successful log-in to the internet banking/ mobile banking application. Illustratively, this includes transactions such as change in transaction limit, request for issue of cheque book/ credit card/ debit card, nomination facility, balance enquiry, etc.

v. Unclaimed Deposits- The credit balance in any deposit account maintained with banks, which have not been operated upon for ten years or more, or any amount remaining unclaimed for ten years or more as mentioned in paragraph 3(iii) of the “Depositor Education and Awareness” (DEA) Fund Scheme, 2014.

vi. Unclaimed Deposit Reference Number (UDRN)- It is a unique number generated through Core Banking Solution (CBS) and assigned to each unclaimed account/ deposit transferred to DEA Fund of RBI. The number shall be such that the account holder or the bank branch where account is maintained, cannot be identified by any third party. All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Banking Regulation Act, 1949 or the Reserve Bank of India Act, 1934 or any statutory modification or re-enactment thereto or as used in commercial parlance, as the case may be.

Chapter--5.

CLASSIFICATION OF INOPERATIVE / DORMANT ACCOUNTS

5.1 Potential Dormant Accounts: Accounts in which there are no customer induced transactions (as described in para no.4.ii) for more than one year. Though such accounts are in active status, it is called potentially dormant account. If such accounts are operated in time, it will not turn into dormant accounts.

5.2 Inoperative / Dormant Accounts: A savings as well as current account shall be treated as inoperative / dormant if there are no ‘customer induced transactions’ (Financial and Non-Financial) in the account for over a period of two years.

5.3 For the purpose of classifying an account as ‘inoperative’, only customer induced transactions and not bank induced transactions shall be considered. There may be instances where the customer has given a mandate like Standing Instructions (SI)/ auto-renewal instructions and there are no other operations in the Savings /Current account or the Term Deposit. These transactions shall also be treated as customer induced transactions.

5.4 The classification of an account as inoperative shall be for a particular account of the customer and not with reference to the customer. In case a customer is maintaining multiple accounts/deposits with a bank, all such accounts/deposits shall be assessed individually for the purpose of classifying them as inoperative account/ unclaimed deposit, as the case may be. (i.e. If a customer is having multiple transaction accounts linked to one ID, only that account in which the customer has made an enquiry or a request for any service has to be considered for 'customer induced transaction'.)

5.5 In case of term deposits, the 2-year period shall be reckoned after the date of maturity. For classifying an account as "inoperative" both the type of transactions i.e. debit as well as credit transactions induced at the instance of customers as well as third party will be considered. However, savings bank account interests credited by bank & all type of charges or taxes levied by the bank will not be considered.

5.6 There may be instances where the customer has given a mandate for crediting the interest on term deposit account and / or crediting dividend on shares to the savings bank account and there are no other operations in the savings bank account. Since the interest on term deposit account and / or dividend on shares is credited to the savings bank accounts as per the mandate of the customer, the same shall be treated as a customer induced transaction. As such, the account should be treated as operative account as long as the interest on term deposit account and /or dividend on shares is credited to the savings bank account. The savings bank account can be treated as inoperative account only after two years from the date of the last credit entry of the interest on term deposit account.

Chapter--6.

ANNUAL REVIEW AND STEPS TO BE TAKEN IN ACCOUNTS WHICH ARE NOT OPERATED FOR MORE THAN ONE YEAR

6.1 Branches shall undertake at least an annual review in respect of accounts, where there are no customer induced transactions for more than a year. In cases where there is no explicit mandate to renew the term deposit, the branch shall review such accounts if the customers have not withdrawn the proceeds after maturity or transferred these to their savings/current account in order to prevent such deposits from becoming unclaimed. The branch shall inform the account/deposit holders in writing through letters or email or SMS (if the email and mobile number are registered with the bank) that there has been no operation in their accounts/deposits in the last one year, as the case may be. The alert messages shall invariably mention that the account would become 'inoperative' if no operations are carried out during the next one year and, the account holder would be required to submit KYC documents afresh for reactivating the account in such case.

6.2 If the letters are returned undelivered or no response is received through registered email, the branch shall immediately undertake an enquiry to find out the whereabouts of account holder or his/her nominee/legal heirs in case the account holder is deceased.

6.3 In case any response is received from the account holder giving the reasons for not operating the account, the branch shall continue to classify the account as operative for one more year and the account holder shall be advised to operate the account within a period of one year (herein after referred to as 'extended period'). In case the account holder still fails to operate the account within the extended period, the branch shall classify the said account as inoperative account after the expiry of the extended period.

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

6.5 Branch will also communicate the account holders through SMS / e-mail / letter on their registered contact details with the Bank, three months prior to categorization of such accounts as Inoperative / Dormant. In case of joint accounts, joint holders will also be communicated as per time stipulated above i.e., three months prior to categorization as Inoperative / Dormant Account.

Chapter--7.

SEGREGATION OF THE INOPERATIVE / DORMANT ACCOUNTS

7.1 The segregation of the inoperative accounts is from the point of view of reducing risk of frauds, etc. in such accounts. However, the customers should not be inconvenienced in any way, just because his / her account has been rendered inoperative. The classification is there only to bring to the attention of dealing staff, the increased risk in the account. The transactions in inoperative accounts, which have been reactivated, shall be monitored regularly, for at least six months, at higher levels (i.e. by controlling authorities of the concerned branch i.e. Zonal Office) without the knowledge and notice of the customers and the dealing staff.

7.2 Interest on savings bank accounts shall be credited on regular basis whether the account is operative or not. If a Term Deposit Receipt matures and proceeds are unpaid, the amount left unclaimed with the bank will attract savings bank rate of interest if auto renewal facility at the time of placing the deposit was specifically refused by the customer.

7.3 Branch shall ensure that amounts lying in inoperative accounts/unclaimed deposits and reactivated inoperative accounts/ unclaimed deposits, are subjected to concurrent audit/Risk Based Internal Audit.

Chapter---8.

TRACING OF CUSTOMERS OF INOPERATIVE ACCOUNTS/UNCLAIMED DEPOSITS

8.1 The branch shall contact the holder(s) of the inoperative account/ unclaimed deposit through letters, email or SMS (if the email and mobile number are registered with the branch). The email/ SMS shall be sent on a quarterly basis.

8.2 In case the whereabouts of the holder(s) of the inoperative account/ unclaimed deposit are not traceable, the branch shall contact the introducer, if any, who had introduced the account holder to the branch at the time of opening of the account. The branch shall also contact the nominee, if registered, for tracing the customer.

8.3 The branch shall undertake special drives periodically to find out the whereabouts of the customers, their nominees or legal heirs in respect of inoperative accounts / unclaimed deposits.

8.4 Campaigns focusing on activation of inoperative accounts will be launched by Zones/ FGMOs, quarterly during a year to upgrade the accounts to operative status.

8.5 The Zones/ FGMOs shall conduct public awareness and financial literacy campaigns regularly to educate the members of public about the activation of inoperative accounts/unclaimed deposits and the prescribed procedure to claim amounts lying therein by a depositor or his/her nominee/ legal heir in case of deceased depositor.

Chapter--9.

ACTIVATION/OPERATIONS IN INOPERATIVE / DORMANT ACCOUNT

9.1 The bank shall make available the facility of updation of KYC for activation of inoperative accounts/ unclaimed deposits at all branches (including non-home branches) and through Video-Customer Identification Process (V-CIP) if requested by the account holder, subject to the facility of V-CIP being provided by the bank. The VCIP related instructions under Master Direction - Know Your Customer (KYC) Direction, 2016 dated February 25, 2016 (as updated from time to time) shall be adhered by the bank.

9.2 The branch shall activate the inoperative accounts/ unclaimed deposits, including those which are under freeze by orders of various agencies like Courts, Tribunals, Law Enforcement Agencies, only after adhering to the KYC guidelines provided in the Master Direction - Know Your Customer (KYC) Direction, 2016 dated February 25, 2016 (as updated from time to time) such as Customer Due Diligence (CDD), customer identification, risk categorization, etc.

9.3 The branch shall ensure that activation of inoperative account/ unclaimed deposits in CBS necessarily requires second level of authorization by another officer at the same or higher level (i.e., through maker and checker). System logs shall invariably be maintained in case of any activity in or activation of inoperative accounts/unclaimed deposits for concurrent audit purpose. The preservation period of such system logs shall be as per the internal guidelines of the bank.

9.4 When a request for activation of a dormant account is received, approval for activation should be accorded by a designated officer at the branch. He / she will verify and satisfy himself / herself that the account was opened in a KYC compliant manner and the reasons produced by the account holder for not operating the account are genuine. In case of joint accounts, the Annexure-I & KYC documents duly signed by all the account holders to be obtained. Documentary evidence of new residential proof shall be obtained, if the depositor could not be contacted at the last address furnished to the Bank. Further, the amount of deposit available in the account should be commensurate with the occupation level of the customer, as declared in the account opening form.

Note: As the account turns to dormant since no customer induced transactions are done in the account for last two years, branches should invariably advise the customer to do at least one transaction **before** activation of account else account will continue to be classified as dormant.

9.5 Operations in inoperative / dormant accounts may be allowed after due diligence as per risk category of the customer. Due diligence would mean ensuring genuineness of the transaction, verification of the signature and identity etc. However, it has to be ensured that the customer is not inconvenienced as a result of extra care taken by the bank.

9.6 The bank shall automatically intimate the inoperative account/ unclaimed deposit holders through SMS and registered email stating that based on the KYC documents submitted by them, the inoperative status of the account has been removed. The intimation shall also mention the remedial measures available to them to report unauthorized access, if any. This would alert the account/ unclaimed deposit holder against any possible fraudulent activity in his/her inoperative account. The bank shall have in place adequate operational safeguards to ensure that the claimants in case of inoperative accounts/ unclaimed deposits are genuine. The branches shall process requests for activation of inoperative account/ unclaimed deposits within three working days from the receipt of the complete application.

9.7 Charges for account activation and penal charges for non-maintenance of minimum balances are **not applicable** in inoperative / dormant accounts.

Chapter--10.
FRAUD RISK MANAGEMENT IN INOPERATIVE ACCOUNTS

10.1 The branch shall not allow any debit transaction in an inoperative account unless there is a customer induced activation as per the procedure mentioned in paragraph 9 above. Further, bank shall impose a cooling-off period on reactivation, as approved by ORMC, with restrictions on the number and amount of transactions for a period of Six Months, as may be applicable for newly opened accounts with the bank.

10.2 The branch shall ensure that there is no unauthorized access to customer data pertaining to the inoperative accounts. The branch shall also ensure that adequate steps are taken to prevent data theft and related misuse for fraudulent purposes.

Chapter--11.

DEPOSITOR EDUCATION AND AWARENESS FUND SCHEME (DEAF) – 2014

11.1 In terms of announcement of Monetary Policy 2013-14 and pursuant to the enactment of the Banking Laws (Amendment) act , 2012, Section 26A has been inserted in the Banking Regulation Act, 1949, which inter alia empowered Reserve Bank of India to establish **The Depositor Education and Awareness Fund (the Fund)**. The same is notified by Government of India on May 24, 2014, and the scheme is operationalized from 24th May 2014.

11.2 Under the provisions of this section, the credit amount of any accounts with bank which has not been operated upon for a period of ten years or any deposit or any amount remaining unclaimed for more than ten years, including the accrued interest that the bank would have been required to pay to the customer / depositor as on the date of transfer shall be credited / transferred to the Fund maintained with RBI on monthly basis. Bank has carried out first transfer to the Fund on 30th June 2014. Since onwards, Bank is needed to transfer / credit the fund to RBI on monthly basis. Monthly statement on the amount transferred / credited in the fund shall be submitted to RBI, after duly certified by concurrent auditor.

11.3 The credit balances of following (**Interest bearing Deposit, Non-Interest bearing Deposit & Other Credit items**) accounts including customer accounts shall be credited / transferred to the fund.

- ❖ saving bank deposit accounts;
- ❖ fixed or term deposit accounts;
- ❖ Cumulative/recurring deposit accounts;
- ❖ current deposit accounts;
- ❖ other deposit accounts in any form or with any name;
- ❖ cash credit accounts;
- ❖ loan accounts after appropriation by the banks;
- ❖ margin money against issue of Letter of Credit / Guarantee etc., or any security deposit;
- ❖ outstanding telegraphic transfers, mail transfers, demand drafts, pay

- orders, banker cheques, sundry deposit accounts, Vostro accounts, inter-bank clearing adjustments, unadjusted National Electronic Funds Transfer(NEFT) credit balances and other such transitory accounts, unreconciled credit balances on account of Automated teller Machine (ATM) transactions, etc.;
- ❖ undrawn balance amounts remaining in any prepaid card issued by bank but not amounts outstanding against travellers cheques or other similar instruments, which have no maturity period;
 - ❖ rupee proceeds of foreign currency deposits held by bank after conversion of foreign currency to rupees in accordance with extant foreign exchange regulations; and
 - ❖ such other amounts as may be specified by the reserve Bank from time to time.

11.4 Any amount payable in foreign currency under an instrument or a transaction, that has remained unclaimed for ten years or more, shall at the time of transfer to the Fund be converted into Indian Rupees at the exchange rate prevailing on that date and in the event of a claim, the Fund shall be liable to refund only the Indian Rupees received by the Fund with respect to such instrument or transaction.

Chapter--12.

PROCEDURE FOR TRANSFERRING / CREDITING THE AMOUNT TO THE DEAF

12.1 Own Account

Bank shall transfer the eligible amount to the Fund in electronic form through portal facility of the E-Kuber (CBS portal of RBI) by furnishing Bank's DEAF Code and detailed break up (number of accounts and amount) of the deposits viz. Interest bearing, non-interest bearing deposits and other credits on the last working day of the month.

12.2 Members' Account (RRBs - Sponsored by BOI)

Same procedure as above shall be adopted while transferring the amount dues of each member bank to DEA Fund without consolidating the amounts of all member banks.

12.3 Credit Card/Prepaid Card/ Office account

Bank shall transfer the credit balance in the accounts to the DEA Fund on the last working day of the month after the month of completing 10 years or more. Duly signed list of identified accounts should be provided by the concerned at HO which are eligible to remit in DEA Fund.

Chapter--13.

RETURNS PRESCRIBED FOR SUBMISSION TO RESERVE BANK OF INDIA (RBI)

Bank shall furnish different returns as below to Reserve Bank of India, even if it is nil return at the periodicity indicated by RBI in the form and manner as prescribed by Reserve Bank of India (RBI) from time to time certified by Concurrent Auditor.

FORM I- Monthly return of unclaimed deposits/credits/accounts/in India which have not been operated upon/remained unclaimed for 10 years or more as on the date of return and transferred to DEA Fund Account. (to be submitted online to the Reserve Bank of India by 15th of the succeeding month).

FORM II- Monthly return claiming refund from the DEA Fund. (to be submitted online on or before 10th of the succeeding month to which the claim pertains and original hard copy duly signed by Board Approved authorized signatories and audited by Concurrent Auditor, to be submitted by 25th of the succeeding month to which the claim pertains.

FORM III- Certificate of Reconciliation of balances for the half year ended September/March, original hardcopy duly signed by 2 executives other than the authorized signatories and audited by the Concurrent Auditor (to be submitted in of the succeeding).

Chapter--14.

GUIDELINES & PROCEDURE FOR CLAIM OF UNCLAIMED DEPOSITS TRANSFERRED TO DEAF

Interest Bearing Deposit, Non-Interest-Bearing Deposit

14.1 In respect of unclaimed amount transferred to the Depositor Education and Awareness Fund (DEAF), Bank shall be liable to repay a depositor or any other claimant

(Nominee / Legal Heir(s) , claiming his deposit or unclaimed amount along with interest payable, if any, at such rate of interest as may be specified by the Reserve Bank of India in this behalf.

Interest payable on interest bearing deposits transferred to RBI DEA Fund in the table below:

Period	Rate of Interest p.a
Up to June 30,2018	4%
July 1, 2018, up to May 10, 2021	3.5%
From May 11, 2021, till the time of payment to the depositor/ claimant	3%

Where Bank has paid such amount or allowed operation of such account or deposit, bank will lodge a claim for refund of such amount from the DEA fund.

Branches shall do the KYC updation and take prescribed Unclaimed Deposits / Inoperative Accounts- Claim Form along with following documents from claimants before crediting the unclaimed deposits transferred to DEAF by using FINACLE menu: **BRDEAF.**

- Passbook / Account Statement / TDR receipt
- Official Valid Doc (OVD)
- Death Certificate of deceased depositor (if claimant is Nominee / Legal heir(s))

14.2 Claim Process:

The customer / survivor / legal heir / authorised signatories, as the case may be lodge a claim for the unclaimed deposit. The claim process is as follows:

- **Claim by Self:** Depositors can visit the branch of the bank and submit the unclaimed deposits claim form duly filled and signed, along with any other required documents as may be requested by the bank for identity of claimant.
- **Claim by Legal Heir / Nominee:** For the claim process, the Legal heir / Nominee can visit the branch of the Bank and submit the unclaimed deposits claim form duly filled and signed, along with copy of death certificate of deposit holder and any other required documents as may be requested by the bank for identity of claimant.

Note: Bank must comply with claim settlement process as per Bank's Policy on Model Operational Procedure for Settlement of Claims in Deceased Depositors Account's.

- **Claim by Non-Individual:** For the claim of non-individual accounts, the customer needs to submit the unclaimed deposits claim form on the Company's / Firms/ Institution's letterhead duly signed by the authorised signatories along with any other required documents as may be requested by the bank for identity of claimants.

At the time of submission of claims the original documents must be produced for the purpose of verification at the branch.

14.3 Refund Other Credit Items (Internal Office Accounts, Demand Drafts, Pay slips etc.) and Claim for closed Customer Accounts

In respect of unclaimed amount (other credit items like amount in Internal Office accounts, Demand Drafts, Pay slips etc. and Claim for closed Customer Accounts) transferred to the Depositor Education and Awareness Fund (DEAF), Zones/FGMOs /Department at Head Office shall follow below guidelines for claiming the amount:-

Claim Routing: -

- All claim initiated from Zonal Offices shall be routed through their respective FGMOs (Field General Manager Office) with recommendation in the prescribed claim application (Annexure-II) and duly signed by ZM/DZM.
- FGMOs / Relevant Department at HO shall forward the claim application dully approved by GM/DGM directly to HO-General Operations Department with brief description of the account to be claimed in IOM.
- Verification: - It is crucial for the FGMO, Zone and Branch to ensure that the said claim has not been previously made or received from the DEA Fund and will not be re-claimed in future.

Processing Approved Claims: -

Upon receipt of the approved application from the Department at FGMO, HO-General Operations Dept. shall instruct the BKC branch (SOLID 01220) to pass the voucher to debit 01220GENSUS596 account (maintained at our BKC Branch) and transfer the claimed funds to the MBB (SOLID90200000033) account of the concerned branch. BKC Branch will also pass a contra voucher to complete the transaction. The concerned Branch must immediately transfer these amounts to rightful owners/claimants.

Note: - Before processing the DEA Fund involving internal office account, Demand Draft, Pay slips, it is essential that Branch, Zone and FGMO ensure full reconciliation of these accounts.

14.4 The interest payable, if any, from the Fund on a claim shall accrue only from the date on which the balance in an account was transferred to the Fund to the date of payment to the customer / depositor. No interest shall be payable in respect of amounts refunded from the Fund, where no interest was payable by the bank to customer / depositor.

14.5 In the case of a claim for refund of foreign currency denominated deposit accounts, instruments or transactions specified in paragraphs 11.4 above, the bank shall be entitled to claim refund of the eligible amount from the Fund, in Indian rupees only.

14.6 As per Reserve Bank of India (RBI) direction, Bank has authorized any two (jointly) out of the designated officials as authorised signatories to operate the account for the claims / refund on behalf of the bank from the Fund. Accordingly refunds made by the bank in each calendar month shall be claimed for reimbursement from the Fund on the last working day of the subsequent month by authorised signatories.

14.7 Claim from DEA Fund: HO- General Operations Dept. shall claim the amount (on monthly basis, 10th of succeeding month) transferred to DEA fund and credit the G/L suspense account 01220GENSUS596 upon receipt of the funds from RBI to reconcile the account.

Chapter--15. **AUDIT**

15.1 The accounting year for the Fund shall be from April 1 to March 31 of the subsequent year.

15.2 On the date of transferring the amount to the Fund, the bank shall maintain customer-wise details verified by the concurrent auditor, including payment of up-to-date interest accrued, that has been credited to the deposit account till the date of transfer to the Fund, with respect to interest bearing deposits.

15.3 With respect to non-interest-bearing deposits and other credits transferred to the Fund, customer-wise details, duly audited, shall be maintained with the bank.

15.4 The concurrent auditor shall also verify and certify that, as per the bank's books, the returns have been correctly compiled by the bank in the monthly and yearly returns submitted to RBI.

15.5 All the returns shall be verified by the statutory auditors at the time of annual audit and an Annual Certificate shall be obtained from statutory auditors and shall be forwarded to RBI, certifying that the returns have been correctly compiled by the bank.

Chapter--16. **DISCLOSURE IN NOTES TO ACCOUNTS**

As per the Reserve Bank of India's direction, Bank shall reflect all unclaimed liabilities (where amount due has been transferred to DEAF) as "Contingent Liability – Others, items for which the bank is contingently liable" under Schedule 12 of the annual financial statements.

Chapter--17. **DISPLAY OF LIST OF INOPERATIVE / UNCLAIMED ACCOUNTS ON BANK'S WEBSITE**

17.1 Bank shall display the details of unclaimed deposits {only Account Holder name, Address (without pin code) and Unclaimed Deposit Reference Number (UDRN)}, which have been transferred to DEA Fund of RBI at Bank's website, which shall be updated regularly, at least on a monthly basis. The database hosted on the website shall provide a search option to enable the public to search for their unclaimed deposits using name in combination with the address of the account holder/ entity. Upon a successful search, details of unclaimed deposits shall be displayed in a format comprising account holder's name(s), his/her address (without pin code) and UDRN only. In case such accounts are not in the name of individuals, the search input and result should include names of individuals authorised to operate the accounts. However, the account number, its type, outstanding balance and the name of the branch shall not be disclosed on the bank's website.

17.2 The bank shall provide on their website as well as at their branches, the information on the process for activation of the inoperative account/ unclaimed deposits and claiming the balances therein. Necessary claim forms and documents may be made available for the benefit of customers.

17.3 Depending on the concentration of unclaimed deposits, zonal offices have a designated cell to provide focused attention for claim of amount transferred to DEAF. Branch has to be ensured that the claimant (Nominee/ Survivor) is not inconvenienced at the time of claim of fund transferred to DEAF.

Chapter--18. **REPORTING TO RBI**

Section 26 of the Banking Regulation Act, 1949 provides, inter alia, that every banking company shall, within 30 days after close of each calendar year submit a return in the prescribed form and manner to the Reserve Bank of India as at the end of each calendar year (i.e., 31st December) of all accounts in India which have not been operated upon for 10 years.

Chapter--19. **PRESERVATION OF RECORDS**

Notwithstanding anything contained in the Banking Companies (Period of Preservation of Records) Rules, 1985, bank shall preserve records / documents containing details of all accounts and transactions, including deposit accounts in respect of which amounts are required to be credited to the Fund permanently; and where refund has been claimed from the Fund, bank shall preserve records / documents in respect of such accounts and transactions, for a period of at least five years from the date of refund from the Fund.

Chapter--20. **COMPLAINTS AND GRIEVANCE REDRESSAL**

Complaints and Grievances received if any from the customers / legal heirs will be addressed as per the existing complaints and Grievance Redressal mechanism of the Bank.

Chapter--21.
Nodal Agency

The General Operations Department -HO of the Bank is nodal agency for all Inoperative accounts/Dormant accounts & Unclaimed deposits related accounts. They will follow up and co-ordinate for smooth implementation of the directions.

Chapter--22.
SUNSET CLAUSE

The Policy on Bank deposits (Part 1,2 & 3) would be reviewed once a year or earlier if warranted as per regulatory requirement. Post approval of the policy, any changes made by the RBI, or any other regulatory authority will form an integral part of this policy, pending their formal inclusion at the time of next renewal of the policy.

PART -3

PAPERLESS DEPOSIT

ACCOUNTS

PART -3
PAPERLESS DEPOSIT ACCOUNTS
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Paperless deposit accounts

1. Introduction:

To simplify the account opening process, the Government of India and Reserve Bank of India (RBI) has allowed paperless account opening by facilitating digital verification process (EKYC) authenticating the information available in data base of Aadhaar card issued by UIDAI.

Unique Identification Authority of India (UIDAI) has developed the process of E-KYC to facilitate hassle-free and instant online account opening with financial institutions.

Central KYC (Know Your Customer-CKYC), an initiative of the Government of India, is used for verification of a customer who has already done KYC and data is available with CERSAI. The aim of this initiative is to have a structure in place which allows customers to complete their KYC only once before interacting with various entities across the financial sector.

Central KYC Registry is a centralized repository of KYC records of customers in the financial sector with uniform KYC norms and inter-usability of the KYC records across the sector with an objective to reduce the burden of producing KYC documents and getting those verified every time the customer creates a new relationship with a financial entity.

2. Digital Account opening process:

Our Bank has embarked on opening accounts (Paperless) through

Alternative Delivery Channels.

As it is paperless, the identification of the customer (KYC) is done based on the verification through electronic process. OVD are verified from CERSAI/UIDAI/Digi-Locker or any other verified source. The One Time Password (OTP) received in customer's mobile is one of the authenticator factors. Other KYC details are verified through the documents uploaded.

At present, there are three types of alternative delivery channels available for Opening Paperless accounts.

They are:

- ✓ E-platform (through link available in website)

<https://bankofindia.co.in/savings-account> (for savings account)

<https://bankofindia.co.in/current-account> (for current deposit account)

On clicking on the above link, the proponent is directed to

<https://staraks.bankofindia.co.in/core/home>
for opening account digitally & paperless.

- ✓ Mobile Banking (Universal mobile app BOI Omni Neo)

(https://bankofindia.co.in/boi-mobile-omni-neo-bank-app?p_l_back_url=%2Fsearch%3Fq%3Domni%2520neo)

(Available in IOS /Android platform)

- ✓ Internet Banking (Personal/Corporate)

There are basically two types of accounts that are opened digitally.

- Existing to Bank (ETB) - Accounts of customer already banking with us
- New to Bank (NTB) - New customers --who are opening accounts for the first time.

There are two journeys through which a customer may be on boarded digitally into our Bank.

- Do it Yourself (DIY) Journey –
 - Web Journey (Bank of India website)
 - Mobile App / Internet Banking Journey
- Assisted Journey – This may be done by following ways
 - Bank Staff
 - DSA
 - Business Correspondent
 - Call Centre Executive

The verification of customers [**Customer Due Diligence (CDD)/Electronic Due Diligence (RDD)**], we may be done in two ways

- Video based Customer Identification Process (**VCIP**)
- In Person Verification (**IPV**) at Branch

3. Common Processes

The opening of deposit accounts may be broadly classified into the following steps:

- Initiation and Scheme Selection
- Identification of the customer (as ETB/NTB)
- KYC Verification/AML Check
- Proper Filling of information in all fields mandatory under CBS/CKYC

- Customer ID generation/Selection
- Operating Instructions
- Nomination
- Funding of the Account
- Value Added Services Selection
- Fall-back Mechanism
- Scope of Account Opening

4. **Digital Deposit Account Opening**

A. **Account opening process through E-platform (web page):**

a) **Do-it Yourself Journey (Online Journey)**

- ❖ The customer needs to visit our website <https://bankofindia.co.in/> where he/she can select the link to open a deposit account.
- ❖ The customer is then redirected to the sub domain of BOI, at present <https://staraks.bankofindia.co.in/core/home> where the customer can select the product that he/she wishes to open.
- ❖ Upon selecting the product, the customer is given an option to “Apply Now” or “Track Status”.
- ❖ Upon clicking “Apply Now”, the customer will be required to verify CAPTCHA to prevent/avert any phishing attacks.
- ❖ The customer is then asked for the scheme code with which the account needs to be opened.
- ❖ Customer is prompted to enter mobile number, e-mail ID, Aadhaar Number (or other OVD) and PAN (or FORM60), which are all verified with respective OTPs. All of the above (except e-mail ID) are mandatory.
- ❖ Based on the above, CERSAI search is done to get CKYC ID (if available)
- ❖ The customer details as fetched from CKYC, and/or as per OVDs provided, are matched with our CBS database to find whether the customer is existing to the Bank (ETB) or new to Bank (NTB). Based on the same, name check in respect to AML/ CFT is also done. Based on the mobile number entered, the system checks for any pending duplicate application of the same product in the last 30 days. If found, the customer is redirected to resume the journey from the last drop point.
- ❖ The information such as name, DOB, permanent address etc. as fetched from UIDAI/CERSAI or any other verified source are auto populated and displayed to the customer as **non-editable** fields. Nomination option is by default YES. If the customer wants to opt out of the nomination facility, then a suitable warning message is displayed.
- ❖ If the Customer ID is found, the system updates the KYC as well as all other details as fetched from UIDAI/CERSAI or any other verified source and accepted by the customer. If the customer is NTB then Customer ID is created.

- ❖ After verification of KYC, all other required information is entered into by the customer like employment details, mode of operation etc.
- ❖ If a customer wants to open a joint / minor account, then he must first select the mode of operation and then he must provide the information of joint account holder. After completion of KYC verification of joint account holder, the other relevant information will be entered into by the customer. The same procedure is to be followed in case of a Minor account. The guardian details of one member are allowed to be added for Minor accounts. In such cases the journey will be redirected for IPV at branch
- ❖ The next step is nominee registration. The user can add nominee details in the system. If the customer wants to opt out the nomination facility, then a suitable Warning message is displayed to the customer.
- ❖ Now the customer selects in VAS tab the facilities he/she wants to opt for in his/her savings Bank account. The Vendor Assisted Services like Debit Card request/ Cheque Book request/Transaction alert/ E-statement /Mobile Banking / Internet Banking etc. will be displayed. Customers must select the required options by clicking on the option.
- ❖ Now the customer can review his application and edit the information in any tab. If any modifications are required, the customer may edit data with proper proof submission through the **edit data button**. In such cases the journey will be redirected to the IPV journey after all details are filled up.
- ❖ Customers (if opted for VCIP) will now start the Video KYC. Agents for the recording of VKYC will be available as per the VKYC guidelines of the Bank. Presently it is from 8 AM to 08 PM on all working days at the Zonal office under which the VCIP centers are located. The customer must complete the video KYC within 3 days. The customer is also prompted to upload his signature during the video KYC process.
- ❖ If the customer is not able to complete his video KYC, he is given an option to complete his/her in person verification (IPV) at the home / nearest branch of the Bank wherein the branch user will upload his signature and verified copies of OVDs.
- ❖ Post successful Video KYC or IPV, the account is opened and made operational and value-added services as eligible and opted are triggered.

b) IPV Journey

- ✚ In this scenario the customer visits any of our branches where the branch user gathers information about the application ID using the mobile number, e-mail address, OVDs, PAN from the customer and enters the same into the portal through the login credentials provided by the Bank. Bank staff (including Customer Service Associates) (having Finacle access) are given maker privileges and Bank officers will be given maker and/or checker privileges.

- ✚ The branch user verifies all details filled in by the customer, uploads necessary documents such as undertaking form, copies of OVDs (if not fetched from CERSAI / UIDAI or other sources) signature etc.
- ✚ The branch maker verifies that the uploaded signature is auto pasted at relevant places of the prefilled account opening form auto uploaded into the system. There is **no need for any physical account** opening form to be obtained by the branch officials.
- ✚ The branch maker assigns the application to the respective branch checker user who verifies the details and approves the application. Upon approval, the details are pushed to CBS and the account is opened.
- ✚ All the value-added services are triggered after the account is opened after the in-person verification of the customer has been done. Further, video KYC is not required to be done on this journey.

B. Account opening process through Mobile banking/ Internet Banking:

a) Login and Registration:

i) Registration of Existing Customers (ETB)

Users should have an android or an IOS device for mobile banking and access to desktops or laptops for internet banking.

Should have access to valid e-mail id (for IB) and phone number (for MB and IB)

ii) Registration on Mobile App for first time installation

1. Once the user downloads and launches the app, various security checks will be done to protect the users. If any of the checks fail, the user will be sent an appropriate error message

2. If the device is verified, the registration process will be auto initiated. Users will be asked to provide the app permissions- SMS read and send, location on access.

3. In case user has multiple SIMs, user will be asked to choose the SIM he/she wants to proceed with. System will launch the SIM verification process through silent SMS.

a. User will be prompted to change the SIM once in case there is no customer ID found for the selected SIM

b. If user does not change SIM or has a single SIM, user will be directed to the New to Bank (NTB) registration flow

5. The system will check if Customer ID exists for this user and the active status of the user. A user with a valid Customer ID and who has an active relationship with the bank will be able to proceed with the registration including individual, NRE and NRO. If the customer ID is either dormant or freeze, then the user will get a message to contact the branch.

5. The app will send an OTP to the registered mobile number. The OTP process will be timed and in case of session out, user may reinitiate. User will be able to resend the SMS again 3 more times User will get a max of 3 attempts to input the correct OTP. In case, user enters 3 incorrect attempts, user will be blocked from performing this action.

6. In case there are more than one Customer ID with the same Registered Mobile Number (RMN), a list of the Customer IDs will be shown on screen. User must select only one Customer ID to proceed

7. User will be able to choose between the following options to perform the two-factor authentication or choose 'view rights': If user selects 'I want view only rights', then the multi-factor authentication (MFA) options will not be visible.

8. MFA options-

- a. Debit card / ATM card number, Expiry date and Card Pin. If users have an active debit card, this method will be shown.
- b. Customer ID and IB password (applicable if registered in Web Portal)
- c. Aadhar, PAN, DOB and account number, last 5 transaction details
 - i. This option will be visible only if the user is found not having a single active debit or credit card
 - ii. User will first enter their Aadhar Number, PAN and date of birth
 - iii. Once the above is verified, the user must enter their account number and amount of one of the last 5 transactions.

9. User will be able to perform any method a total of 3 times (even if toggled)

If the user's verification fails, the user's account will get blocked.

10. If user has chosen option "Aadhar, PAN, DOB" to register and after validation, user has to select 3 security questions.

11. User will get a congratulatory message about completion of registration and will be prompted to set a 4-digit MPIN. Users will enter the same MPIN twice. After correct entering MPIN, success message will be shown. Users will also get the option to go back and restart the MPIN registration process.

12. After setting up the MPIN, User will be prompted to set up Touch ID or Face ID. If biometrics setup is available in the device, user will be shown congratulatory message of biometrics enabled. If biometric setup is not available, the user, if he/she wishes to register for biometrics, must first activate and set up the same in Android/IOS device before attempting registration. It can be changed later through the profile section

13. On successful completion, the user will be routed to the pre-login page and prompted to login

14. If the user ID gets blocked, a request for unblocking has to be given to the branch who will then lodge a complaint in BMC portal.

iii) Registration on web portal

1. User can access web portal by link/URL.
2. User clicks on registration tab and enters the Customer ID or user ID.
3. Once user ID/Customer ID has been identified as validated, OTP will be triggered to the user's email ID and RMN. Both OTPs should be validated before users can proceed.
4. In case user fails to validate RMN or email via OTP, user's registration process will be blocked. User will see an option to 'unblock'
5. The MFA process will be initiated. Users will need to enter one of the below
 - a) Credit Card no., Expiry Date and PIN
 - b) Debit Card no., Expiry Date and PINOnce unblocked, the user will restart registration

After successful validation of RMN and email id, User will get the option to authenticate using one of the following ways or select 'view rights'

- a) Debit Card no., Expiry Date and PIN
- b) Credit Card no., Expiry Date and PIN (valid for credit card holders)
- c) MPIN (If users have already registered on the MB platform using the same Customer ID, users can enter their existing MPIN as well.)

If user authenticates through MB QR Code, MPIN entry is not required.

7. Once verified, users will be asked to set an IB password and personalized user id. If a user has a registered user ID, this can be changed here. This user id remains unchanged thereafter. Once user clicks confirm, user will get a confirmation email / SMS that internet banking registration has been done

iv) Re-installation (registered device, same SIM) on MB

1. When the app is launched, security checks will be performed followed by the user authentication process mentioned in the previous section.
2. Once authentication is successful through the two-factor authentication process, the user will be asked to enter the old MPIN
 - a. If the user enters the old MPIN correctly, step 4 from here.
 - b. A total of 3 attempts will be made. If user inputs incorrect MPIN all times, user will be prompted to enter a new MPIN
3. User will be prompted to setup Touch ID or face ID.

4. If a single biometrics setup is available on device, the user will be shown congratulatory message of enabling biometrics. If single biometric is not setup, user must first activate and setup the same in android/IOS device before attempting registration. It can be changed later through the profile section.

5. On successful completion, the user will be routed to the pre-login page and prompted to login.

v) User has selected the wrong Customer ID (applicable for MB)

1. User selected the wrong Customer ID during registration process.

2. In such a case, the user will be able to re-register with a new Customer ID by uninstalling or de-registering from the app through the profile section

3. New Customer ID selection is only applicable for users having the same RMN linked to multiple Customer IDs and are not registered with MB.

vi) User is unable to verify through OTP or has exhausted all 3 tries on Mobile Banking

1. User clicks on 'Trouble receiving OTP?' while verifying the RMNOR User has entered OTP incorrectly 3 times and clicks on 'unblock'.

2. User will enter Customer ID.

3. User will be shown below message:

'Kindly authenticate using 2 methods from the below options'

a. Debit Card no./ATM card number, Expiry Date and PIN. User will have selected Customer ID before this step

b. Customer ID and IB password (applicable for users already registered in Web Portal)

i. For users who have selected a Customer ID (multiple Customer IDs), users will be able to see the Customer ID and must enter the password against it

ii. For single Customer ID, only password will be entered

c. Credit Card no., Expiry Date and PIN

4. Users can opt for 'view only' transaction rights here, if desired.

vii) Registration of New Customers (NTB)

➤ **NTB user registers on the app**

Users should have a valid phone number (both MB and IB) and a valid email ID (for IB)

1. Once the app is launched, background checks will be performed.

2. If any of the security checks fail the app will close. Users will be shown an error message.

3. If device is verified, User will be asked to provide the app permission- SMS read and send, location access and contact list permission.

4. In the case of multiple SIMs, users will be asked to choose the SIM to proceed with. System will launch the SIM verification process with MSP through silent SMS. When prompted user must click the send button to initiate the process.

5. System will check if Customer ID exists for this customer and active status of the user.

6. Registration process will start. Users will be asked to enter some details- first name, last name, DOB, gender, email, phone number (auto populated & masked)

7. After saving these details, the user will receive mobile and email OTP.

8. If the authentication is successful, user will get a congratulatory message about completion of registration

9. User can now set 4-digit MPIN. User will have to enter the pin twice. If there is a mismatch, the user will be prompted to retry. Users will also get the option to go back and restart the MPIN registration process

10. User will be prompted to setup Touch ID or face ID.

11. If a user has a single biometrics setup in the device, they will be directly shown a congratulatory message of enabling biometrics. If single biometric is not setup, user must first activate and setup the same in android/IOS device before attempting registration. It can be changed later through the profile section.

12. On successful completion, the user will be routed to the pre-login page and prompted to login

viii) User breaches 3 attempts while validating email & mobile OTP

1. In case the user breaches all 3 attempts, the user will receive an error message and will be blocked.

2. Here, the user will not have the option to unblock.

ix) User is unable to register

1. User might not be able to register due to:

a. Verified email ID but unverified phone number

b. Unverified email ID but verified phone number

c. unverified email ID and unverified phone

2. In case of unverified email ID and unverified phone number, user's phone number captured at the time of SIM selection / detection will be used.

3. User may re-initiate the process till both Mobile number and e-mail are in verified status (for IB) and Mobile number is in verified status (For MB).

x) Customer On boarding for Savings Account – ETB & NTB

1. Open individual savings account

1.1. User selects open savings from the account menu options which will consist of the Savings account: Menu options for savings account will be as below:

Individual

1.2. KYC details: At this stage the user will have the option to proceed with PAN and Aadhar number.

1.3. If the user enters PAN and Aadhar number:

a) User enters the PAN number. The details below will be visible.

First Name

Middle Name

Last Name

b) User enters the Aadhar number Message will be displayed to the user that “OTP will be sent on mobile no. linked with Aadhar.

c) User enters Aadhar based OTP send on the registered mobile number by UIDAI. The below details will be fetched from UIDAI

First Name

Middle Name

Last Name

Address

Date of Birth (DOB)

Gender

d) The user’s DOB is validated for a minor account, if minor account is found then appropriate message is displayed.

If PAN and Aadhar both are not available, the user enters the PAN and Aadhar.

If PAN is available and Aadhar not available. User enters the Aadhar number.

a) PAN and AADHAAR numbers are verified. Name in PAN and Aadhar should be same, for users to proceed. Message will be displayed to the user that “OTP will be sent on mobile no. linked with Aadhar.

b) User enters Aadhar based OTP send on the registered mobile number by UIDAI. The below details will be fetched from UIDAI

- Full Name
- Address
- DOB
- Gender

c) For ETB Customers only, user will first verify their Aadhaar again and then select the account from which details of the user will be fetched. After this step, users will continue to select branch.

d) The user's` DOB is validated for a minor account and the appropriate message is displayed.

1.4. Name received from PAN and Aadhar of the user is validated for a match. On verification on name, the user details are validated for fraud. On click of Proceed button, "Application Reference Number" is generated and informed to user via SMS and Email. User is moved on to next step of "Fill Additional Details" page.

1.5. User is displayed the details fetched entered along with the details fetched post Aadhar validation. User confirms permanent address and communication address; user will have an option to choose the communication address same as the permanent address. Permanent address will be fetched and displayed as mentioned in Aadhar.

1.6. If communication address is not the same as permanent address, then the user must provide proof of address for the communication address. User can choose to upload the proof or fetch via Digi-Locker.

a) If user selects upload option:

User selects the proof of address from the below list:

i. Aadhar

ii. Passport

iii. DL

iv. MNREGA Card

v. Voters Id

vi. PDF, JPG, JPEG, PNG file type should allow, and max size of the upload should not exceed 5mb. Uses can click on upload icon selects upload or camera icon (camera icon only of app) to upload the proof of address.

b) If user selects fetch using Digi-Locker option:

- Digi-Locker opens in web view and prompts user to login.
- User logs in to the account and selects a file to share.

c) Digi-Locker shares file and shows status message.

d) User selects/confirms the branch. Branch will be auto populated based on the following:

- Based on permanent address pin code. The branches which are available in the pin code will be visible.
- Based on communication address pin code. The branches which are available in the pin code will be visible.

1.7. User is prompted to enter/confirm the below-mentioned applicant details:

- First Name
- Middle Name
- Last Name
- Gender
- DOB – to be entered by the user if only year is returned by UIDAI
- Customer Type: If the customer type is selected as staff/ex-staff, user will have to enter the employee id.
- Resident of India

1.8. User is prompted to enter/confirm the below-mentioned personal details:

- Father's name
- Mother's name
- Religion
- Caste
- Nationality (View only)
- Marital Status
- Education Qualification
- Occupation
- Type of occupation
- Company name
- Designation
- Employee Id

- Gross Annual Income
- Mode of operation (View only)
- Willing to maintain AQB?
- Person with disability?
- Nominee details
- Guardian details (if nominee is minor)

1.9. By default, single will be selected.

1.10. Users can choose to enter nominee details if they wish. If not, the system will prompt the user with a message highlighting the risk.

1.11. The user will have the option to cancel and add nominee once the message is displayed.

1.12. If the nominee is a minor, the user has to enter the guardian details which is mandatory

1.13. Eligible bank products will be shown. User selects the type of account which is to be opened.

1.14. Names on debit cards will be auto populated based on first and last name of user, which can be edited by the user.

1.15. Users can choose the value-added services required to be activated.

1.16. Preview cum declaration page will be available for the user to review all the details entered by the user. User can submit the application or go back to edit any details. Customers must accept terms and conditions and declaration mandatorily.

1.17. User clicks on start video KYC.

1.18. If Video KYC is successful, the user is directed to the congratulations page, user will be shown his newly created Savings Bank A/c, Home branch details (Address & IFSC code)

1.19. A message is sent to users informing them of the details. SMS + E-mail + In app notification will be sent to user.

2. Fixed / Recurring Deposit

2.1 Opening Fixed / Recurring Deposit

User logs in and navigates to the fixed / recurring deposit section available in the main dashboard or the option **save** available in the dashboard. Please note that the steps will be the same for recurring deposit opening also.

2.2. If there are no fixed deposits, the user will land on create a FD page where in user chooses the FD type to be opened.

2.3. User is asked to select the interest payable option from the below list:

- Monthly interest payable
- Quarterly interest payable
- Quarterly interest compounded
- Tax saver FD

2.4. In case a fixed deposit is already created, the user will land on the FD Dashboard with the current day balance and other details.

2.5. Based on the previous selection the user will be shown nature of FD products, scheme type, duration and the user can compare FDs.

2.6. After selection of FD product, User enters deposit amount. Minimum and maximum deposit amount applicable as per the deposit type chosen by the user will be shown. Tenure will be auto selected based on the maximum interest rate applicable for the product with the maximum tenure for that interest rate.

2.7. FD can be opened for minimum 7 days and maximum 10 years.

2.8. The Tax Saver scheme, Star Sunidhi, shall have maximum limit of Rs. 1, 50,000. For other schemes, users can create a maximum limit of less than Rs. 3, 00, 00,000

@ At present the maximum cap for retail deposits as stipulated by RBI.

2.9. Senior Citizens (completed 60 years) and Super Senior Citizens (completed 80 years) can also open FD, with additional ROI.

2.10. User can edit the details, if required; all the available tenures and applicable interest rate of each period will be visible to the user and user will select debit account.

- After the user enters amount and clicks on add more details, user is asked to link PAN details to continue.
- If user has only one account, a debit account is populated by default.
- If user has more than one account, the savings account is shown by default.
- If user wishes to change the same, the user can do it by selecting debit account from the list.
- User chooses debit account from the list (in case of multiple accounts).
- If amount is => Rs. 50,000 and PAN are available, user is allowed to proceed.
- If amount is less than Rs. 50,000 and PAN is not available user is alerted that the FD interest may attract higher TDS.

2.11. Users will have to confirm maturity instruction of the FD from the following options:

- Renew principal and interest default selection
- Renew principal and pay interest
- Renew part principal and pay interest User to enter the principal amount that they wish to renew.
- Pay principal and interest on maturity.

Users on this screen will be able to add a different TDS, repayment account and change / update default nominee details

2.12. Users will have the option to select the account for TDS deduction. By default, it will be deposit account. Users can change this as per their preference but restricted to BOI account only.

2.13. Users should enter nominee details. If not, the system will prompt the user with a message highlighting the risk. The user will have the option to cancel and add nominee once the message is displayed. Nominee details fields will be the nominee of the primary account, which is modifiable. If the nominee is a minor, the user will additionally be asked to enter the guardian details, which is mandatory.

2.14. User can add/confirm the repayment account. By default, this will be selected as the debit account. In case the user wishes to change the interest credit account, they can only add accounts restricted to BOI Accounts.

2.15. User confirms the subscription by accepting the terms and conditions and clicks on the proceed option.

2.16. Users may be asked for additional authentication, and the FD account will be created.

2.17. In case of RD, users need not create SI as this will be created automatically. User has to ensure sufficient funds for RD instalment is available on due dates.

2.18. On confirmation amount is debited from the selected debit account and the user is notified (SMS + Email + in app)

3. Service Options for Term Deposit (FD and RD)

Users should have access to the service options below:

- A. E-Mail/ Download FD/RD Advice
- B. RD/FD Premature closure
- C. Update Nominee RD/FD
- D. Cancel Auto-Renewal
- E. Create OD against FD
- F. FD account statement - Account servicing
- G. TDS certificate and interest certificate Account servicing

4. Email / Download FD/RD advice

4.1. User logs in and navigates to the deposit section.

4.2. User selects the FD/RD from the list available.

4.3. After selecting FD / RD all details of the deposit will be shown, and User needs selects download/E-mail FD/RD advice. If user chooses download, the advice will be downloaded to the device in pdf format. Users will have the option to share the same. If the user chooses e-mail advice, the advice will be sent to the recipient's e-mail.

4.4. The system will check if the e-mail id for the user is available. If available, the advice will be generated and sent to the registered e-mail address. If not, the user will be prompted with an error message for the user to update e-mail id.

5. FD/RD premature closure

5.1. User logs in and navigates to the deposit section.

5.2. User selects the FD/RD from the list available.

5.3. After selecting FD / RD all details of the deposit will be shown.

5.4. Where the lien is marked on the deposit, this is displayed.

5.5. Users need to select close FD / RD.

5.6. Users will be displayed, the loss that might incur in case they do a premature closure and offer OD against the FD/RD. User will have the option to proceed forward or also select OD and move to the availing overdraft facility flow.

5.7. User is shown from penalty, TDS, interest amount, deposit amount, gross payable and lien details if any. The credit account is displayed to the user, the user confirms to proceed, and the FD/RD account will be closed. (additional authentication may be asked)

5.8. If lien is marked, user will not be able to do this operation. If the FD is created through branch channel, the same will not be allowed to be closed through MB/IB. Appropriate error message is shown.

6. Update Nominee details

6.1. User logs in and navigates to the deposit section.

6.2. User selects the FD/RD from the list available.

6.3. After selecting FD / RD all details of the deposit will be shown, and User can click on edit to change nominee details / percentage or delete a nominee.

6.4. In case no nominee exists, users is given an option to add a nominee with validations, same as in FD creation process.

7. Update/Change maturity instruction for FD/RD

7.1. User logs in and navigates to the deposit section.

7.2. User selects the FD/RD from the list available.

7.3. After selecting FD / RD all details of the deposit will be shown, and User can click on edit to change maturity instructions. User selects update maturity instruction, the present auto renewal details are populated and displayed to the user.

7.4. Users will have to confirm maturity instruction of the FD from the following options:

- Renew principal and interest default selection
- Renew principal and pay interest
- Renew part principal and pay interest User to enter the principal amount that they wish to renew.
- Pay principal and interest on maturity.

7.5. User confirms the changes and wishes to proceed forward. Renewal details will be updated accordingly.

7.6. If lien is marked, the user is not allowed to do this operation.

8. Change Repayment Account

8.1. User logs in and navigates to the deposit section.

8.2. User selects the FD/RD from the list available.

8.3. After selecting FD / RD all details of the deposit will be shown including the exiting credit account details displayed with option to edit. User will click on edit on repayment account

8.4. User enters/selects account details.

8.5. OTP triggered to registered mobile number. User enters OTP and confirms the changes.

Credit account details are updated for the respective FD.

8.6. Users are notified (SMS + Email + In app).

8.7. If lien is marked, user will not be able to do this operation

We have approved SOP in place of digital account opening procedures for opening of accounts through alternative delivery channels.

Procedures and guides are also available at our website.

1. <https://bankofindia.co.in/boi-mobile-omni-neo-bank-app>
2. <https://bankofindia.co.in/internet-banking-demo>
3. <https://bankofindia.co.in/smart-banking>

Part-4

□□□□ □□□ & □□□□□□□□□□ □□□□□ पर नीति 2024-25
Policy on Green Deposits & Financial Framework 2024-25

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POLICY ON GREEN DEPOSITS – 2024-25

Chapter -1

PREAMBLE:

In July 2022, the RBI issued a Discussion Paper on Climate Risk and Sustainable Finance. The discussion paper emphasized on the need to sensitize India's financial sector to the importance and benefits of green finance and develop related capacity building measures. Based on the feedback received from various stakeholders, RBI issued a press release dated 8 February 2023 on the 'Statement on Developmental and Regulatory Policies'. One of the guidelines proposed in the press release was on developing an overall green finance ecosystem including a broad framework for acceptance of green deposits. Subsequently, on 11 April 2023, RBI issued a Framework for Acceptance of Green Deposits. The framework is effective from 1 June 2023 **(RBI/2023-24/14 DOR.SFG.REC.10.30/30.01.021/2023-24 dated 11-04-2023)**.

This policy document is framed in accordance with RBI directions. Green Deposits Policy outlines the guiding principles with respect to formulation of various green deposit products offered by the Bank and the terms and conditions governing the conduct of the Account. The Policy recognizes the rights of depositors and aims at dissemination of information regarding various aspects of acceptance of green deposits from the members of the public, conduct and operations of various green deposit accounts, payment of interest on various green deposit accounts, closure of green deposit accounts method of disposal of green 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 of their rights.

While adopting this Policy, the Bank reiterates its commitment to individual customers outlined in the Bankers' Fair Practice Code of Indian Banks' Association. In accordance with regulatory prescriptions, a copy of Bank's Green Deposit Policy will be placed on Bank's website.

Chapter -2

GREEN DEPOSIT FRAMEWORK

Denomination, interest rates and tenor of deposits

- J) Green Deposits are specialized deposits for promoting green initiatives by deploying funds in green activities/projects covering inter-alia, the following:
1. It will be based on Official Indian Green Taxonomy
 2. Pending finalization of Indian Green Taxonomy, the funds will be deployed as per Bank's Lending Framework for Green Deposits.
- K) Green Deposit Accounts can be opened by Individuals/Partnership Firms/Private & Public Limited Companies/HUFs/Specified Associates/Societies/Trusts, Departments of Authority created by Government (Central or State), Limited Liability Partnership etc.
- L) The Green deposits will be regulated by **the Bank's deposit policy** for Interest, Tenor and other operational guidelines. The Green deposits will be raised by Bank in the form of Fixed Deposit – Non-Cumulative, Double Benefit Deposit – Cumulative
- M) The Green Deposit shall be accepted in the callable category with the prevailing features of premature penalty (MIC & QIC is not permitted in the scheme)
- N) The proceeds of green deposits shall be utilized / deployed towards the list of green activities/projects which encourage energy efficiency in resource utilization, reduce carbon emissions and greenhouse gases, promote climate resilience and/or adaptation and value and improve natural ecosystems and biodiversity. The detailed list will be as per Board Approved Financial Framework (FF) for effective allocation of Green Deposits.
- O) The depositor willing to deposit under Green Deposit will submit an undertaking to the Bank so that proceeds shall be utilized for the specified purpose and the Bank is permitted to verify the end use of funds and its impact on the environment & its sustainability.
- P) This Green Deposit Scheme will be an interest-bearing deposit, received by the Bank for a fixed period and the proceeds of which are earmarked for being allocated towards green finance. **This deposit shall be accepted in Indian Rupees only.**

- Q) There will be cap on minimum & maximum deposit amount which can be accepted by the Bank under the Green Deposit.
- R) Premature withdrawal shall be allowed only upon written request from the depositor and the prevailing provisions of the penalty on premature withdrawal shall apply. In case of partial withdrawal of the deposit before the contracted term, the remaining portion of the deposit shall not be treated as Green Deposit but shall be converted to Normal / Regular fixed deposit and will be governed by the prevailing provisions of the acceptance of Domestic, NRO & NRE Rupee Term Deposits by the Bank.
- S) The extant guidelines do not permit Banks to offer differential rates of interest on green deposits.
- T) Upon maturity, the maturity proceeds will be transferred to the operative/ linked account. The Depositor can exercise an option for auto renewal. On exercising this option Customer would be deemed to have given consent for Bank to re-invest the amount in green projects.
- U) Customer can open the Green Deposit Account – On-line / digital mode upon registering them with BOI Net Banking / BOI Mobile App.
- V) The Bank may choose to specify amount, tenor and period for acceptance and deployment of Green Deposits for its future requirements considering the Asset/ Liability composition under the Green Deposit. The Bank will have the right to exercise the option of restricting the quantum of acceptance/ deployment of Green Deposits as and when it deemed fit.

Chapter -3

GREEN DEPOSIT ----FINANCING FRAMEWORK

Lending would be as per the Bank's approved Credit Policy and would inter-alia cover the objectives, scope as per RBI's Framework for acceptance of Green Deposits.

USE OF PROCEEDS

The allocation of deposits accepted under Green Deposit Policy would be:

- It will be based on Official Indian Green Taxonomy (pending finalization of the Green Taxonomy, it will be as per list of green activities /projects which encourage energy efficiency in resource utilization, reduce carbon emissions and greenhouse

gases, promote climate resilience and/or adaptation, value and improve natural ecosystems and biodiversity).

- It would be deployed (Green Assets) under Sector as described below:
 - **Renewable energy**
 - Solar/wind/biomass/hydropower energy projects that integrate energy generation and storage
 - Incentivizing the adoption of renewable energy.
 - **Energy efficiency**
 - Design and construction of energy-efficient and energy-saving systems and installations in buildings and properties
 - Supporting lighting improvements (For example, replacement with LEDs).
 - Supporting construction of new low-carbon buildings as well as energy efficiency retrofits to existing buildings
 - Projects to reduce electricity grid losses.
 - **Clean transportation**
 - Projects promoting electrification of transportation
 - Adoption of clean fuels like electric vehicles including building charging infrastructure
 - **Climate change adaptation**
 - Projects aimed at making infrastructure more resilient to impacts of climate change
 - **Sustainable water and waste management**
 - Promoting water efficient irrigation systems
 - Installation/up gradation of wastewater infrastructure including transport, treatment and disposal systems
 - Water resources conservation
 - Flood defense systems.
 - **Pollution prevention and control**
 - Projects targeting reduction of air emissions, greenhouse gas control, soil remediation, waste management, waste prevention, waste recycling, waste reduction and energy/emission-efficient waste-to energy (Feedstock will primarily include Sewage, Manure, Wastewater, Bagasse, Biomass, Wood pellets etc.)
 - **Green buildings**
 - Projects related to buildings that meet regional, national or internationally recognized standards or certifications for environmental performance
 - **Sustainable management of living natural resources and land use**
 - Environmentally sustainable management of agriculture, animal husbandry, fishery and aquaculture
 - Sustainable forestry management including afforestation/reforestation
 - Support to certified organic farming
 - Research on living resources and biodiversity protection.
 - **Terrestrial and aquatic biodiversity conservation**
 - Projects relating to coastal and marine environments
 - Projects related to biodiversity preservation, including conservation of endangered species, habitats and ecosystems.

➤ **Exclusions**

- Projects involving new or existing extraction, production and distribution of fossil fuels, including improvements and upgrades; or where the core energy source is fossil fuel based
- Nuclear power generation
- Direct waste incineration
- Alcohol, weapons, tobacco, gaming, or palm oil industries
- Renewable energy projects generating energy from biomass using feedstock originating from protected areas
- Landfill projects
- Hydropower plants larger than 25 MW.

The Bank may deploy the green deposits raised either in green assets portfolio or may invest in corporations, projects that support the transition to a clean, energy efficient and environment friendly within the requirements of the Financial Framework.

The unallocated proceeds (if any) may be invested by our **HO Derivatives/Treasury** in the liquid instruments in Level 1 High Quality Liquid Assets as per the extant guidelines. The Bank can temporarily park proceeds of green deposits, pending allocation towards green activities/projects, in liquid instruments with maximum maturity up to one year.

The selection, appraisal and financing green projects would be as per Bank's board approved **CREDIT POLICY**.

The codes as per RBI BSR for flagging /identifying Green Deposits, Assets and Investments for generating BI reports/MIS would be done by HO IT and Data warehouse.

The **Asset Department** (Corporate Credit) at HO in co-ordination with other functional HO Asset Departments (Retail, BU-Rural, SME) would ensure that the funds raised through green deposits are allocated to the eligible green activities/ projects as described above or as may be declared under green taxonomy in future.

Chapter -4

THIRD PARTY VERIFICATION /ASSURANCE AND IMPACT ASSESSMENT

- The proceeds raised through the issue of green deposits are to be utilized in accordance with the eligible green activities/projects, as specified and details such as the relevant policies and internal controls with respect to project evaluation and selection, management of proceeds, validation of the sustainability information provided by the borrower along with appropriate reporting and disclosures.

- Bank of India with assistance of external Firm will conduct an annual Impact

Assessment of the funds lent for or invested.

- **Inspection & Audit Department** at HO would call for Audit and submit the Reports to the Board of Directors as stipulated by Regulators.

- An **Environment Social Governance committee** formed by HO Risk Management Department to co-ordinate implementation of the Policy in Bank and will be nodal agency for Green Deposit and Financing Framework policy related matters.

Chapter -5

REPORTING AND DISCLOSURES

A review report shall be placed before Board of Directors within 3 Months of the end of the financial year which shall inter-alia cover the following details:

- i. Amount raised under green deposits during the previous financial year
- ii. List of green activities/projects to which proceeds have been allocated, along with a brief description of the projects
- iii. Amounts allocated to the eligible green activities/projects
- iv. A copy of the Third-Party Verification/Assurance Report and The Impact Assessment Report
- v. The policy would be reviewed once a year or earlier if warranted as per regulatory requirement.

Appropriate disclosures will be provided in the annual financial statements regarding the portfolio-level information on the use of green deposit funds.

Chapter -6

SUNSET CLAUSE

Policy on Green Deposits & Financial Framework 2024-25 would be reviewed once a year or earlier if warranted as per regulatory requirement. Post approval of the policy, any changes made by the RBI, or any other regulatory authority will form an integral part of this policy, pending their formal inclusion at the time of the next renewal of the policy.

Part -5. APPENDIX

List of references including Bank Policies /RBI circulars/directions etc.

1. RBI/2023-24/69 DOR.AML.REC.44/14.01.001/2023-24 dated Oct 17, 2023
2. RBI/2024-25/40 DoR.SPE.REC.24/13.03.00/2024-2025 Dated 07-06-2024
3. RBI Master Circular dated July 01, 2015, on 'KYC norms / AML standards / Combating of Financing of Terrorism (CFT) / Obligation of banks under PMLA, 2002
4. Amendment to the Master direction on KYC issued under circular RBI/2023-24/69 DOR.AML.REC.44/14.01.001/2023-24 dated Oct 17, 2023
5. RBI/2023-24/14 DOR.SFG.REC.10.30/30.01.021/2023-24 dated 11-04-2023
6. Bank's Card Management Policy- Version 6 dated 20-12-2023
7. Bank's Policy on Operational Procedure for Settlement of Claims of Deceased / Missing Depositors Accounts dated 25-09-2023
8. Bank's Policy on Inoperative / Dormant Accounts & Unclaimed Deposit dated 25-09-2023
9. Bank of India Green Deposit & Financing Framework Policy dated 24-01-2024
10. Bank's Standard Operating Procedure (SOP) for Redressal of Complaints / Grievances dated 28-02-2024.
11. Bank's Policy on Bank Deposits-2023 dated 23-06-2023.
12. RBI/2023-24/105 DOR.SOG (LEG).REC/64/09.08.024/2023-24 dated January 1, 2024
13. Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016 updated on 26-10-2023
14. Inoperative Accounts /Unclaimed Deposits in Banks- Revised Instructions RBI/2023-24/105 DOR.SOG (LEG).REC/64/09.08.024/2023-24 dated January 1, 2024
15. The Depositor Education and Awareness Fund Scheme, 2014 –Section 26A of Banking Regulation Act, 1949- Operational Guidelines RBI/2013-14/614 DBOD.No.DEAF Cell.BC.114/30.01.002/2013-14 dated May 27, 2014
16. Customer Protection Policy (Unauthorized Electronic Banking Transaction) Version – 4.1 September 2023
17. Customer Acceptance, Customer Care, Customer Severance & Customer Rights Policy, March 2024
18. Policy on Operational Procedure for Settlement of Claims in Deceased / Missing Depositors Account's dated 25.09.2023
19. Amendment to The Banking Regulation Act, 1949 published vide Extraordinary Gazette CG-DL-E-09082024-256241Part II-Section 2 dated 09-08-2024
20. RBI review of instructions issued to banks on inoperative accounts/unclaimed deposits DOR.CO.LEG.NO.56691/09.08.024/2023-24 dated 20-02-2024
21. Government of India, Ministry of Finance, Department of Financial Services Advisory F. No. 6/8/2024-Welfare dated 28-08-2024
22. HO GOD Circular letter 2022-23/26 Ref HO/GOD/SRM/2022-23/07 dated 19.05.2022.
23. Retail Mobile Banking and Internet Banking - User Manual – Ver 1.0.
24. Standard Operating Procedure for Digital Deposit Account Opening.