



DEPOSIT POLICY

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DEPOSIT POLICY

Introduction

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

This policy document on deposits outlines the guiding principles in respect of formulation of various deposit products offered by the Bank and terms and conditions governing the conduct of the account. The document recognizes the right of depositors and aims at dissemination of information with regard to various aspects of acceptance of deposits from the members of the public, conduct and operations of various 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 the individual customers and create awareness among customers of their rights. The ultimate objective is that the customer will get services they are rightfully entitled to receive without demand.

While adopting this policy, the Bank reiterates its commitments to individual customers outlined in the Code of Bank's Commitment to Customers adopted by the Bank. 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.

PART A – General Policy Guidelines

1. Know Your Customer (KYC) Guidelines

KYC is the platform on which Banking system operates to avoid the pitfalls of operational, legal and reputational risks and consequential losses by scrupulously adhering to the various procedures laid down for opening and conduct of accounts.

The Branches shall follow appropriate 'Know Your Customer' policies, procedures and internal control mechanism designed to:

- i) Establish and document the true identity and address of the customers who maintain/establish relationships, open accounts and conduct business transactions.
- ii) Obtain background information on existing and /or new customers.
- iii) Safeguard the Bank from the risks of doing business with any individual or entity whose identity cannot be determined.
- iv) Protect the Bank from the risks of having business relationships with any individual or entity who refuses to provide information, or who has provided information that contains significant inconsistencies which cannot be resolved after due examination.

The Bank is having a comprehensive KYC/ AML policy (as revised from time to time) and the approach of the Bank on KYC/ AML guidelines will be based on this.

2. Types of Deposit Accounts

While various deposit products offered by the Bank are assigned different names, the deposit products can be categorized broadly into the following types.

- a. **“Demand deposits”** means a deposit received by Bank which is withdrawable on demand such as Savings Bank & Current Accounts.
 - i. Savings deposit means a form of interest bearing demand deposit which is a deposit account whether designated as “Savings Account” (SA), “Savings Bank Account” (SB), “Savings Deposit Account”, “Basic Savings Bank Deposit Account (BSBDA)” or other account by whatever name called which is subject to the restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the Bank during any specified period as also restrictions on the eligibility to open such accounts. A Savings Bank customer is offered the facility of passbook & account statement (in physical and/or digital form) which will capture the account transactions. Cheque book may be provided on request, depending on the scheme of account & type of customer.
 - ii. Current Deposit Account/ Current Account (CA) is a form of non-interest bearing demand deposit which helps people who conduct commercial transactions especially businessmen, wherefrom withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount and shall also be deemed to include other deposit accounts which are neither Savings Deposit nor Term Deposit. A Current Deposit Account holder is offered the facility of account statement (in physical and/or digital form) & passbook which will capture the account transactions. Cheque book may be provided on request, depending on the scheme of account & type of customer.

- b. **Time / Term deposits (TD)** mean a deposit received by the Bank for a fixed period withdrawable only after the expiry of the fixed period or under certain terms & conditions and include deposits such as Recurring Deposit (RD/ Fixed Deposits (FD) – Cumulative & Interest pay-out / Cash Certificates.
- i. 'Fixed Deposit (FD) interest pay-out products' are term deposits where the simple interest component is paid to the customers on a monthly discounted rate or quarterly / half yearly / annual basis. Minimum period of deposit is 7 days and maximum period of deposit is 10 years. Minimum amount of deposit is Rs. 1,000.
 - ii. Cumulative Fixed Deposits, also known as Reinvestment Deposits, are term deposits wherein the interest component accrued is reinvested quarterly and ploughed back into the principal and as a result provides the depositor with a higher return on investment. Minimum period of deposit is 6 months & maximum period is 10 years. Minimum amount of deposit is Rs. 1,000.
 - iii. A Recurring Deposit (RD) is opened on the distinct understanding that the depositor shall deposit the instalments month after month from Rs. 100 or more within the due date ie. for a pre-fixed period at pre-fixed intervals. Minimum period of deposit is 6 months & thereafter in multiples of one month. Maximum period of deposit is 10 years.
 - iv. Bulk Deposits: Single rupee term deposits of Rupees Three Crore and above or such amount as amended by RBI from time to time are considered as bulk deposits. Differential interest rate shall be offered on bulk deposits based on daily quotes. This includes domestic, NRO & NRE deposits as well.
 - v. Non-callable Deposits: This product is primarily targeted at the interest conscious customer base. The customer in turn may receive an enhanced interest rate as decided by the Bank. The rate would be a mark-up from the existing rates offered to other customers. As is evident from the name, premature closure is not permitted. However, Bank may allow premature withdrawal of these deposits in the exceptional circumstance such as in the event of any direction from any judiciary/ statutory and/ or regulatory authorities cases or deceased claim settlement cases etc. for which the penalty if applicable may be fixed by the Bank. The tenure and minimum deposit amount is decided by the Asset Liability Management Committee (ALCO) of the Bank from time-to-time basis the extant RBI guidelines. This product is offered as per the liquidity requirement from time to time.

Bank may issue Fixed Deposit Receipt (FDR) or Fixed Deposit Advice to a Deposit holder on opening Term Deposit account. This document is an important record of all the details of your TD and details of the TD holder. The primary difference between the Fixed Deposit Advice and Fixed Deposit Receipt is that the former is not printed on security, it is printed on normal paper.

The minimum tenure of domestic/ NRO term deposits is 7 days and NRE/ FCNR(B) deposits is 1 year. The maximum tenure for Domestic/ NRO/ NRE term deposits is 10 years and for FCNR (B) deposits is 5 years. The rate of interest, applicable tenure (minimum & maximum), deposit amount (minimum & maximum), premature closure penalty (%) & method of calculation of interest rate may be changed/updated by the bank from time to time as per the regulatory/IBA guidelines through approval by the Asset Liability Management Committee (ALCO) of the bank. The updated details will be published in bank's website. No interest will be paid if the term deposit is closed prior to completion of minimum tenor as prescribed by RBI from time to time.

- c. Demand Deposits & Time/ Term Deposits should be opened either under the Resident category or under the Non-resident category as defined / implied in the FEMA Act 1999. Accounts may be opened as individual or joint or in the name of a corporate/non-individuals as per the regulatory guidelines/ eligibility to open such accounts.

3. Account opening & operation of deposit accounts

- a. The Bank before opening any deposit account will carry out due diligence as required under Reserve Bank's instructions on 'Know Your Customer' (KYC) & Anti-Money Laundering (AML) and such other norms or procedures as per the Customer Acceptance & Identification Policy adopted by the Bank. If the decision to open an account of a prospective depositor requires clearance at a higher level, reasons for any delay in opening of

the account will be informed to customer and the final decision of the Bank will be conveyed at the earliest to customer.

- b. For opening individual accounts, the prospective customer should produce documents for both identity and address proof. If the address on the document previously submitted as identity proof by the prospective customer is the same as that declared by him /her in the account opening form, the document may be accepted as a valid proof of both identity and address. Introduction is not mandatory but may be called for by the Bank if required.
- c. The Bank is committed to providing basic Banking services to disadvantaged sections of the society. Banking services will be offered to them through no-frill accounts and such accounts will be opened with relaxed customer acceptance norms as per regulatory guidelines. As part of Financial Inclusion Plan, Bank may engage Business Correspondents to extend basic Banking services as per the regulatory guidelines.
- d. 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 for record. It is expected of the Bank official opening the account to explain the procedural formalities and provide necessary clarifications sought by the prospective depositor. including information required to prepare a profile for Risk categorization of the Customer into High /Medium /Low when customer approaches for opening a deposit account. Inability or unwillingness of a customer to provide necessary information/details as requested by the bank can result in the bank rejecting the customer onboarding request or not proceeding with opening an account. Inability of an existing customer to furnish details required by the Bank to fulfil statutory obligations could also result in closure or freezing of the account after due notice(s) is provided to the customer.
- e. For deposit products like certain Savings Bank Account (SA) and Current Deposit account (CA), the Bank will normally stipulate minimum balances to be maintained as part of terms and conditions governing operation of such accounts. Failure to maintain minimum balance in the account will attract levy of charges as specified by the Bank from time to time. For Savings Bank Account, the Bank may also place restrictions on number of transactions, cash withdrawals, number of cheque leaves to be issued etc., for given period. Similarly, for SA/CA, the Bank may specify charges for issue of cheque books, additional statements of accounts, duplicate passbook, folio charges, etc. Cash/coin handling charge will be applied for cash/coin remittances and cash withdrawals in Savings Bank and Current Accounts in excess of the limit as per the product feature stipulated by the Bank from time to time in order to cover the hidden interest cost, transit cost, disposal cost etc. All such details, regarding terms and conditions for operation of the accounts and schedule of charges for various services provided will be communicated to the prospective depositor while opening the account by way of explaining the details to the customer by the bank staff, through Most Important Terms & Conditions/Account Opening Form and through Bank's Website (www.csb.co.in).
- f. Savings Bank Accounts can be opened for eligible person/persons and certain non-individuals including organizations/ agencies (as advised by Reserve Bank of India (RBI) from time to time).
- g. Current Accounts can be opened by individuals/ sole proprietorship concerns/ partnership firms/ Private and Public Limited Companies/ HUFs/ Specified Associates/ Societies/ Trusts, Departments of Authority created by Government (Central or State), Limited Liability Partnership or any other entity as per the regulatory guidelines. At the time of opening current accounts, the Bank shall adhere to the extant RBI guidelines on 'Opening of Current Accounts by Banks'.
- h. Term Deposits Accounts can be opened by individuals/ sole proprietorship concerns/ partnership firms/ Private and Public Limited Companies/ HUFs/ Specified Associates/ Societies/ Trusts, Departments of Authority created by Government (Central or State) Limited Liability Partnership or any other entity as per the regulatory guidelines.
- i. The due diligence process, while opening a deposit account will involve satisfying about the identity of the person, verification of address, satisfying about person's occupation and source of income by obtaining KYC documents as to the identity and address of the customer to the satisfaction of the Bank. Obtaining introduction

(if required) of the prospective depositor from a person acceptable to the bank and obtaining recent photograph of the person/s opening/operating the account are part of due diligence process.

- j. In addition to the due diligence requirements, under KYC norms, the Bank is required by law to obtain Permanent Account Number (PAN) or alternatively a declaration in Form No.60 (Form No. 97 instead of Form 60 w.e.f. 1st April 2026) as specified under the Income Tax Act / Rules Tax Act / Rules and RBI guidelines/ PMLA Rules amended from time to time.
- k. Deposit accounts can be opened by an individual in his own name (status: known as account in single name) or by more than one individual in their own names (status: known as Joint Account).
- l. Operation of Joint Account: The Joint Account opened by more than one individual can be operated by single individual or by more than one individual as per the mandate. The mandate for operating the account can be modified with the consent of all account holders. The joint account holders can give any of the following mandates for the disposal of balance in the above accounts:
 - i. **Either or Survivor:** If the account is held by two individuals, the final balance along with interest if applicable on maturity will be paid to either of account holders or to the survivor on death of any one of the account holders.
 - ii. **Anyone or Survivor/s:** If the account is held by two or more individuals, the final balance along with interest if applicable on maturity will be paid to anyone of account holders when all are alive and to survivor/s on death of anyone of the account holders.
 - iii. **Former or Survivor:** In such a mandate, the final balance along with the interest if applicable on maturity will be paid to the 'Former' when all the depositors are alive. If the former expires before the maturity of the Deposit, the 'Survivor' can withdraw the deposit on maturity.
 - iv. **Later or Survivor:** If the account is in the name of two individuals, the final balance along with interest if applicable on maturity will be paid to the latter and to the survivor on death of anyone of the account holders.
 - v. **Jointly:** When all depositors are alive, the deposit receipt should be discharged by all depositors for receiving payment. If one or more of the depositor dies on or after maturity, the amount will be paid jointly to the surviving depositors along with the legal heirs of the deceased depositor.

These mandates mandate can be modified by the consent of all the account holders. At the request of the depositor/s, the Bank will register mandate/power of attorney given by him/them authorizing another person to operate the account on his/their behalf.

The term deposit account holders at the time of placing their deposits can give instructions with regard to closure of deposit account or renewal of deposit for further period on the date of maturity.

In the case of term deposits with "Either or Survivor"/ "Anyone or Survivor"/ "Former or Survivor"/ "Later or Survivor" mandate,

- (i) Signatures of all the depositors need not be obtained for payment of the amount of the deposits on maturity. However, the signatures of all the depositors may have to be obtained, in case the deposit is to be paid before maturity.
- (ii) If one of the depositors expires before the maturity, no pre-payment of the fixed/term deposit may be allowed without the concurrence of the legal heirs of the deceased joint holder. This, however, would not stand in the way of making payment to the survivor on maturity.
- (iii) Premature withdrawal of deposit by one of the joint depositors on the death of the other(s) without seeking concurrence of the legal heirs of the deceased depositor(s) shall be allowed to survivor(s) provided the Bank has taken a joint mandate specifying the said purpose at the time of opening the deposit or any time subsequently during the tenure of the deposit. Such premature withdrawal would not attract any penal charge.

- n. **Nomination facility** is available on all deposit accounts/ locker/ safe custody of articles opened by the individuals singly or jointly. Nomination is also available to a sole proprietorship account. It is clarified that if an individual is keeping an account for his/ her proprietorship business, it will be deemed as that individual's account and the nomination facility is offered in such accounts. The nomination shall be made only in respect of deposits/ locker/ safe custody of articles which are held in the individual capacity of the customer and not in any representative capacity as the holder of an office or otherwise.

In case of deposit accounts, depositor(s) can nominate one or more individuals not exceeding four as nominee either (i) Successively or (ii) Simultaneously.

- (i) *Simultaneous nomination refers to nomination of one more nominee but not exceeding four, with defined percentage and total amounting to 100%.*
- (ii) *Successive nomination refers to nomination in favour of one individual in order of priority and is also limited to four nominees; and the nominee lower in the order shall become effective only after the death of the nominee in the higher order.*

In case of locker/articles in safe custody, the nomination to be made by an individual in respect of safe deposit locker/ articles left in safe custody shall be in favour of one or more individuals not exceeding four, successively (similar to successive nomination for deposit accounts as explained above).

Bank recommends that all depositors avail nomination facility. At the time of account opening, a bank shall explicitly inform the prospective customer of the availability and purpose of the nomination facility and offer him/her the option to avail the same. The bank shall also clearly explain to the prospective customer the advantages of the nomination facility, including but not limited to simplification of the claim process in the event of the account holder's demise and facilitation of smooth and prompt transfer of funds to the nominee without legal complications. If the prospective customer chooses not to avail the nomination facility despite being fully informed, the bank shall proceed to open the deposit account without imposing any restrictions, if otherwise found eligible, after obtaining a written declaration from the individual confirming that he/ she does not require the nomination facility at the time of account opening (this confirmation by the customer that nomination is required or not can be marked in the opening form itself) If he/she refuses to provide the written declaration, the bank shall record the fact of refusal to submit written confirmation in the account opening records. Under no circumstances shall a prospective customer be denied or delayed in opening an account solely on the ground of refusal to make a nomination, provided all other requirements for account opening are satisfactorily met.

Nomination so made can be cancelled or modified by the consent account holder/s any time. The thumb impression of the account holder affixed on the nomination form is to be attested by two witnesses. Nomination can be made in favour of a minor also, provided, the depositor or, as the case may be, all the depositors together, may, while making the nomination, appoint another individual not being a minor, to receive the amount of the deposit on behalf of the nominee in the event of the death of the depositor or, as the case may be, all the depositors during the minority of the nominee. In the case of a deposit made in the name of a minor, the nomination shall be made by an individual lawfully entitled to act on behalf of the minor. The variation or cancellation of the previous nomination made by the depositor or all the depositors together shall be through subsequent nomination. Every subsequent nomination shall cancel the previous nomination, or vary it, as the case may be. A nomination, cancellation of nomination or variation of nomination may be made as aforesaid at any time during which the deposit is held by the bank to the credit of the depositor or depositors, as the case may be. In the case of a deposit held to the credit of more than one depositor, the cancellation or variation of a nomination shall not be valid unless it is made by all the depositors.

Bank shall make payment of balance in the deceased depositor's account to the nominee (as a trustee of the legal heirs of the deceased depositor) against production of documentary evidence regarding demise of the depositor (in case of individual account)/ all depositors (in case of joint account), after establishing the identity of the nominee.

In case of simultaneous nomination, if any nominee dies prior to receiving the deposit from a bank, the nomination in respect of such nominee alone shall become ineffective. Accordingly, bank shall settle the claims of the amount of deposit made in favour of such nominee in accordance with provisions applicable for accounts without nominee clause as per RBI guidelines and bank's policy on Settlement of Death Claims. Bank cannot

claim a valid discharge under the provisions of the Act if payments are made to individuals based on nomination made under any other law for specified purposes. Bank is having appropriate systems and procedures to register in its books the registration, cancellation and variation of the nomination, as per the request of the customers. Bank is having proper process/systems for acknowledging the receipt of the duly completed forms of registration, cancellation and/ or variation of the nomination. Bank shall verify and ensure that the nomination(s) made by its customers are in accordance with relevant provisions of the Act and the Rules before providing acknowledgement to them. Such acknowledgement shall be given to the customers within three working days of receiving the forms of registration, cancellation and/ or variation of nomination, irrespective of whether the same is asked for by the customers. Where a nomination request is found not to be in conformity with the provisions of the Act or the Rules and is consequently rejected, bank shall inform the customer in writing, clearly indicating the reasons for such rejection, within three working days of the receipt of the request form.

Bank shall record the status regarding registration of nomination on the face of the passbook/ Statement of Account and Term Deposit Receipt/ Advice, with the legend "Nomination Registered". Bank shall also indicate the name of the Nominee(s) in the Passbook/ Statement of Accounts and Term Deposit Receipt/ Advice in such cases.

Bank shall give wide publicity and provide guidance to deposit account holders, locker hirers and depositors of articles in safe custody on the benefits of the nomination facility. This may include printing compatible messages on cheque book, passbook and other literature reaching the customers as well as launching periodical awareness drives. Bank shall ensure that the form for opening deposit accounts, hiring safe deposit lockers and depositing articles in safe custody contains space for getting the details of nomination, which also serves the purpose of educating the customers about availability of such facility.

If an individual, or a group of individuals, as the case may be, who has made a nomination in respect of a deposit in the bank, desires to have that nomination extended to his or their other accounts in the bank, customer can make a request to the bank and it shall be treated as if a separate nomination has been made for each of those accounts.

For Fixed Deposits having auto-renewal facility, the nomination recorded in that original deposit will be carried forward and hold good with respect to the auto-renewed contracts/deposits unless otherwise instructed.

- o. The deposit accounts may be transferred to any other branch of the Bank at the request of the depositor. If a depositor is dissatisfied with the customer service, they are given the option to close their account & transfer the remaining balance to another bank account of their choice.
- p. **Accounts of Transgender Persons:** Bank is providing the option to mark 'third gender' in all forms / applications etc. prescribed by the Reserve Bank or the bank itself, wherein any gender classification is envisaged. In case of a person claiming to be transgender and needs to open account or to do any Banking transaction, the person will be recognized as "Third Gender" and the details shall be accepted in the account opening form or other applicable forms (as applicable). All transgender customers shall be treated equally to other male/ female customers without any discrimination.
- q. **Basic Savings Bank Deposit Account (BSBDA):** Bank offers BSBDA which is designed as a savings account to provide affordable banking facilities to the public at large as per the extant guidelines as laid down by the RBI from time to time. Details about the product offering are available in Bank's website.

Bank offers the following facilities in a BSBDA account, free of charge, without any requirement of minimum balance to be maintained in such an account.

- (1) Deposit of cash.
- (2) Receipt of money through any electronic channel or deposit / collection of cheques.
- (3) No limit on number and value of deposits that can be made in a month.
- (4) ATM Card or ATM-cum-Debit Card. Further, no charges will be levied towards annual fee, either at the time of issuance or renewal.

- (5) Cheque book with minimum 25 cheque leaves per year.
- (6) Internet and mobile banking facility.
- (7) Passbook or monthly statement of account in lieu of passbook, either in print or by email, as per request of the account holder. Further, issuance of a continuation passbook, on exhaustion of the pages in the previous passbook, will not attract any charge.
- (8) Minimum of four free withdrawals, including transfers and ATM transactions (done either at the bank's own ATM or another bank's ATM), in a month. Digital payment transactions excluding ATM transactions, i.e., Point of Sale transfers, NEFT, RTGS, UPI, IMPS, etc., shall not be counted as withdrawals for this purpose. The charges on digital payment transactions shall be in accordance with guidelines issued by Department of Payment and Settlement Systems, Reserve Bank / National Payments Corporation of India / Government of India, as applicable.

The facilities of ATM / ATM-cum-Debit card or internet / mobile banking or cheque book are offered to a customer provided he / she requests for the same, whether at the time of opening the account or subsequently. Bank shall not insist that a customer necessarily avails these facilities while opening and/ or operating the BSBD account.

Bank may provide additional facilities beyond the above minimum in a BSBD account, with or without charges, in a non-discretionary and non-discriminatory manner with transparent disclosure to the customer. However, while doing so, the bank shall not require the customer to maintain a minimum balance in the BSBD account. The availment of such additional facilities shall be at the option of the customer.

Opening and operation of BSBD accounts shall be subject to the instructions on Know Your Customer / Anti Money Laundering issued by the Reserve Bank vide 'Reserve Bank of India (Commercial Banks – Know Your Customer) Directions, 2025', as amended from time to time. Further, BSBD accounts opened by or operated on behalf of minors shall be subject to the instructions as per RBI guidelines.

Bank, while opening a BSBD account, shall not impose any requirement of an initial minimum deposit.

A customer may convert his / her existing savings bank account to a BSBD account. The bank shall convert the existing savings bank account to BSBD account within seven days of receipt of request in writing from the customer for such conversion. Such an option shall also be provided to customers through digital channels.

The holder of a BSBD account shall not be eligible to open another BSBD account in the same bank or any other bank. Accordingly, before opening a new BSBD account or converting an existing savings bank account to a BSBD account, the bank shall obtain a declaration from the customer that he / she does not have a BSBD account in any bank.

BSBDA can also be opened with simplified KYC norms as per RBI guidelines. However, if BSBDA is opened on the basis of Simplified KYC, the accounts would be treated as "BSBDA-Small Account". Foreign remittances are not permitted to be routed through this account unless and until the identity of the account holder is fully established through production of officially valid KYC documents. The transaction limits and account features of this account will be as per the RBI guidelines.

- r. **Student Support Savings Bank Account:** Bank offers the Student Support Savings Bank Account for students from kindergarten up to 25 years of age. Accounts under this product shall be opened after proper identification, preferably certified by the Head of the Institution where the student is studying. The primary purpose of opening these accounts for minor students is to encourage savings habit and to facilitate the receipt of scholarship funds disbursed by State/ Central Government authorities. Upon the account holder attaining 25 years of age, the account will be converted to a Regular Base Savings Account. The account holder will have the option to convert the account to any other Savings Account product, subject to eligibility as per the existing process. On such conversion, the account holder shall be governed by the terms and conditions applicable to the new product, including maintenance of minimum balance and payment of applicable service charges. Details about the product offering are available in Bank's website.

4. Service Charges

Bank will be levying service charges on Savings Bank and Current Account as per the schedule of charges. The Service charges are reasonable and are fixed based on the average cost of providing the services and in alignment with the emerging market trends & industry practices. The approval of Service charges will be done by the board or the competent authority as delegated by the board.

Service charges along with the applicable taxes will be collected partially/fully depends on the amount available in the account. If an account does not have balance to recover the applicable service charges or fees, a corresponding hold or hovering amount will be marked in the account to enable recovery (partially/fully) as and when balance becomes available.

Bank shall adopt/ follow the principles outlined below for ensuring reasonableness in fixing and communicating service charges.

- Nature of transactions:
 - (i) Banking services that are ordinarily availed by individuals in the middle and lower segments, shall be the first parameter.
 - (ii) When the above transactions occur in different delivery channels, for the purpose of pricing, they may be treated on a separate footing.
- Value of transactions:
 - Low value of transactions with customers / public up to the ceiling as given below shall be the second parameter:
 - Remittances up to ₹10,000 in each instance
 - Collections below ₹10,000 in each instance
 - (Foreign exchange transactions valued up to \$500/-)

Bank is offering a diverse suite of products designed to meet the varied needs and usage patterns of customers. In line with this principle, each product is structured with differentiated features, transactional benefits, and free transaction limits. This ensures that customers with lower transaction volumes or modest banking activity are not or penalised or disadvantaged. Moreover, Bank shall make available the basic banking services at reasonable prices/charges and towards this, basic services shall be delivered outside the scope of bundled products.

The bank discloses full-fledged information on its products and their implications to the customers so that the customers can make an informed judgment about their choice of products

Principles for ensuring reasonableness in fixing and communicating service charges:

- For basic services to individuals, bank shall levy charges at the rates that are lower than the rates applied when the same services are given to non-individuals.
- For basic services rendered to special category of individuals (such as individuals in rural areas, pensioners and senior citizens), bank shall levy charges on more liberal terms than the terms on which the charges are levied to other individuals.
- For the basic services rendered to individuals, bank shall levy charges only if the charges are just and supported by reason.
- For the basic services to individuals, bank shall levy services charges ad-valorem only to cover any incremental cost and subject to a cap.
- Bank shall provide to the individual customers upfront and in a timely manner, complete information on the charges applicable to all basic services.
- Bank shall provide advance information to the individual customers about the proposed changes in the service charges.
- Bank shall collect for services given to individuals only such charges which have been notified to the customer.
- Bank shall inform the customers in an appropriate manner recovery of service charges from the account or the transaction.

- Bank shall without fail inform the customers in all cases when a transaction initiated by the bank itself results in or is likely to lead to a shortfall in the minimum balance required to be maintained.

Disclosure and Notification of Service Charges:

Customers are made aware of the service charges upfront and the changes in service charges are implemented only with prior notice to the customers. The following instructions are followed in this regard:

Disclosure of Service Charges: Bank shall communicate the service charges to new customers at the time of beginning of the relationship through Account Opening Form (AOF)/ Most Important Terms & Conditions (MITC) / Welcome letter/ Bank's Website/ Branch notice board/ through bank official. Service charges/ features/ facilities offered to Account variants/products shall be published and updated on Bank's website (<https://www.csb.co.in>) and in the notice board at the branch so as to disseminate information to the customers / public. Bank shall also adopt appropriate methods for communicating the service charges to customers of different profiles.

Notifying the changes effected in service charges: Any change in service & fees will be communicated through 'SMS or E-mail or through branch notice board or through bank's website or through Social media platform' at least 30 days in advance to all concerned customers before effecting the change. Customers will have the option to either accept the revised terms or exit the relationship with the bank within those 30 days at no additional cost, if they do not agree to the changes. Bank shall prominently display in the branch notice board as well as the website all the changes in service charges effected in the preceding 30 days.

Intersol Charges:

Bank is following a uniform, fair and transparent pricing policy and not discriminate between its customers at home branch and non-home branches. A service provided free at home branch is available free at non home branches. There is no discrimination as regards intersol charges (being the charges levied by the bank to cover the cost of extending services to customers by using the CBS/ Internet / Intranet platform) between similar transactions done by customers at home branch and those done at non-home branches. Further, bank does not include cash handling charges under intersol charges.

Charges for Sending SMS Alerts:

Bank shall leverage the technology available with it and the telecom service provider(s) to ensure that charges levied by bank for sending SMS alerts to customers are levied on all customers on actual usage basis.

Levy of charges for non-maintenance of minimum balance:

Bank at the time of opening the accounts, inform its customers in a transparent manner, the requirement of maintaining minimum balance and details of charges, if any, due to non-maintenance of the same. The minimum balance requirement (if applicable) for each product and the charges for non-maintenance of minimum balance is published and updated on Bank's website. Bank shall inform, at least one month in advance, the existing account holders of any change in the prescribed minimum balance and the charges that may be levied if the prescribed minimum balance is not maintained.

In the event of a default in maintenance of minimum balance / average minimum balance as agreed to between the bank and customer, bank notifies the customer clearly by SMS/ email/ letter, etc. that in the event of the minimum balance not being restored in the account within a month from the date of notice, penal charges shall be applicable. In case the minimum balance is restored within given notice period, no charges are levied; else Bank debits the applicable charges from the customer's account, under intimation to the account holder. If an account does not have balance to recover the applicable service charges or fees, a corresponding hold or hovering amount will be marked in the account to enable recovery (partially/fully) as and when balance becomes available.

For Savings Account, non-maintenance of minimum balance charges defined by the Bank are proportionate to the extent of shortfall in the account. In other words, the charges shall be a fixed percentage levied on the amount of difference between the actual balance maintained and the minimum balance as agreed upon at the time of opening

of account or as revised from time to time as per the existing schedule of service charges. A suitable slab structure for recovery of charges as finalized is published in bank's website and branch notice board.

For Current Account, non-maintenance of minimum balance charges are 'proportionate to the extent of shortfall defined through a slab structure' or 'a fixed rate as per the charge structure' which is published in bank's website and branch notice board.

The penal charges to be so levied shall be decided with the approval of Board of the bank or the competent authority as delegated by the board of the bank. Bank also ensures, that the balance in the savings account does not turn into negative solely on account of levy of charges for non-maintenance of minimum balance.

5. Accounts of Minors

Minors of any age may be allowed to open and operate savings and term deposit accounts through his/ her natural (father/ mother) or legal guardian. Minors of the age of 10 years and above will also be allowed to open and operate Savings/ Term Deposit accounts independently, if they so desire, subject to restrictions on transactions. No overdrafts will be granted to these minors. Minors who have attained the age of 14 are offered additional banking facilities like internet/mobile banking, ATM/ debit cards, cheque book facility etc. after the bank has been satisfied of the age of the minor, that the minor can operate the account & sign consistently. For minor accounts under guardianship, the additional banking facilities like internet/mobile banking, ATM/ debit cards, cheque book facility, etc are offered from the date of account opening.

Savings Bank/ Term Deposit Account may be opened in the joint names of a minor and his/her guardian. The account opening form is to be signed jointly by both the minor and the guardian or where the minor does not sign personally, by the guardian both in his capacity as guardian and in his personal capacity. For every operation in such a joint account, the Bank would obtain the signature of both of them or the signature of the guardian in his/her dual capacity. The Savings Bank/ Term Deposit Account opened by 'minor below 10 years of age' jointly with natural guardian/ legal guardian can be operated by such guardian only.

On attaining majority, the erstwhile minor should confirm the balance in his/her account and if the account is operated by the natural/ legal guardian, fresh operating instructions and specimen signature (through KYC updation) of erstwhile minor should be furnished for all operational purposes. Accounts held by the minor in his/her individual capacity should be upgraded to a regular account, by furnishing client profile form along with KYC documents; upon attaining the age of majority (18 years). On attaining majority, the same day account shall be debit frozen and further operations shall be permitted only after updating the KYC details & operating instructions.

For Term Deposits opened in the name of minors under guardianship, in case of premature closure of that deposit or taking a loan against that deposit, a declaration to the effect that the amount is required for the benefit of the minor should be given.

6. Account of illiterate/ visually impaired persons

The Bank may at its discretion open accounts of illiterate persons. The account of such person may be opened provided he/she calls on the Bank personally along with a witness who is known to both the depositor and the Bank. Terms & conditions of the account may be explained to him under witness. Normally, no cheque book facility is provided to illiterate customers for such Bank Account. At the time of withdrawal/ repayment of deposit amount and/or interest, the account holder should affix his/her thumb impression or mark in the presence of the authorized officer who should verify the identity of the person through the photograph affixed on the passbook which should be presented to the Bank at the time of every withdrawal. 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.

For visually challenged/blind persons also, the Bank may at its discretion open accounts. In order to facilitate access to Banking facilities by visually challenged persons. Bank is offering all the Banking facilities such as Cheque book

facility including third party cheques, ATM facility, Net/Mobile Banking facility, locker facility, retail loans, credit cards etc. to the visually challenged without any discrimination, if they agree to take the risks associated with availing these facilities and assume full responsibility for the losses, if any suffered by him/her as well as the Bank on account of his/her availing such facilities. Opening and operation of such accounts shall be subject to special rules framed by the Bank to protect the interests of the visually challenged customers. The Bank official shall explain the terms and conditions governing the account.

7. Account of Persons with Autism, Cerebral Palsy, Mental Retardation & Multiple Disabilities

Accounts can also be opened in the name of persons with autism, cerebral palsy, mental retardation and multiple disabilities by the legal guardian appointed by the District Court under Mental Health Act, 1987 or by the Local Level committees set up under the National Trust for welfare of persons with autism, cerebral palsy, mental retardation and multiple disabilities under Disabilities Act, 1999.

Legal Guardian cannot be authorised to appoint a nominee for any bank account of a person with Autism, Cerebral Palsy, Mental Retardation & Multiple Disabilities. As per the provisions, Legal Guardian is always supposed to work in the interest of the person with such disabilities and no such interest can be served by way of nomination where the nominee gets the benefits after death of the person with disability.

In case of death of legal guardian, a new guardian may be appointed by the Local Level Committee under the provisions of the National Trust Act, 1999. In the interim period till the new guardian is appointed, operation in the bank account may be suspended.

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

The Bank may at the request of all the joint account holders allow addition or deletion of name/s of joint account holder/s if the circumstances so warrant or allow an individual depositor to add the name of another person as a joint account holder. However, in no case shall the amount or duration of the original deposit undergo a change in any manner in case the deposit is a term deposit.

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

9. 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 should be strictly with the consent of the account holder.

10. Secrecy & confidentiality of customer's accounts

The Bank shall not disclose details/particulars of the customer's account to a third person or party without the expressed or implied consent from the customer. Bank shall be guided by the following principles and policies:

- a. Bank shall not reveal information or data relating to customer's accounts, whether provided by the customer or otherwise, to anyone, other than in the following exceptional cases:
 - i. Providing information to the Credit Information Companies (CICs) as per Credit Information Companies (Regulation) Act (CICA) about the loans, unsecured loans, credit card, etc.
 - ii. Giving the information required by law or by the Banking regulator.
 - iii. Fulfilling a duty towards the public to reveal the information.

- iv. Bank's interests require giving the information (for example, to prevent fraud) but the Bank shall not use this as a reason for giving information about the customer or customer's accounts (including customer's name and address) to anyone else.
 - v. The customer authorises the Bank to reveal the information.
 - vi. When required to give a Banker's reference about the customer, the Bank shall need, unless provided earlier, the customer's written permission before the Bank gives it.
- b. The Bank shall not use the customer's personal information for marketing purposes by anyone including the Bank, unless the customer specifically authorises the Bank to do so.
- c. If the Bank collects any information from the customer other than KYC requirement, the Bank shall collect it separately and not as a part of account opening form. In case the Bank collects any additional information, the Bank shall explain the purpose and take the customer's specific consent for the same.

11. Advances against deposits

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

Against NRE & FCNR(B) Deposits, bank can sanction loans in India to the account holder/ third parties without any limit, subject to usual margin requirements. These loans cannot be repatriated outside India and can be used in India only for the purposes specified in the regulations. In case of loans sanctioned to a third party, there should be no direct or indirect foreign exchange consideration for the non-resident depositor agreeing to pledge his deposits to enable the resident individual/ firm/ company to obtain such facilities. In case of the loan sanctioned to the account holder, it can be repaid either by adjusting the deposits or through inward remittances from outside India through banking channels or out of balances held in the NRO account of the account holder. The facility for premature withdrawal of deposits will not be available where loans against such deposits are availed of.

Loans against NRO deposits can be granted in India to the account holder or third party subject to usual norms and margin requirement. The loan amount cannot be used for relending, carrying on agricultural/ plantation activities or investment in real estate.

The Bank is having a comprehensive Policy on Loans (as revised from time to time) and the final approach of the Bank will be based on this.

12. Settlement of dues in deceased deposit account

- a. 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 after the Bank satisfies about the identity of the nominee, etc. In case of term deposits, if the nominee wishes to close the deposit prematurely the rate applicable shall be the rate for which the deposit remained with the Bank without charging any penalty.
- b. The above procedure will be followed even in respect of a joint account where nomination is registered with the Bank
- c. In a joint deposit account, when one of the joint account holders dies, the Bank is required to make payment jointly to the legal heirs of the deceased person and the surviving depositor(s). However, if the joint account holders had given mandate for disposal of the balance in the account in the forms such as "either or survivor, former / latter or survivor, anyone of survivors or survivor", etc., the payment will be made as per the mandate to avoid delays in production of legal papers by the heirs of the deceased.

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

The Bank is having a comprehensive Policy on Settlement of Death Claims in respect of Accounts of Deceased/ Missing Depositors/ Customers (as revised from time to time) and the final approach of the Bank will be based on this.

13. Insurance cover for deposits

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

14. Stop payment facility

The Bank will accept stop payment instruction from the depositors in respect of cheques issued by them, if such request is received from the drawer prior to presentment of such cheques at the Bank. Similarly stop payment instruction can be revoked by the drawer, if such request is received prior to the presentment of the cheque. Charges, as specified, will be recovered from the depositor account holder.

15. Facilities to Senior Citizens and Differently Abled Persons and to sick/ old/ incapacitated/ visually impaired account holders

Bank may formulate term deposit schemes specifically for resident Indian senior citizens (i.e. resident individual who has completed the age of 60 years on the date of the deposit), offering same/higher rate of interest (as decided by ALCO) as compared to normal deposits of any size. Moreover, a fully KYC compliant account will automatically be converted into a 'Senior Citizen Account' based on the date of birth available in the Bank's records. In case of joint accounts, the first/primary holder shall be senior citizen for getting the benefit of senior citizen scheme. Proof of Date of Birth is mandatory for senior citizen accounts. The special deposit schemes available for the senior citizens and the deposit interest rates will be exhibited at branches/ Bank's website from time to time.

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, NRO, FCNR and RFC deposits as per RBI guidelines.

Additional Facilities offered to Senior Citizens and Differently Abled Persons

- a. Dedicated Counters/Preference to Senior Citizens, Differently abled persons:
A clearly identifiable dedicated counter or a counter which provides priority to senior citizens and people who are differently abled including visually impaired persons is available in all the branches.
- b. Ease of submitting Life Certificate:
When a Life Certificate is submitted by a pensioner in any branch, including a non-home branch, the same will be updated/ uploaded promptly in CBS by the receiving branch itself, to avoid any delay in credit of pension.
- c. Cheque Book Facility:
25 cheque leaves per year will be issued free of charge, to all the savings Bank accounts maintained by Senior Citizens and Differently abled persons, based on the customer request.

Bank will not insist on physical presence of any customer including senior citizens and differently abled persons for getting cheque books. Bank shall issue cheque books, on requisition, by any other mode as per the bank's laid down policy/process as per the account/product offering.

- d. Ease of filing Form 15G/H (Form No.121 instead of Form 15G/H w.e.f. 1st April 2026):
 Bank shall provide senior citizens and differently abled persons Form 15G/H (Form No.121 instead of Form 15G/H w.e.f. 1st April 2026) once in a year to enable them to submit the same, where applicable, within the stipulated time.
- e. Doorstep Banking Services:
- Doorstep Banking Services is offered to all Senior Citizens of more than 70 years of age and differently abled or infirm persons (having medically certified chronic illness or disability) including visually impaired account holders.
 - This facility includes 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 and Life Certificate at the premises/ residence of such customers.
 - The bank shall offer the doorstep banking services on pan India basis. The list of branches offering such doorstep banking services shall be displayed / updated on the bank's website regularly. The bank shall give adequate publicity to the availability of these services in their public awareness campaigns. The charges, in this regard, shall also be published in bank's website and branch's notice board.

The Bank is having a comprehensive policy on doorstep banking (as revised from time to time) and the approach of the Bank on doorstep banking will be based on this.

Facility to sick/old/incapacitated/visually impaired account holders

The following facility shall be applicable in case of a sick/ old/ incapacitated/ visually impaired account holder who is not willing to open and operate joint accounts.

The cases of sick / old / incapacitated/ visually impaired account holders fall into the following categories:

- a. An account holder who is too ill to sign a cheque/ cannot be physically present in the Bank to withdraw money from his Bank account but can put his/ her thumb impression on the cheque/ withdrawal form.
- b. An account holder who is not only unable to be physically present in the Bank but is also not even able to put his/ her thumb impression on the cheque/withdrawal form due to certain physical incapacity.

With a view to enabling the old / sick / incapacitated account holders to operate their bank accounts, a bank shall follow the procedure as under:

- (i) Wherever thumb or toe impression of the old/ sick/ incapacitated account holder is obtained, it shall be identified by two independent witnesses known to the bank, one of whom shall be a responsible official of the bank.
- (ii) Where the customer cannot even put his/ her thumb impression and also would not be able to be physically present in the bank, a mark can be obtained on the cheque / withdrawal form which shall be identified by two independent witnesses, one of whom shall be a responsible official of the bank.

The customer shall also be asked to indicate to the Bank as to who would withdraw the amount from the Bank on the basis of cheque/ withdrawal form as obtained above and that person should be identified by two independent witnesses. The person who would be actually drawing the money from the Bank should be asked to furnish his/ her signature and ID proof to the Bank.

16. Non-Resident Accounts

A 'Non-resident Indian' (NRI) is a person resident outside India who is a citizen of India.

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

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

Explanation: PIO will include an 'Overseas Citizen of India' cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955.

NRIs and PIOs are permitted to open and maintain the following accounts.

Non-Resident (External) Rupee Account Scheme [NRE Account]:

Account can be opened in any type: i.e savings, current, recurring or fixed deposit account. Joint accounts can be opened by two or more NRIs and/or PIOs or by an NRI/PIO with a resident relative(s) on 'survivor' basis. However, during the life time of the NRI/PIO account holder, the resident relative can operate the account only as a Power of Attorney holder. Inward remittances to the account and remittances outside India from NRE account are permitted. Credits permitted to this account as inward remittance are interest accruing on the account, interest on investment, transfer from other NRE/ FCNR(B) accounts, maturity proceeds if such investments were made from this account or through inward remittance. The debits allowed from this account are local disbursements, transfer to other NRE/ FCNR(B) and investments in India. Minimum period of NRE term deposit is one year and maximum period is 10 years. Operations in the account in terms of Power of Attorney is restricted to withdrawals for permissible local payments or remittance to the account holder himself through normal banking channels. The detailed instructions for opening and maintaining this account are laid down in Schedule 1 to Foreign Exchange Management (Deposit) Regulations, 2016, as amended from time to time.

Non-Resident (Ordinary) Account Scheme [NRO Account]:

Account can be opened in any type: i.e. savings, current, recurring or fixed deposit account. NRIs and PIOs may hold an NRO account jointly with other NRIs and PIOs. Accounts may be also held jointly with residents on 'former of survivor' basis. Inward remittances from outside India, legitimate dues in India and transfers from other NRO accounts are permissible credits to NRO account. Rupee gift/ loan made by a resident to a NRI/PIO relative within the limits prescribed under the Liberalised Remittance Scheme may be credited to the latter's NRO account. The account can be debited for the purpose of local payments, transfers to other NRO accounts or remittance of current income abroad. Minimum period of NRO term deposit is 7 days and maximum period is 10 years. Operations in the account in terms of Power of Attorney is restricted to withdrawals for permissible local payments in rupees, remittance of current income to the account holder outside India or remittance to the account holder himself through normal banking channels. While making remittances, the limits and conditions of repatriability will apply. The detailed instructions for opening and maintaining this account are laid down in Schedule 3 to Foreign Exchange Management (Deposit) Regulations, 2016, as amended from time to time.

Foreign Currency (Non-resident) Accounts (Banks) Scheme [FCNR(B) Account]:

Account can be opened in the form of Term deposit only, in permitted foreign denominated currencies (USD, GBP, EUR, JPY, CAD and AUD). which is freely exchanged. The minimum period of deposit is one year in case of Fixed Deposits and in the case FCNR(B) deposits (cumulative & interest pay-out). The minimum deposit amount is 100 in respective foreign currency. No recurring deposits shall be accepted under the FCNR (B) Scheme. Other conditions such as credits/debits, joint accounts, loans / overdrafts, operation by power of attorney etc., as applicable to an NRE account will be applicable to FCNR (B) account as well. NRIs and PIOs may hold FCNR(B) deposit jointly with other NRIs and PIOs. Deposits may be also held jointly with residents on 'former of survivor' basis. Operations in the account in terms of Power of Attorney is restricted to withdrawals for permissible local payments or remittance to the account holder himself through normal banking channels. The detailed instructions for opening and maintaining this account are laid down in Schedule 2 to Foreign Exchange Management (Deposit) Regulations, 2016, as amended from time to time.

17. Resident Foreign Currency (RFC) Account

“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. A person resident in India may open, hold and maintain a Foreign Currency Account, to be known as a Resident Foreign Currency (RFC) Account, out of

- a. Foreign exchange received by him as superannuation/ other monetary benefits from overseas employer
- b. Foreign exchange realised on conversion of the assets referred to in Sec 6(4) of FEMA
- c. Gift/ inheritance received from a person referred to in Sec 6(4) of FEMA
- d. Foreign exchange acquired before the July 8, 1947 or any income arising on it held outside India with RBI permission
- e. Foreign exchange received as earnings of LIC claims/ maturity/ surrendered value settled in forex from an Indian insurance company
- f. Balances in NRE/ FCNR (B) accounts on change in residential status

RFC Accounts can be maintained (in in any permitted currency) in the form of Current/Savings Bank [without cheque book facility] and Term Deposits other than Recurring Deposit accounts. NRI customers who have returned to India for good can book Resident Foreign Currency Deposits for a maximum tenure of 3 years.

Bank shall have the freedom to determine interest on deposits of money accepted by it or renewed by it under the RFC Account Scheme.

18. Change in Residential Status

(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.

Foreign nationals who come to India on employment and become residents in terms of section 2 (v) of FEMA, 1999 and are eligible to open/hold a resident savings Bank account are permitted to re-designate their resident account maintained in India as NRO account on leaving the country after their employment to enable them to receive their legitimate dues subject to certain conditions.

(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 visit.

NRE accounts should be designated as resident accounts or the funds held in these accounts may be transferred to the RFC accounts, at the option of the account holder, immediately upon the return of the account holder to India for taking up employment or on change in the residential status. In the case of premature withdrawal of NRE term deposits for conversion into Resident Foreign Currency (RFC) Account, the bank should not levy any penalty for premature withdrawal. If such a deposit has not run for a minimum period of 1 year, the bank may, at its discretion, pay interest at a rate not exceeding the rate payable on savings deposits held in RFC accounts, provided the request for such a conversion is made by the NRE account holder immediately on return to India.

Bank allow FCNR (B) deposits of NRIs/PIOs who return to India for permanent settlement to continue till maturity at the contracted rate of interest, if desired. Except the provision relating to rate of interest and reserve requirements as applicable to FCNR(B) deposits, for all other purposes, such deposits should be treated as resident deposits from the date of return of the account holder to India. Bank shall convert the FCNR(B) deposits

on maturity into resident rupee deposit accounts or RFC account (if the depositor is eligible to open RFC account), under terms and conditions at the option of the account holder. The rate of interest on the new deposit (Rupee account or RFC Account) shall be the relevant rate applicable for such deposit account. 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. On conversion of FCNR (B) deposit to RFC deposit, If the FCNR (B) deposit has not run for a minimum period of one year, interest shall be paid at a rate not exceeding the rate payable on savings deposits held in RFC accounts.

19. Dormant/ Inoperative Accounts

A Current Account and Savings Account will be treated as inoperative / dormant account, if there are no 'customer induced transactions' in the account for a period of over two years. That is for the purpose of classifying an account as 'inoperative', only customer induced transactions and not bank induced transactions shall be considered. Such accounts will be transferred to a separate dormant/ inoperative account status. Once the account is in dormant/ inoperative status, account will be debit frozen (for customer transactions) and customer induced credits through branch will be restricted.

Customer induced transaction: The transactions in account which are in the nature of,

- a financial transaction* initiated by or done at the behest of the account holder by the bank/ third party or;
- a non-financial transaction**, or;
- KYC updation done in face-to-face physical mode or through digital channels such as internet banking or mobile banking application of the bank

**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 such. An illustrative list of financial transactions is as follows.*

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

***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.*

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.

Bank Induced Transaction: This includes the following transactions initiated by the bank,

- All types of charges/fees/penalties levied by banks including taxes deducted.
- Savings Bank account interests.

Review of inoperative accounts: Bank shall undertake at least an annual review in respect of accounts, where there is no customer induced transactions for more than a year. Bank shall inform the account 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 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. If the letters are returned undelivered or no response is received through registered email, bank branches 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. In case any response is received from the account holder giving the reasons for not operating the account, the Bank 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 Bank shall classify the said account as inoperative account after the expiry of the extended period. For the purpose of classifying an account as 'inoperative', only customer induced transactions and not bank induced transactions shall be considered. 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 with a bank, all such accounts shall be assessed individually for the purpose of classifying them as inoperative account, as the case may be. 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 authorisation to enable the bank to transfer the balance from the existing bank account.

Segregation and Audit of Inoperative Accounts: The segregation of inoperative accounts is done to reduce the risk of frauds. The transactions in inoperative accounts, which have been reactivated, will be monitored regularly, for at least six months, centrally. The amounts lying in inoperative accounts and reactivated inoperative accounts, are subjected to concurrent audit.

Tracing of Customers of Inoperative Accounts: Bank shall contact the holder(s) of the inoperative account through letters, email or SMS (if the email and mobile number are registered with the Bank). The email/ SMS shall be sent on a quarterly basis. In case the whereabouts of the holder(s) of the inoperative account are not traceable, Bank shall contact the introducer, if any, who had introduced the account holder to the Bank at the time of opening of the account. Bank shall also contact the nominee, if registered, for tracing the customer. Bank shall undertake special drives periodically to find out the whereabouts of the customers, their nominees or legal heirs in respect of inoperative accounts.

Activation of Inoperative Accounts: The depositor(s) can request the Bank to activate the account for operating it. KYC updation needs to be done for activation of inoperative account and there will not be any charge for reactivation. The request can be placed at any branch of the bank (home branch/ non-home branch). Bank shall activate the inoperative accounts, including those which are under freeze by orders of various agencies like Courts, Tribunals, Law Enforcement Agencies, only after adhering to the KYC guidelines such as Customer Due Diligence (CDD), customer identification, risk categorization.

System logs will be maintained in case of any activity in or activation of inoperative accounts for concurrent audit purpose. Bank shall automatically intimate the inoperative account holders through SMS and registered email stating that on the basis of 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 unauthorised access, if any. This would alert the account holder against any possible fraudulent activity in his/her inoperative account. Bank shall process requests for activation of inoperative account within three working days from the receipt of the complete application.

Payment of Interest: Interest on savings accounts shall be credited on a regular basis irrespective of the fact that the account is in operation or not.

Levy of charges: Bank shall not levy penal charges for non-maintenance of minimum balances in any account that is classified as an inoperative account. No charges shall be levied for activation of inoperative accounts.

Fraud Risk Management in Inoperative Accounts: Bank shall not allow any debit transaction in an inoperative account unless there is a customer induced activation as per the procedure mentioned in point 'Activation of

Inoperative Accounts'. Bank shall ensure that there is no unauthorised access to customer data pertaining to the inoperative accounts. Bank shall also ensure that adequate steps are taken to prevent data theft and related misuse for fraudulent purposes.

Unclaimed Deposits: A Savings/Current account shall be classified as Unclaimed Deposits if the same is not operated (other than bank induced transactions) for 10 years and more from the date of last operation. In case of term deposit account, it shall be classified as 'Unclaimed Deposit' if the same is not renewed/withdrawn after 10 years or more from the date of maturity. Such unclaimed account after a period of 10 years will be transferred to the Depositor Education and Awareness Fund (DEA Fund) maintained by the Reserve Bank of India. The list of unclaimed deposits will be provided on the Bank's website.

Customer Awareness: The banks 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. The banks 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.

20. ATM facility

ATMs both onsite and offsite to our Bank branches are available. This enables customers 24-hour cash withdrawal and balance enquiry facility, besides other services like funds transfer and mini statements. Customers as well as members of the general public can get information of Bank's products and services also through the display screens of our ATMs.

21. Standing Instructions

Customers can submit standing instruction requests on all current and savings bank accounts (as per the system feasibility). The scope of standing instructions service includes transfer/remittance of funds from one account to other account within/ outside the bank, include payments on account of taxes, rents, bills, school / college fees, licences, etc.

22. Direct Debit

The Bank offers Electronic Clearing Service (ECS) / Automated Clearing House (ACH) facility for effecting periodic payments by "direct debit" to the customer's account. This facility is mainly used for payment of utility bills/EMI of Loans /Insurance Premium/Investment in Mutual Funds, etc. Details of ECS/ACH facility are available at all the branches.

23. Closure/ Freezing of the Account

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

- a) In case any of the documents furnished towards identity and address proof are found to be fake/ forged/ defective.
- b) The Account opening cheque is returned unpaid for financial reasons/signature not matching.
- c) In case fraudulent/ forged/ fake cheques/ Bank drafts or any such instruments are attempted to be cleared/cleared through the accounts.
- d) In case of frequent return of inward/outward cheques & dishonour of NACH mandates in the account.
- e) Any false/ misleading information given or suppression of any material fact.
- f) Detection of the name of the account holder in prohibitory list.
- g) Unsatisfactory conduct of the account in terms of volume/type of transactions, non-maintenance of minimum balance etc.

- h) Non-intimation of change in communication address leading to customer's whereabouts being unknown.
- i) In case a debit balance for reasons, including but not limited to, non-repayment in case of facilities offered by the Bank, where repayment is to be made through customer's account, reversal of wrong credit, any temporary overdraft granted to the customers by the Bank in relation to any facility or otherwise, etc. is allowed to continue for more than 90 days in the Account.
- j) Dormant/ Inoperative Accounts
- k) Zero Balance Accounts
- l) Accounts pending for KYC updation/ periodic updation of KYC
- m) Accounts pending for re-designation due to residential status change
- n) Issuing stop payment instructions frequently.
- o) Under instructions from regulatory/ judiciary / law enforcement agency.
- p) Inability of an existing customer to furnish details required by the Bank to fulfil statutory obligations or KYC/ AML norms as per Bank's policy.
- q) Accounts not complying to the regulatory requirements/ as per Bank's policy.

Under normal circumstances, Bank will not close depositors account without giving at least one month notice indicating the reasons for such closure. In such cases, account holder will be required to make alternate arrangements for cheques already issued and desist from issuing any fresh cheques on such account. Post issuance of notice by Bank, informing Bank's decision to close the account along with the reason, if there is no response from the customer within the stipulated time, the Bank may close the account and transfer the closure proceeds (if any) after deducting the service charges/ fees (if any) to customer through account transfer/ RTGS/ NEFT/IMPS or by means of DD in favour of the customer.

24. Closure of the account requested by the customer

When the customer desires to close the account, a written request under the recorded signature of the customer, addressed to the branch should be sent by the customer accompanied with the Passbook (if issued) and all unused cheque leaves. The debit card/ATM card (after cutting into two pieces across the magnetic strip/ EMV chip) issued in the account also should be surrendered. In case of partnership firm and joint account, the letter of request should be signed by all the partners and all the account holders, respectively. In case of limited companies, a board resolution authorizing closure of the account is required. In case of other non-individuals, resolution/ request signed by the governing body members is required. If the customer so desires, the Passbook (if issued) with amply branded as "Account Closed" may be retained by the customer. The balance standing to the credit of such account with interest will be paid to the customer, subject to the provisions of Income Tax Act.

25. Product Conversion/ Portability

Bank offers a product portability facility, enabling customers to convert or port their existing Savings Account (SA) or Current Account (CA) or Term Deposit (TD) Account to another permitted product without changing the account number. Customers may request such conversion subject to eligibility criteria, residential status, and other terms and conditions as determined by the Bank from time to time.

In certain cases, the Bank may initiate conversion of an SA/CA/TD product to another permitted product after providing due notice, if:

- (a) The customer fails to meet product-specific or regulatory/ statutory requirements.
- (b) The customer does not comply with the declarations or terms and conditions agreed at the time of account opening or thereafter.
- (c) The proposed product is assessed by the Bank to be more beneficial for the customer.

26. Settlement of Missing Persons Claims

As per Indian Evidence Act, 1872 (section 107 and 108) presumption of death can be raised only after a lapse of seven years from the date of person reported as "missing". As such, nominee / legal heirs have to raise an express presumption of death of the customer, under section 107 / 108 of the Indian Evidence Act before a competent court.

If the court presumes that he / she is dead, then the claim in respect of a missing person can be settled with consultation of Legal department of Bank.

27. Tax Deducted at Source (TDS)

Presently in Banks, TDS is not applicable in the case of interest earned on NRE & Domestic Savings Bank Accounts. TDS is applicable for Domestic Term Deposits & NRO Savings Bank Accounts. The Bank has statutory obligation to deduct tax at source if the total interest paid/payable on all term deposits held by a person exceeds the amount specified under the Income Tax Act. The Bank will issue a tax deduction certificate (TDS Certificate) for the amount of tax deducted. The depositor, if entitled for exemption from TDS, can submit declaration in the prescribed format [Form 15G/H (Form No.121 instead of Form 15G/H w.e.f. 1st April 2026) or exemption certificate u/s 197 of Income Tax Act, 1961] along with the Permanent Account Number (PAN issued by the Income Tax Department) at the beginning of every financial year and subsequently at the time of opening each new deposit during that financial year. In the case of deposits in the name of minors the form is to be signed by the guardian. Where TDS is applicable on a Term Deposit (Fixed or Recurring), there may be a variation in the maturity value due to the deduction of tax. If, in any instance, the interest accrued is insufficient to fully cover the applicable TDS amount, the shortfall will be recovered or adjusted from the principal amount of the term deposit. If the recipient makes a declaration without their PAN or with an inactive/inoperative PAN, then also TDS will be deducted for domestic deposits as per the rate prescribed by Income Tax Department (presently it is 20%).

In the case of NRO accounts, the rate of TDS applicable will be as per the DTAA (Double Taxation Avoidance Agreement) if 'TRC (Tax Residency Certificate) or Certificate of Residence & Form 10 F' along with PAN is submitted to the Bank. Otherwise, tax will be deducted at regular rate as prescribed by Income Tax Department [presently it is 31.2% (including applicable surcharge) for NRO deposits].

28. Opening and Maintenance of Current Account (CA) – Need for Discipline

Opening & maintenance of CA shall be adhered by the following directions,

- A. Bank may maintain current account without any restriction in case of customers where the aggregate exposure of the banking system to the customer is less than ₹10 crore.

Explanation (1): 'Banking System' for the purpose of this Chapter shall include Commercial Banks (including Small Finance Banks, Local Area Banks, and Regional Rural Banks, but excluding Payments Banks), Urban Co-operative Banks and Rural Co-operative Banks (State Co-operative Banks and Central Co-operative Banks).

Explanation (2): 'Exposure' for the purpose of this Chapter means the sum of all sanctioned fund-based credit facilities and non-fund-based facilities availed by the borrower from the banking system

- B. In case of customers to whom the exposure of the banking system is ₹10 crore or more:

- (1) Bank may maintain current accounts as per the needs of the customer provided that the bank has either:
- (i) A minimum 10 per cent share in banking system's aggregate exposure to the borrower; or
 - (ii) A minimum 10 per cent share in banking system's aggregate fund-based exposure to the borrower.

Provided that, in case no bank within the banking system meets the above criteria, or only one bank meets the above criteria, two banks from the banking system having the largest exposures to the borrower may maintain current accounts.

Provided further that, in case where only one bank within the banking system has any exposure to the borrower, one more bank of the customer's choice within the banking system may maintain current accounts, subject to furnishing of a no-objection certificate (NOC) from the bank that has the exposure to the borrower.

Provided further that, in case where no Scheduled Commercial Bank (SCB) meets the above criteria, but the borrower nevertheless desires to have a current account with an SCB, such borrowers may maintain current accounts with any one SCB of their choice, subject to furnishing of NOCs from all lending banks within the banking system.

- (2) Bank, not meeting the eligibility criteria at paragraph (1) above, may maintain only collection accounts.

Explanation: 'Collection Account' for the purpose of this Chapter means a current account used primarily for receipts of cash inflows of the accountholder. Restricted payments / cash outflows from such account shall be subject to the conditions outlined in point C below

C. Collection Accounts:

Funds credited into a collection account shall be remitted within two working days of receipt of such funds to a CC account, current account, or OD account maintained with any bank in the banking system and designated by the borrower for this purpose (hereinafter referred to as 'designated account').

Provided that statutory dues/taxes and Bank's dues if any including fees/charges (along with the taxes if any) to the bank maintaining the collection account may be debited before remitting the funds

D. Exemptions:

The restrictions placed in terms of paragraph B (1) of these Directions shall not be applicable to the accounts mentioned below.

- (1) Accounts opened as per the provisions of Foreign Exchange Management Act, 1999 (FEMA) and notifications issued thereunder, including accounts mandated for ensuring compliance under the FEMA framework.
- (2) Specific accounts or transactions which are stipulated under a statute or a specific instruction of a financial sector regulator, or the Central Government or a State Government.

Explanation: 'Financial sector regulator' for the purpose of this Chapter refers to the Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI), the Insurance Regulatory and Development Authority of India (IRDAI) and the Pension Fund Regulatory and Development Authority (PFRDA).

- (3) Accounts of entities regulated by a financial sector regulator, used for the purpose of carrying out their regulated activities.

Provided that banks operating the above-mentioned exempted accounts shall ensure that transactions in such accounts are used only for the permitted/ specified purposes. Surplus funds, if any, in such accounts shall be remitted to the designated account.

Bank, in certain cases, offer products or services that inherently require routing transactions through a current account maintained with themselves. In such cases, banks which are otherwise not eligible to maintain accounts in terms of paragraph B (1) of these Directions may also maintain current accounts, subject to the conditions specified below:

- (1) Such accounts shall only be opened in accordance with the 'Board approved policy' or 'by an authority delegated by the Board' for the product/ service, which shall detail and justify, inter alia, the necessity of operating these accounts.
- (2) Transactions in such accounts shall be limited for the specified purpose(s). Cash transactions, debits at the discretion of customers, and issuance of instruments like electronic cards and cheque books shall not

be permitted in such accounts. Surplus funds, if any, in such accounts shall be remitted to the designated account.

- (3) Bank shall implement adequate safeguards to ensure that such accounts are not used as substitutes for current accounts, or employed to circumvent restrictions placed on current accounts, or misused for activities such as fund diversion or fraud

E. Compliance Monitoring:

- (1) For ensuring ongoing compliance with this Chapter, bank shall monitor accounts maintained with them on a regular basis and in any case at least once every half-year.
- (2) In case it is observed that a bank is no longer eligible to maintain a current account opened in terms of:
 - (i) paragraph A due to increase in exposure of banking system to the borrower up to or beyond the specified threshold of ₹10 crore;
or
 - (ii) paragraph B (1), due to changes in the bank's share in banking system's aggregate exposure or in aggregate fund-based exposure to the borrower; or due to non-availability of NOC from banks that have exposure to the borrower;

then the bank shall notify the customer(s) concerned promptly, and in any case within one month from the date of observing such ineligibility, that the account must either be converted to a collection account or closed. The conversion or closure process, as the case may be, shall be completed within three months of observing such ineligibility.

- (3) Accounts opened in terms of these Directions shall be appropriately flagged in the bank's core banking solution (CBS) to ensure clear identification and to facilitate effective monitoring. Banks maintaining multiple accounts for a borrower shall ensure that such accounts and transactions and cashflows therein are monitored at the borrower level as also at the account level.

F. Other Provisions:

- (1) Bank shall ensure that an accountholder utilise their account solely for transactions related to their authorised business or activities. These accounts shall not, under any circumstances, be used as pass-through channels for facilitating third-party transactions.

Provided that entities expressly licensed or authorised by a financial sector regulator to facilitate third-party transactions may continue to do so. However, such activities shall strictly be limited to the specific transactions they are authorised to do and shall not extend beyond that scope. Any account that has been permitted to carry out such third-party transactions shall be appropriately flagged in the bank's CBS to ensure clear identification and to facilitate effective monitoring.

- (2) Bank shall ensure that an accountholder, who is not licensed or authorised by the Reserve Bank to accept deposits or to provide payment services, do not engage in such activities through accounts maintained with them.
- (3) Robust monitoring systems shall be implemented to detect the above prohibited usage, including mechanisms to flag accounts exhibiting unusually high transaction volumes, frequent pass-through activities, or inconsistencies between the accountholder's stated line of business and transactions carried out through the account.

29. Linking mobile number and email-id to customer accounts

For customers onboarded through the digital onboarding platform, both the mobile number and email ID are subjected to validation to confirm their authenticity and ensure that the contact details are active and valid.

In cases where a customer requests to link a mobile number or email ID that does not personally belong to them, the customer must provide a declaration stating the reason for such linkage. This declaration is retained on bank records for audit and compliance purposes.

Moreover, bank is restricting the linkage of the same mobile number/email id to a maximum of five (5) unique customer IDs. Any exception in this regard to be approved by Head-Liability.

30. Redressal of complaints and grievances

Depositors having any complaint/ grievance with regard to services rendered by the Bank have a right to approach authority/ authorities designated by the Bank for handling customer complaint/ grievances. A complaint box is made available at branches for lodging customer complaints. The details of the internal set up for redressal of complaints/ grievances will be displayed in the branch premises/ Bank's website. The branch officials shall provide all required information regarding procedure for lodging the complaint. In case the depositor does not get response from the Bank within a period of one month after the Bank received the complaint, or the Bank rejects the complaint, or if the complainant is not satisfied with the reply given by the Bank; he has a right to approach Banking Ombudsman appointed by the Reserve Bank of India. The name of the Principal Nodal Officer & Zonal Nodal Officers under the Banking Ombudsman Scheme as well as contact details are displayed on the Bank's website www.csb.co.in.

PART B - Interest Rate on Deposits

31. Interest Rate framework

The bank shall pay interest on deposits of money (other than current account deposits) accepted or renewed in the Domestic, Ordinary Non-Resident (NRO), Non-Resident (External) Accounts (NRE) and Foreign Currency (Non-resident) Accounts (Banks) Scheme {FCNR(B)} deposit accounts. The bank shall ensure the following in the case of interest rates on deposits:

- (a) The rates shall be uniform across all branches and for all customers and there shall be no discrimination in the matter of interest paid on the deposits, between one deposit and another deposit of similar amount, accepted on the same date, at any of its offices.
- (b) Interest rates payable on deposits shall be strictly as per the schedule of interest rates disclosed in advance.
- (c) The bank shall maintain the bulk deposit interest rate card in their Core banking system to facilitate supervisory review.
- (d) The rates shall not be subject to negotiation between the depositors and the bank.
- (e) The interest rates offered shall be reasonable, consistent, transparent and available for supervisory review/scrutiny as and when required.
- (f) All transactions, involving payment of interest on deposits shall be rounded off to the nearest rupee for rupee deposits (i.e., fractions of 50 paise and above are rounded off to the next higher rupee and fraction of less than 50 paise shall be ignored) and to two decimal places for FCNR (B)/RFC deposits.
- (g) Deposits maturing on Holiday/non-business working day:
 - (i) If a term deposit is maturing for payment on a non-business working day, 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 deposits and recurring deposits, a bank shall pay interest for the intervening non-business working day on the maturity value.
- (h) Consequence of transfer of branch of one bank to another bank: Instructions of a customer for transfer of their account to another branch shall be carried out on receipt of, and in accordance with his/ her instructions. Deposits accounts transferred from one bank branch to another bank branch on account of takeover of bank branches in rural and semi-urban centres shall adhere to the following conditions:
 - (i) deposit accounts shall deemed to be transferred to the new bank and will continue to be governed by the terms of contract agreed to between the customer and the bank branch that is being taken over.
 - (ii) the same rate of interest shall be payable till maturity on such transferred deposits, as was payable at the time of takeover of the branch

The Bank has a well-defined Asset Liability Management (ALM) Policy, which outlines the authority and framework for determining interest rates on deposit products, including Savings and Term Deposits.

The interest on term deposits is calculated by the bank in accordance with the formulae and conventions advised by Indian Banks' Association & required regulatory norms and the method of calculation of interest rate is displayed on the bank's official website. In the case of cumulative/reinvestment term deposits (FD & RD) in INR, interest is compounded quarterly. In the case of interest pay-out FDs wherein if the customer insists for monthly payment of interest, it will be paid at a discounted interest rate. The rate of interest on deposits will be prominently displayed in the branch premises and/or on bank's website. Also, changes, if any, with regard to the deposit schemes and other related services shall be communicated through bank's website/ branch notice board

32. Interest Rates on domestic Current Account

No interest shall be paid on deposits held in current accounts.

Provided that balances lying in current account standing in the name of a deceased individual depositor or sole proprietorship concern shall attract interest from the date of death of the depositor till the date of repayment to the claimant/s at the rate of interest applicable to savings deposit as on the date of payment.

33. Interest Rate on Domestic Saving Deposits

In addition to the conditions laid down in point/section -“Interest Rate framework” in this policy, interest on domestic rupee savings deposits shall be subject to the following:

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

- (i) A uniform interest rate shall be set on balance up to Rupees one lakh, irrespective of the amount in the account within this limit.
- (ii) Differential rates of interest may be provided for any end-of-day savings bank balance exceeding Rupees one lakh.

**Daily Product’ means the interest applied on the end of day balance.*

34. Interest Rates on Domestic Term Deposits

In addition to the conditions laid down in point/section -“Interest Rate framework” in this policy, interest rates on term deposits shall vary only on account of one or more of the following reasons:

- (a) Tenor of Deposits:
The ALCO of the bank shall determine the maturity/tenor of the deposit subject to the condition that minimum tenor of the deposit offered shall be seven days.
- (b) Size of Deposits:
Differential interest rate shall be offered only on bulk deposits.
Provided that differential interest shall not be applicable on deposit schemes framed on the basis of the Bank Term Deposit Scheme, 2006.
Provided also that differential interest shall not be applicable on deposits received under the Capital Gains Accounts Scheme, 1988 by the bank
- (c) Non- availability of Premature withdrawal option:
The bank may offer term deposits without premature withdrawal option.
Provided that all term deposits accepted from individuals (held singly or jointly) for amount of Rupees one crore and below shall have premature-withdrawal-facility.

35. Payment of Additional Interest on domestic deposits

The bank shall, at its discretion (as decided by ALCO) from time to time allow additional interest of up to one per cent per annum, over and above the rate of interest mentioned in the schedule of interest rates on savings or term deposits of bank’s staff and their exclusive associations as well as on deposits of Chairman, Chairman & Managing Director, Executive Director or such other Executives appointed for a fixed tenure, subject to the following conditions:

- (i) The additional interest is payable till the person continues to be eligible for the same and in case of his ceasing to be so eligible, till the maturity of a term deposit account. This provision leads to the following explanations:

- a) The benefit of additional interest cannot be extended to the existing term deposits [including Recurring Deposits] placed with the bank by the depositor, even if he/she becomes an employee of the bank during the currency of the deposit.
- b) The benefit of additional interest can continue to be extended till the maturity of an existing term deposit account [including Recurring Deposits] even if the depositor-employee ceases to be employee of the bank during the currency of the deposit.

In both the above cases, contracted rate of interest shall continue to be extended till the maturity without incorporating any change in the interest rate during the currency of the deposit account

- (ii) The additional interest may be paid on the following deposits after obtaining a declaration from the depositor concerned, that the monies deposited or which may be deposited from time to time into such account belong to the depositor:

- a. A member or a retired member of the bank's staff [including an employee who has voluntarily retired], either singly or jointly with any member or members of his/her family, provided that the staff member / retired staff member is the principal account holder; or

Note: Additional interest admissible to the bank's staff shall not be paid on the compensation awarded by the court to a minor child and deposited in the joint name of minor child and parent as the money belongs to the minor child and not the bank's staff.

- b. The spouse of a deceased member or a deceased retired member of the bank's staff; and

Note: Children (including minor) are not eligible for additional interest admissible to deceased member of the bank's staff

- c. An Association or a fund, members of which are members of the bank's staff.

Note: Bank Employees' Federations, in which bank employees are not direct members, shall not be eligible for additional interest.

Member of the bank's Staff' means a person employed on a regular basis, whether full-time or part-time, and includes a person recruited on probation or employed on a contract for a specified duration or on deputation and an employee taken over in pursuance of any scheme of amalgamation but does not include a person employed on casual basis. Retired Member of the bank's Staff' means an employee retiring whether on superannuation or otherwise as provided in the bank's Service / Staff Regulations.

In all cases of joint deposits where our employee/retired employee is one of the depositors, he/she should invariably be the first named depositor/the beneficiary in order to be eligible for preferential rate of interest and a declaration is given to the effect that the money deposited belongs to him/her. In respect of deposits in joint names, the declaration should be obtained from the depositor eligible to get the benefit of preferential rate of interest. If all the joint depositors are eligible employees, all should sign the declaration.

In the following cases, declaration need not be obtained, provided however, the declaration has already been obtained for the original/previous deposit or for the operative account of the concerned employee:

- *Renewal of an overdue deposit [only if the amount renewed is the same as the amount of previous deposit besides accrued interest].*
- *Extension of period of the deposit [provided no additional amount other than interest accrued is accepted].*
- *The deposit is opened by transfer of funds from the operative account of the employee concerned.*

For the purpose of joint deposits, the word "family" would mean and include: The spouse of the employee/retired employee. The children, parents, brothers and sisters of the employee/retired

employee, who are dependent on such employee/retired employee. However, the word “family” would not include a legally separated spouse.

- a. The banks may, at its discretion, formulate term deposit schemes specifically for resident Indian senior citizens, offering higher and fixed rates of interest (as decided by ALCO) as compared to normal deposits of any size. *Provided that this facility is not offered on the term deposit standing in the name of an HUF or the Karta of the Hindu Undivided Family (HUF), even if the Karta is a resident Indian senior citizen.*
- b. The bank may, at its discretion, give its resident Indian retired staffs, who are senior citizens, the benefit of additional interest rates as admissible to senior citizens over and above the additional interest payable to them by virtue of their being retired members of the banks' staff.

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, NRI, FCNR(B) & RFC deposits.

36. Interest on overdue domestic deposits

The rate of interest to be paid on renewal of overdue term deposits shall be subject to the stipulation conditions laid down in point/section -“Interest Rate framework” in this policy.

When a term deposit is renewed on maturity, interest rate on renewed deposit for the period specified by the depositor as applicable on the date of maturity would be applied. If the deposit is not renewed automatically for any reason and if request for renewal is received after the date of maturity, such overdue deposits will be renewed with effect from the date of maturity at interest rate applicable as on the due date, provided such request is received within 14 days from the date of maturity.

If a Term Deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as applicable to savings account or the contracted rate of interest on the matured Term Deposit, whichever is lower. That is in respect of overdue deposits renewed after 14 days from the date of maturity the term deposit will be renewed from date of request at the interest rate applicable on the date of renewal, however interest for the overdue period will be paid at rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower. This is applicable to Recurring deposits (RD) also. Overdue deposits may be permitted for back-value-dated renewal on case-to-case basis even if request for renewal is received after 14 days. The competent authority to approve back value-dating of any deposits/ shortage of interest payment to customer due to operational lapse/ system issue (if any) from bank end shall be the Head – Liability or as per the Bank's delegation matrix.

37. Periodicity of payment of Interest on domestic savings deposit

Interest on savings deposit shall be credited at quarterly or shorter intervals (presently interest is paid by bank at quarterly intervals).

Interest on savings bank accounts, including those frozen by the enforcement authorities, shall be credited on regular basis irrespective of the operational status of the account.

38. Interest payable on the domestic deposit account of deceased depositor

The rate of interest on matured deposits standing in the name of a deceased individual depositor, or two or more joint depositors, where one of the depositors has died, shall be subject to the conditions laid down in point/section “Interest Rate framework” in this policy.

- (a) In the event of death of the depositor before the date of maturity of deposit and amount of the deposit is claimed after the date of maturity, the Bank shall pay interest at the contracted rate till the date of maturity. From the

date of maturity to the date of payment, the Bank shall pay simple interest at the rate applicable for Savings account as on the date of maturity, for the period for which the deposit remained with the Bank beyond the date of maturity.

- (b) In event of death before maturity and the amount is claimed before the date of maturity, interest will be paid for the period the deposit actually remained with the Bank without charging any penalty.
- (c) However, in the case of death of the depositor after the date of maturity of the deposit, the Bank shall pay interest at Savings Bank deposit rate applicable on the date of maturity from the date of maturity till the date of payment.
- (d) 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.

39. Discretion to pay interest on the minimum credit balance in the composite cash credit account of a farmer

Interest, if any, on the minimum credit balance in the composite cash credit account of a farmer during the period from the 10th to the last day of each calendar month shall be paid, subject to the conditions given in point/section "Interest Rate framework" in this policy.

40. Premature withdrawal of domestic term deposits

The bank on request from the depositor, at its discretion may allow withdrawal of deposit (fully or partially as per the product feature) before completion of the period of the deposit agreed upon at the time of placing the deposit, at a penalty prescribed by the bank from time to time which will be disclosed to the customer at the time of opening the deposit (presently 1% penalty for premature closure of Domestic deposits). In the case of premature closure of deposits, the applicable interest rate would be the card rate prevalent on the date of the deposit for the period the deposit remained in the bank or the contracted rate, whichever is lower less applicable penalty (as decided by the bank). In case of pre-closure of Recurring Deposit (RD), the applicable interest rate would be the card rate prevalent on the date of the deposit for the completed months of the RD or the contracted rate, whichever is lower less applicable penalty (presently 1% penalty for premature closure of Domestic deposits). Also, bank may offer deposit products to customers without any pre-closure penalty with the approval from ALCO. However, no interest will be paid if the term deposit is closed prior to completion of minimum tenor as prescribed by RBI from time to time.

The bank shall make depositors aware of the applicable penal rate along with the deposit rate upfront, while accepting the deposit. The details will be displayed in bank's website too. The interest rates including the applicable penal rates shall be fixed by the ALCO of the bank from time to time..

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

No penalty for premature withdrawal shall be levied, where depositors of the branch as mentioned in point "Interest Rate framework (point. 31 (h))" of this policy desires premature withdrawal of deposit consequent to the transfer of business to another bank.

The competent authority for waiver of penalty will be MD & CEO (through recommendation from Head-Liability) or as per the delegation matrix of the Bank.

41. Interest rates on Rupee Deposits-Non-Residents (NRE/NRO Deposits)

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

- (a) The interest rates shall be subject to the conditions laid down in point/section-“Interest Rate framework” in this policy.
- (b) Interest rates on savings deposits under Non-Resident (External) Rupee (NRE) Deposit / Ordinary Non-Resident (NRO) Deposits shall be in accordance with section “Interest Rate on domestic Saving Deposits” in this policy.
- (c) Interest rates on NRE/NRO term deposits shall vary only on account of one or more of the following reasons:
 - (i) Tenor of Deposits: The ALCO of the bank shall determine the maturity/tenor of the deposit subject to the condition that minimum tenor of NRE term deposits shall be one year and that of NRO term deposits shall be seven days.
 - (ii) Size of Deposits: Differential interest rate shall be offered only on bulk deposits
 - (iii) Non-availability of Premature withdrawal option: Banks shall have the freedom to offer NRE / NRO term deposits without premature withdrawal option, provided that all NRE / NRO term deposits accepted from individuals (held singly or jointly) for amount of Rupees One Crore and below shall have premature-withdrawal-facility.
- (d) Interest rates on NRE/ NRO deposits shall not be higher than those offered by the banks on comparable domestic rupee term deposits.
- (e) The benefit of additional interest rate on deposits on account of being bank's own staff or senior citizens shall not be available to NRE and NRO deposits.
- (f) Interest on savings deposits shall be credited at quarterly or shorter intervals (presently interest is paid by bank at quarterly intervals).
- (g) 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:
 - (i) If the NRE deposit has not run for a minimum period of one year, interest shall be paid at a rate not exceeding the rate payable on savings deposits held in RFC accounts.
 - (ii) In all other cases, interest shall be paid at the contracted rate.

42. Prohibition on Marking Lien on NRE - SA

The bank shall not mark any type of lien, direct or indirect, against NRE saving deposits.

43. Interest on Overdue NRE/NRO Deposits

When a term deposit is renewed on maturity, interest rate on renewed deposit for the period specified by the depositor as applicable on the date of maturity would be applied. If the deposit is not renewed automatically for any reason and if request for renewal is received after the date of maturity, such overdue deposits will be renewed with effect from the date of maturity at interest rate applicable as on the due date, provided such request is received within 14 days from the date of maturity.

If a Term Deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower. That is in respect of overdue deposits renewed after 14 days from the date of maturity the term deposit will be renewed from date of request at the interest rate applicable on the date of renewal, however interest for the overdue period will be paid at rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower. This is applicable to Recurring deposits (RD) also. Overdue deposits may be permitted for back-value-dated renewal on case-to-case basis even if request for renewal is received after 14 days. The competent authority to approve back value-dating of any deposits/ shortage of interest payment to customer due to operational lapse/ system issue (if any) from bank end' shall be the Head – Liability or as per the Bank's delegation matrix.

44. Premature Withdrawal of NRE/NRO Deposits

The bank on request from the depositor, at its discretion may allow withdrawal of deposit (fully or partially as per the product feature) before completion of the period of the deposit agreed upon at the time of placing the deposit, at a penalty prescribed by the bank from time to time which will be disclosed to the customer at the time of opening the deposit (presently 1% penalty for premature closure of NRO deposits and no penalty for premature closure of NRE deposits). In the case of premature closure of deposits, the applicable interest rate would be the card rate prevalent on the date of the deposit for the period the deposit remained in the bank or the contracted rate, whichever is lower less applicable penalty (as decided by the Bank). In case of pre-closure of Recurring Deposit (RD), the applicable interest rate would be the card rate prevalent on the date of the deposit for the completed months of the RD or the contracted rate, whichever is lower less applicable penalty (presently 1% penalty for premature closure of NRO deposits and no penalty for premature closure of NRE deposits). The bank may offer deposit products to customers without any pre-closure penalty with the approval from ALCO. However, no interest will be paid if the term deposit is closed prior to completion of minimum tenor as prescribed by RBI from time to time.

The bank shall make depositors aware of the applicable penal rate along with the deposit rate upfront, while accepting the deposit. The details will be displayed in bank's website too. The interest rates including the applicable penal rates shall be fixed by the ALCO of the Bank from time to time.

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

No penalty for premature withdrawal shall be levied, where depositors of the branch as mentioned in point/section "Interest Rate framework (point. 31.(h))" of this policy desires premature withdrawal of deposit consequent to the transfer of business to another bank.

Penalties for premature withdrawal may be levied for conversion of NRE deposit into FCNR (B) deposit and vice versa (presently there is no penalty).

The competent authority for waiver of penalty will be MD & CEO (through recommendation from Head-Liability) or as per the delegation matrix of the Bank.

45. Interest Payable on the NRE Term Deposit Account of Deceased Depositor

- (a) In the event of death of the depositor before the date of maturity of deposit and amount of the deposit is claimed after the date of maturity, the bank shall pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment, the bank shall pay simple interest at the rate applicable for Savings account as on the date of maturity, for the period for which the deposit remained with the bank beyond the date of maturity.
- (b) In event of death before maturity and the amount is claimed before the date of maturity, interest will be paid for the period the deposit actually remained with the bank without charging any penalty.
- (c) However, in the case of death of the depositor after the date of maturity of the deposit, the bank shall pay interest at Savings Bank deposit rate applicable on the date of maturity from the date of maturity till the date of payment.
- (d) 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.

46. Interest Rates on Foreign Currency (Non-resident) Accounts (Banks) Scheme [FCNR(B) Scheme]

The rate of interests on FCNR(B) deposits are decided by the Asset Liability Committee (ALCO) of the bank, who has been delegated with such powers by the Board. 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:

The interest rates shall be subject to the conditions laid down in in point/section -“Interest Rate framework” in this policy.

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; and
- e. Five years only.

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

ii) Size of deposits: The ALCO of the bank shall decide the currency-wise minimum quantum on which differential rates of interest may be offered.

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

The Overnight Alternative Reference Rate (ARR) 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.

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 ARR for the respective currency/ Swap plus 250 basis points
3 years and above upto and including 5 years	Overnight ARR for the respective currency / Swap plus 350 basis points

The Overnight Alternative Reference Rate for the respective currency/ Swap rates quoted/displayed by Financial Benchmarks India Pvt. Ltd. (FBIL) shall be used as the reference for arriving at the interest rates on FCNR(B) deposits.

Manner of calculation of interest on FCNR(B) deposits: Interest on the deposits accepted under the scheme shall be calculated on the basis of 360 days to a year. The interest on FCNR (B) deposits shall be calculated and paid at intervals of 180 days each and thereafter for the remaining actual number of days. However, the depositor will have the option to receive the interest on maturity with compounding effect.

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

The competent authority to approve ‘back value-dating of any deposits’/ ‘shortage of interest payment to customer due to operational lapse from bank end’ shall be the Head – Liability or as per the Bank’s delegation matrix

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

The 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.

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

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

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

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

Subject to the conditions given in point/section-“Interest Rate framework” in this policy, the 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 section “Interest Rates on FCNR(B) Scheme” above. *Provided that* the rate of interest shall not exceed the rate payable on savings bank deposits held under RFC Account Scheme.

50. Premature withdrawal of FCNR (B) Deposits

The bank on request from the depositor, at its discretion may allow withdrawal of deposit (fully or partially as per the product feature) before completion of the period of the deposit agreed upon at the time of placing the deposit, at a penalty prescribed by the bank from time to time which will be disclosed to the customer at the time of opening the deposit [presently no penalty for premature closure of FCNR(B) deposits]. In the case of premature closure of deposits, the applicable interest rate would be the card rate prevalent on the date of the deposit for the period the deposit remained in the bank or the contracted rate, whichever is lower less applicable penalty (as decided by the ALCO of the bank). However, no interest will be paid if the term deposit is closed prior to completion of minimum tenor as prescribed by RBI from time to time.

The bank may also charge penalty on the premature withdrawal of FCNR (B) deposits when:

- i. the depositors return to India for permanent settlement.

- ii. for conversion of FCNR (B) deposits into NRE deposits or vice-versa (presently there is no penalty).

In case of splitting of the amount of term deposit at the request from 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.

The bank may, at its discretion, levy penalty to recover the swap cost in the case of premature withdrawal of FCNR(B) deposits.

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.

No penalty for premature withdrawal shall be levied, where depositors of the branch as mentioned in point/section “Interest Rate framework (point. 31(h))” of this policy desires premature withdrawal of deposit consequent to the transfer of business to another bank.

The bank shall make depositors aware of the applicable penal rate along with the deposit rate upfront, while accepting the deposit. The details will be displayed in bank’s website too. The interest rates including the applicable penal rates shall be fixed by the ALCO of the bank from time to time

The competent authority for waiver of penalty will be MD & CEO (through recommendation from Head-Liability) or as per the delegation matrix of the Bank.

51. Premature renewal/ extension of term deposits

In case the depositor desires to renew the deposit by seeking premature closure of an existing deposit account, the bank will permit the renewal at the applicable rate on the date of renewal. While prematurely closing a deposit for the purpose of renewal, interest on the deposit for the period it has remained with the bank will be paid at the rate prevalent at the time of opening of the account, applicable to the period for which the deposit remained with the bank, after applying the penal rates as applicable to the term deposit product and not at the contracted rate. The MD & CEO may waive the penalty (through recommendation from Head – Liability) in such cases.

52. Automatic Renewal of Term Deposits

If a customer so requires, TDs other than Recurring Deposit can be automatically renewed for the same period as that of the maturing TD with or without the interest accrued at the rate of interest prevalent as on date of maturity. Requirement of the facility should be noted in the opening form. On every auto-renewal, for TDs issued with deposit receipt, the same deposit receipt may be issued to the depositor after effecting an endorsement on the reverse of the deposit receipt noting the new contract number with all relevant details. Auto renewal facility for deposits will be “Yes” as default (except for certain deposits like non-callable deposits, tax savings deposits & any other deposit products not having auto-renewal feature), unless the customer gives a specific request for non-renewal.

In cases where a term deposit account(s) of a depositor is frozen by a bank on the order of law enforcement authorities, the bank shall ask for a request letter from the depositor on maturity for renewal of the term deposit. The depositor shall be given an option to choose the term for renewal of the deposit. In case the depositor does not exercise the option of choosing the term for renewal, the bank shall renew the deposit for a term equal to the original term.

53. Prohibitions & Exemptions

Prohibitions:

Bank shall not:

- (a) Pay any remuneration or fees or commission or brokerage or incentives on deposits in any form or manner to any individual, firm, company, association, institution or any other person except:
 - i) commission paid to agents employed to collect door-to-door deposits under a special scheme.
 - ii) commission paid to Direct Selling agents/Direct Marketing Agents as part of the outsourcing arrangements.
 - iii) remuneration paid to Business facilitators or Business Correspondents.
- (b) Offer prize/ lottery/ free trips (in India and/or abroad), etc or any other initiative having element of chance for mobilizing deposits. However, inexpensive gifts costing not more than Rupees 250/- which is the amount prescribed by the Indian Banks' Association (IBA) as part of the Ground Rules and Code of Ethics framed by them may, at the bank's discretion, be given to depositors at the time of accepting deposits.
- (c) Resort to unethical practices of raising of resources through agents/third parties to meet the credit needs of the existing/prospective borrowers or to grant loans to the intermediaries based on the consideration of deposit mobilisation.
- (d) Issue any advertisement/literature soliciting deposits from public highlighting only the compounded yield on term deposits without indicating the actual rate of simple interest offered by the bank for the particular period. Simple rate of interest per annum for the period of deposit should be indicated invariably.
- (e) Accept interest-free deposit other than in current account or pay compensation indirectly.
- (f) Accept deposits from/at the instance of private financiers or unincorporated bodies under any arrangement which provides for either issue of deposit receipt/s favouring client/s of private financiers or giving of an authority by power of attorney, nomination or otherwise, for such clients receiving such deposits on maturity.

Explanation:

(i) Issuance of a Cash Certificate / Fixed Deposit Receipt by a bank under instructions from a person other than the depositor themselves (or their duly constituted attorney) is not only contrary to normal banking practice but also against the spirit of RBI directives on interest rates on deposits which presuppose acceptance of deposits by a bank directly from the depositors by complying with normal requirements such as application from the depositor, furnishing of specimen signature, etc.

(ii) Section 45ZB of the Banking Regulation Act, 1949 precludes banks from recognising any claim of any person, other than the one in whose name the deposit is held to the deposit amount except pursuant to any direction of a court of competent jurisdiction.

(iii) Chapter IIIC of the Reserve Bank of India Act, 1934 imposes restrictions on unincorporated bodies in relation to acceptance of public deposits. Accordingly, association of a bank with the deposit acceptance activities of unincorporated bodies may lead to violation of statutory provisions.

- (g) Associate with Prize Chit Schemes and Sale of Lottery Tickets:

Pursuant to the Prize Chits and Money Circulation Schemes (Banning) Act, 1978 which bans the promotion and conduct of prize-chit schemes and also provides for deterrent penalties for those who are guilty of breach of the provisions thereof, a bank shall desist from participating or associating in such prize-chit schemes floated by any of the non-banking financial institutions in any form.

Explanation: While mere opening of accounts in the name of prize chit firms / companies and issue of cash certificates / deposit receipts in favour of the members of such firms / companies by a bank may not be construed as violative of any specific provision of law; the aforesaid types of activities and transactions by banks would come within the term "associate" as used above and a bank shall, therefore, desist from such type of association.

Accordingly, bank shall: (1) make enquiries with a company / firm desirous of opening such accounts, that it is not carrying on the activities banned by the Prize Chits and Money Circulation Schemes (Banning) Act, 1978; and (2) not open accounts or issue cash certificates / deposit receipts in respect of prize chit companies or firms / their members when the activities / schemes of the company are falling within the purview of the said Act.

Bank shall not associate itself directly or indirectly with lottery schemes of organisations of any description.

Explanation: Lottery falls within the expression "prize chit" under the Prize Chits and Money Circulation Schemes (Banning) Act, 1978 referred to in paragraph 53 above. Further, sale of lottery tickets on bank counters could be open to abuse and avoidable complaints from members of public.

- (h) Grant advances against term deposits maintained with other banks.
- (i) Open a savings deposit account in the name of **Government departments / bodies depending upon budgetary allocations for performance of their functions / Municipal Corporations or Municipal Committees / Panchayat Samitis / State Housing Boards / Water and Sewerage / Drainage Boards / State Text Book Publishing Corporations / Societies / Metropolitan Development Authority / State / District Level Housing Co-operative Societies, etc. or any political party or any trading/business or professional concern, whether such concern is a proprietary or a partnership firm or a company or an association and entities other than individuals, Karta of HUF and organisations/agencies listed below.**

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

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

Note: Savings Bank account cannot be opened in the name of a private entity for implementation of the Government funding schemes.

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

Providing other facilities by "tying-up" with placement of deposits is considered as a restrictive practice.

Exemptions:

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

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

- (b) Payment of interest on delayed collection of outstation instruments like cheques, drafts, bills, telegraphic/mail transfers, etc.

54. Policy Revision

This policy shall be reviewed annually. Any modifications/enhancements required subsequent to the approval of this policy, on account of emerging necessities and directives from regulatory/statutory authorities, shall be implemented with the approval of the ALCO. The same shall be incorporated in the policy and placed before the Board during the immediate next review of the policy.