

DEPOSIT POLICY- (2023-2026)

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DEPOSIT POLICY

1. PREAMBLE:

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

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

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



CHAPTER 1

2. TYPES OF DEPOSIT ACCOUNTS AND DEFINITIONS:

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

- a) **"Demand Deposits"** means a Deposit received by the Bank which is withdrawable on demand.
- b) **"Savings Deposits"** means a form of interest bearing Demand Deposit which is subject to restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the Bank during any specified period;
- c) **"Term Deposit"** means a Interest bearing deposit received by the Bank for a fixed period and include Deposits such as Recurring /Cumulative /Annuity /Reinvestment deposits and Cash Certificates;
- d) **"Deposit at Notice"** means Term Deposit for specific period but withdrawable on giving at least one complete Banking days' notice.
- e) **"Current Account Deposits"** means a form of non-interest bearing Demand Deposit wherefrom withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount and also includes other Deposit accounts which are neither Savings Deposit nor Term Deposit.
- f) **Bulk Deposit** Bulk Deposit" Single Rupee term deposits of Rupees two crore and above for Scheduled Commercial Banks (excluding Regional Rural banks) and Small Finance Banks.
- g) **"Daily product"** means the interest applied on the end of day balance.
- h) **"Domestic Rupee Deposits"** mean rupee deposits maintained in India in the form of current account, savings deposits or term deposit.
- i) **"Family"** includes members as mentioned in the bank's Service/Staff Regulations.
- j) **"Individual"** means a natural person.



- k) “**Member of the bank’s staff**” means a person employed on a regular basis, whether full-time or part-time, and includes a person recruited on probation or employed on a contract of a specified duration or on deputation and an employee taken over in pursuance of any scheme of amalgamation, but does not include a person employed on casual basis.
- l) “**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.
- m) “**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.

Modes of Deposits:

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

Modes of Withdrawal:

Withdrawals in account can be by way of Cheques, Withdrawal forms, through the use of ATM's, POS machines, by means of electronic transfer through Internet, by use of biometric cards, by giving Standing Instructions to the Bank, ECS which may come into usage after giving due notice by the Bank on its web-site.

Instructions or through any other means which may come into usage after giving due notice by the Bank on its web-site. Cash withdrawal should be in round rupees. Bank does not carry out any financial transactions requested by the Customers through e-mail even if the request is made by a letter scanned as an attachment.



3. ACCOUNT OPENING AND OPERATIONS OF DEPOSIT ACCOUNTS

3.1 Account Opening:

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

- a) The Bank before opening any Deposit account will carry out due diligence as required under "Know Your Customer" (KYC) , "Anti Money Laundering" guidelines issued by RBI , Customer Acceptance Policy adopted by the Bank and or such other norms or procedures adopted by the Bank. If the decision to open an account of a prospective depositor requires clearance at a higher level, reasons for any delay in opening of the account will be informed to him and the final decision of the Bank will be conveyed at the earliest to him.
- b) The Bank is committed to provide basic Banking services to disadvantaged sections of the society. Banking services will be offered to them through small accounts, BSBD accounts / PMJDY accounts. Small accounts will be opened with relaxed KYC norms as per regulatory guidelines. BSBD and PMJDY Savings Bank account holders may be provided with overdraft facilities as per regulatory norms and guidelines provided by regulators from time to time. As per regulatory guidelines, a customer can have only one BSBD / PMJDY account and is not allowed to have any other Savings Bank Account.
- c) 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 to prepare a profile for Risk categorization of the Customer into High /Medium /Low when he approaches for opening a Deposit Account. The Bank may not open account where the prospective customer is unable to furnish information and or in the event of non-cooperation by him.
- d) For deposit products of Savings Bank Account and Current Deposit Account, the Bank would normally stipulate certain minimum balances to be maintained from time to time as part of Terms and Conditions governing operation of such accounts. In case of BSBD / PMJDY accounts relaxation in minimum balance norms as per regulatory guidelines will be provided. Failure

to maintain minimum balance in the account may attract levy of charges or conversion of accounts to different product as specified by the Bank from time to time. For Saving Bank Account the Bank may also place restrictions on number of transactions, Cash Withdrawals, etc., for given period. Similarly, the Bank may specify charges for issue of cheque books, additional statement of accounts, duplicate pass book, folio charges, etc. All such details, regarding Terms and Conditions for operation of the accounts and schedule of charges for various services provided will be displayed by the Bank on its web site to the prospective depositor while opening the account. Any changes in the schedule of charges or the Terms and Conditions will be displayed by the Bank on it's website to the customers 30 days in advance. During the notice period, the Bank will not charge for non- maintenance of higher minimum balance prescribed.

- e) Bank is offering digital account opening channel for both Savings Account and Current Account through TAB Banking. Bank is providing online opening of Savings account through website and through Mobile Banking which is being opened through Video KYC. The Account opening process is available in public domain and can be accessed on web through internet enabled Mobile/TAB/PC /Laptop.

Eligibility for Account Opening:

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

Explanation: For the purposes of this clause, 'political party' means an association or body of individual citizens of India, which is, or is deemed to be registered with the Election Commission of India as a political

party under the Election Symbols (Reservation and Allotment) Order, 1968 as in force for the time being.

Schedule -I

- 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 section 28(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 programs / Schemes sponsored by Central Government / State Governments subject to production of an authorization from the respective Central / State Government departments to open savings bank account.
- 8) Development of Women and Children in Rural Areas (DWCRA).
- 9) Self-help Groups (SHGs), registered or unregistered, which are engaged in promoting savings habits among their members.
- 10) Farmers' Clubs – Vikas Volunteer Vahini – VVV.

- **Current Accounts** can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies / Trusts, Departments of authority created by Government (Central or State), Limited Liability Partnership etc.
- **Term Deposits Accounts** can be opened by Individuals / Partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates / Societies / Trusts, Departments of authority created by Government (Central or State), Limited Liability Partnership, etc.

KYC and due diligence process is to be complied as per Bank's Global Policy On Know Your Customer (KYC) Norms Anti- Money Laundering (AML) Standards Combating of Financing of Terrorism (CFT) And Obligation of Bank under PMLA, 2002.



3.2 Operations of Deposit Accounts:

- a. Deposit accounts can be opened by an individual in his own name (status: known as account in single name) or by more than one individual in their own names (status: known as Joint Account).
- b. The Joint Account opened by more than one individual can be operated by single individual or by more than one individual jointly (Jointly by all/ Either or Survivor/ Anyone or Survivor/ Latter or Survivor / Former or Survivor). Operating instructions of this nature are obtained from the customer at the time of account opening or at a later date with due consent of all the account holders. The Savings Bank Account opened by minor jointly with **natural** guardian / **legal** guardian can be operated by **natural** guardian / **legal** guardian only.
- c. Individuals resident in India may be permitted to include non-resident close relative (s) (relatives as defined in Section 6 of the Companies Act, 1956) as a joint holder (s) in their resident Bank accounts on "Former or survivor" basis. However, such non-resident Indian close relatives shall not be eligible to operate the account during the life time of the resident account holder. (RBI circular no. RBI/2011-12/173 dated 15.09.2011)

3.3 Operational Instructions:

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

- a. **Either or Survivor:** If the account is held by two individuals say, A & B, the final balance along with interest, if applicable, will be paid to survivor on death of anyone of the account holders.
- b. **Anyone or Survivor/s :** If the account is held by more than two individuals say, A, B and C, the final balance along with interest, if applicable, will be paid to the survivor on death of any two account holders.
- c. **Former or Survivor:** If the account is held by two individuals A& B, the final balance along with interest ,if applicable will be paid to the former i.e. A on date of maturity and to survivor(B) on death of any one of the account holders. The clause "Former or Survivor" becomes effective only in case of death of the original depositor and the second named account



holder (B) does not have right to revoke the instructions during the lifetime of the first named account holder (A).

- d. **Latter or Survivor:** If the account is held by two individuals say, A & B, the final balance along with interest, if applicable, will be paid to latter (B) on maturity and to survivor on death of any one of the account holders.

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

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

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

3.4 **Addition or deletion of the name/s of Joint Account Holders:**

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

3.5 **Nomination:**

- a. Nomination facility is available on all deposit accounts opened by the individuals singly or jointly. This is not available in accounts in the name of an Institution or Society or in any representative capacity as the holder of an office or otherwise. e.g. M.D. of a Company, Secretary of an Association, Partner of a Firm, Karta of a HUF etc. However, the facility of nomination is available in respect of deposits held in the name of a sole Proprietary Concern also. **Nomination can be made in favour of one individual only.** Nomination so made can be cancelled or changed by the account holder/(s) any time.
- b. In case of depositors putting his/her thumb impressions on the prescribed Forms for making nomination, cancellation or change



thereof, the form is required to be attested by two witnesses. Nomination can be made in favour of a minor also.

- c. Printing of name of Nominee is available in the Passbook/Term Deposit advices/Statement of accounts, if a customer opts for this.
- d. Nomination facility is available for joint deposit accounts with operating instructions as 'E' or 'S' also. In the case of joint accounts, the nominee's right arises only after the death of all the depositors. Bank recommends that all depositors avail of the nomination facility for smooth settlement of claim by the legal heirs in unforeseen circumstances. The nominee, in the event of death of the depositor/s would receive the balance outstanding in the account as a trustee of legal heirs.
- e. Bank recommends that all depositors avail Nomination facility. If depositors do not want to give nomination, they will give in writing that they do not want nomination in the account. The depositor will be informed of the advantages of the nomination facility while opening a deposit account.
- f. An acknowledgment of Nomination details will be issued to the depositor/s on request.

3.6 Minor's Accounts:

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

- a. The account can also be opened jointly with natural guardian / **Legal guardian (appointed by the Court)** or with mother as the guardian.
- b. On attaining majority, the erstwhile minor should confirm the balance in his/her account and if the account is operated by the natural guardian, fresh specimen signature and the photograph of erstwhile minor duly verified by the natural guardian would be obtained and kept on record for all operational purposes. Cheques issued by the guardian prior to the date of minor becomes major but presented after the minor becomes major would require confirmation from the minor.
- c. Time Deposits account may also be opened in name of minors.



- d. Minors can open account through BC points under Financial Inclusion Scheme.

3.7 Account of Illiterate/Blind Person:

The Bank may at its discretion open deposit accounts other than Current Accounts of illiterate/blind person. The account of such person may be opened provided he/she calls on the Bank personally along with a witness who is known to both the depositor and the Bank. . The Bank will explain the need for proper care and safe keeping of the passbook etc. given to the account holder. The Bank official shall explain the Terms and Conditions governing the account to the illiterate/blind person.

Bank shall invariably be offering all the banking facilities such as cheque book facility including third party cheques, ATM facility, Net banking facility, locker facility, retail loans, credit cards etc. to the visually challenged without any discrimination and all possible assistance shall be rendered to these persons for availing the facilities.

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

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

Account of Transgender Persons:

Transgender persons can decide their self-identified gender such as male, female or third gender, which has been made available in all forms/applications etc.

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

3.8 Transfer of Account:

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

3.9 Account Statement:

A statement of account will be provided by the Bank to Savings Bank as well as Current Deposit Account Holders periodically as per Terms and Conditions of opening of the account. Alternatively, the Bank provides facility of Pass Book also.



3.10 Interest Payment:

Interest on Savings is calculated on daily product basis (interest applied on the end of day balance) at the rates specified by the Bank taking into account the overall guidelines issued by Reserve Bank of India from time to time. The rates shall not be subject to negotiation between the depositor and the Bank. A uniform interest rate shall be set on balance up to Rupees one lakh, irrespective of the amount in the savings account within this limit. Differential rates of interest may be provided for any end-of-day savings bank balance exceeding Rupees one lakh.

In accordance with latest guidelines issued by RBI (dated 03rd March) 2016, Bank has decided to change the periodicity of interest on Rupee Savings Bank accounts, including NRE/NRO SB accounts from half yearly to quarterly W.e.f 1st of April 2016. Presently Interest for the period February to April will be credited in May, Interest for May to July will be credited in August, interest for August to October will be credited in November and interest for November to January will be credited in February every year.

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

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

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

3.11 Debit Card Hot Listing:

The Bank will accept ATM Card / Debit Card hot listing instructions from customers through Digital Mode, Customer Care Phone Banking channel - 24 hours a day and from branch channel during Business hours. Phone Banking numbers are made available to customers whenever a Card is issued and all branches contain a detailed leaflet along with the Phone Banking numbers.

3.12 Stop Payment Facility:

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



3.13 Dormant Accounts/Inoperative Accounts:

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

For further guidelines and clarification, *Policy on Inoperative Accounts and Unclaimed Deposits* can be referred, which is available on Bank's website.

3.14 Unclaimed Account/Deposit:

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

Such Unclaimed account would be transferred to a separate account status in the interest of the depositor and the Bank. No charges would be levied by the Bank for migrating an account from Dormant / unclaimed to Operative account.

RBI has established "Depositors Education and Awareness Fund (DEAF-2014)" under Section 26 of Banking Regulation Act 1949, where all the credit balance lying in the unclaimed accounts required to be transferred. The Bank is liable to pay the amount to the depositor/claimant and claim refund of such amount from the Fund.

For further guidelines and clarification, *Policy on Inoperative Accounts and Unclaimed Deposits* can be referred, which is available on Bank's website.



4. TERM DEPOSIT

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

Tenor:-

Bank shall have the freedom to determine the maturity/tenor of the deposit subject to the condition that minimum tenor of Term Deposits shall be seven days. Our Bank is accepting Deposits for a minimum period of -7- days and maximum period of 10 Years (except in case of MACT deposit or directed by a court of law or tribunal).

4.1 Types of Term Deposit:

- a) **Fixed Deposit- Interest is periodically paid out:-**Deposits can be accepted for a period as prescribed by RBI from time to time. Interest shall be payable Quarterly / Monthly (at discounted rate). Interest may be paid by cash (subject to certain conditions of Income Tax Act, 1961) or credited to operative account or by issuance of PO/DD.
- b) **Cumulative Term Deposit –Interest accumulated on quarterly compounding basis:** - Deposits can be accepted for a period as prescribed by RBI from time to time. Interest is calculated on quarterly compounding basis. Interest on cumulative deposits is deemed as reinvested. No interest outflow is allowed under this scheme till the maturity of the Term Deposit.
- c) **Flexi Fixed Deposit (FFD) –** Selective schemes of Savings and Current Accounts have facility of Auto Sweep where balances above a certain threshold are swept out to Flexi Deposits in multiples of a sweep out amount (Threshold amount, Sweep out amount and deposit period are scheme specific). Whenever the balance in a savings/current account fall short below (stipulated balance requirement) to clear any debits in the operative account, the FFD can be broken in last In first Out (LIFO) principle (in multiples of sweep out amount specific to scheme) as per the set process of the Bank.
- d) **Tax Savings Term Deposit –** is a Term Deposit wherein the customer gets a Tax benefit under section 80 C Income Tax Act 1961 on the amount invested, although the interest paid on these deposits is taxable. Deposit can be made under RIRD/MIP/QIP Scheme. The



deposit will be for a period of 5 years. Premature payment of Tax Savings Term Deposit is not permitted except in case of death of the depositor.

e) Non-Callable Deposit-

- a) As per Direction of RBI Bank can pay differential rate of interest on term deposit above Rs.1.00 crore and without premature withdrawal option.
- b) In light of above direction Bank has made Non-callable Deposit where minimum deposit above Rs.1.00 crore with additional interest revised from time to time and without premature option.
- c) In exceptional condition premature withdrawal permission may be granted by respective Zonal Head. Zonal Head will assess the exceptional condition and after satisfying with the reason, can allow. Exceptional Conditions are:
 - a. Branch made deposit erroneously.
 - b. Non-Callable auto renewed in Non-Callable scheme
 - c. Customer wanted modification within 15 days of making of Non-callable Deposit
 - d. Customer's Death.
 - e. Non-callable Deposit held in the name of Govt Bodies.
- d) In case of Premature Withdrawal, the rate applicable to Non-Callable shall not be applicable and the deposit will be treated as Callable Term Deposit. Further 2% Penal Interest on callable deposit rate will be applicable for premature payment of deposits (i.e. the date of contract) for period for which the deposit has actually remained with the Bank or the Contracted Rate whichever is lower. Penalty will be not applicable in case of error made by the branch.
- f) **Deposit under Capital Gains Accounts Scheme, 1988-** The Bank is authorized to accept deposits under the Capital Gains Accounts Scheme (CGAS), 1988 by CBDT, Department of Revenue, Ministry of Finance, GOI. Long Term Capital Gains arising on transfer of capital assets, is not chargeable to tax if the amount of capital gain or net consideration has been utilized for specified purposes within the stipulated period as laid down under the Income tax Act. No additional interest for staff and Senior Citizen is applicable under this scheme.
- g) **Tender Deposit, Guarantee money, Deposit of the amount of compensation etc. awarded by the Claims Tribunal etc. will be issued** in the name of the "Government Department - Account name of the Depositor" after obtaining application form, along with a letter from the depositor to the



effect that the Deposit in question is taken as a security for due performance of his contract with the concerned government department and that the deposit might be held, renewed or released according to the instructions of the concerned department Deposit receipt are delivered with a covering letter stating the party's (applicant's) name on whose account, it has been issued.

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

h) Call Deposits to Contractors :Deposit at call receipts can be issued as a special case, to the contractors (tenderers) for amounts earmarked against the earnest money held in current account with them, for submission to Government Departments with tender papers relating to construction contract as per Government or Local Bodies requirements, with the permission of Competent authorities.

4.2 Interest Payment:

Bank shall have the freedom to determine the maturity/tenor of the deposit subject to the condition that minimum tenor of the deposit offered shall be seven days.

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 or the deposits received under the Capital Gains Accounts Scheme, 1988.

Bank shall have the freedom to 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.

The interest rates applicable on term deposits withdrawn before the maturity date shall be as under:

1. Interest shall be paid at the rate applicable to the amount and period for which the deposit remained with the bank and not at the contracted rate.
 2. No interest shall be paid, where premature withdrawal of deposits takes place before completion of the minimum period i.e., 7 days.
- a. In terms of Reserve Bank of India directives, interest shall be calculated at quarterly compounding intervals on Term Deposits and paid at the rate decided by the Bank depending upon the period of deposits. In case of Monthly Deposit Scheme, the interest shall be calculated for the quarter on compounding basis and paid monthly at discounted value.



The interest on Term deposits is calculated by the Bank in accordance with the formulae and conventions advised by Indian Banks' Association.

Accordingly, Bank has adopted following methodology.

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

- i. Deposit placed for more than two quarters/six months but less than one year interest will be calculated first for completed quarters and for terminal incomplete quarter, actual number of days reckoning the year at 365/366 days. Interest will be calculated and compounded at quarterly rests.
 - ii. The Maturity Amount mentioned in the receipt is calculated without giving TDS effect. While calculating interest for half year(Quarterly compounded), the interest calculated for previous half year (quarterly compounded) minus TDS will be added to principal amount for calculating interest for current Half Year.
 - iii. Deposit placed for more than one quarter/3 months to less than or equal to 181 days/6 months interest will be calculated first for completed quarter and thereafter for actual number of days if terminal quarter is incomplete reckoning year at 365/366 days. While calculating interest for days the interest calculated for quarter will be added to principal amount for calculating interest for remaining days of terminal quarter.
 - iv. Deposit placed for period less than one quarter/3 months interest will be calculated for the actual number of days on the basis of 365/366 days in a year.
- b. Interest rates on NRE/ NRO deposits shall not be higher than those offered by the bank on comparable domestic rupee term deposits.
 - c. The interest on FCNR (B) deposits shall be paid at the rates calculated in accordance with the basis prescribed by the Reserve Bank of India (RBI) from time to time for various maturities. The FCNR (B) interest rates shall not be subject to negotiation between the depositors and the bank. Interest on the FCNR (B) 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. The FCNR (B) interest rates offered shall be reasonable, consistent, transparent and available for supervisory review/scrutiny as and when required. All transactions, involving payment of interest on FCNR (B) deposits shall be rounded off to two decimal places.

- d. The rate of interest on deposits will be prominently displayed in the branch premises and also on the Bank's official website. Changes, if any, with regard to the deposit schemes and other related services shall also be communicated upfront by way of public notice and/or on Bank's website and shall be prominently displayed. Interest is subject to TDS as per prevailing guidelines
- e. All interest payments will be rounded off to the nearest rupee.
- f. The Term Deposit account holders at the time of placing their deposits can give instructions with regard to closure of Deposit account or renewal of deposit for further period on the date of maturity. In absence of such mandate, the Bank will automatically renew the deposit as under.
 - If Deposit is placed for more than one year it will be automatically renewed for one year at the prevailing rate on due date.
 - If Deposit is placed for less than one year it will be automatically renewed for same period at the prevailing rate on due date.

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

- g. **Floating rate domestic term deposits** Floating rate domestic term deposits shall be linked to a directly observable and transparent market determined external benchmark.

4.3 **Premature Withdrawal of Callable Term Deposit:**

The Bank, on request from the depositor, at its discretion may allow withdrawal of Callable Term deposit before completion of the period of the Deposit agreed upon at the time of placing the deposit. The Bank shall declare their penal interest rates, policy for premature withdrawal of Term Deposit from time to time. The components of penalty shall be clearly brought to the notice of the



depositors at the time of acceptance of deposits and if not, no penalty shall be levied.

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

- a) No penalty for prepayment of deposit upto 5 lacs which remained with the Bank for a minimum period of 12 months. In such cases the rate of interest applicable for premature payment without penalty will be rate ruling on the date of accepting of deposits (i.e. the date of contract) for period for which the deposit has actually remained with the Bank or the Contracted Rate whichever is lower.
- b) For premature withdrawal of all deposits which have remained for less than 12 months and also all deposits of the face value exceeding Rs 5 lacs, interest will be paid one percent less than the rate which was applicable at the time of placing the Deposit for the period for which the deposit has actually run or contracted rate whichever is lower..
- c) Penalty is waived on settlement of claims in the deceased depositor's accounts and accounts with two or more joint depositors where one of the depositor has died, Interest is paid at applicable rate.
- d) 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.
- e) Penalty for prepayment of Term deposit for Rs One Crore and above (for any period) will be allowed as per the discretion of Bank and after obtaining prior approval from the Regional Authorities. In case of premature payment of deposits for Rs.1 Crore and above the following conditions will have to be complied with:
 - i) A penalty on premature close of deposit for Rs.1 Crore and above will be levied 1.5% from the applicable rate of interest for which the deposit has remained with the Bank.
 - ii) The customer has to give a withdrawal notice of minimum 31 days prior to withdrawal of deposits except Flexi Fixed Deposit and deposits for the period up to 31 days.
 - iii) However, the customer will have the window of 14 days from date of opening of FD or Renewal of FD for relook. The condition of 31 days' notice will not be applicable during window of relook. He will be allowed to premature close the deposit within 14 days from the date of issue but interest will not be payable if deposit prematurely paid within for 7 days. If the deposit is withdrawn after 7 days, interest will be paid for the period it remains with the

Bank. The applicable rate of interest will be prevailing card rate as on date of deposit or renewal of deposit minus 1.5% penalty. After 14 days the Regional authority has power to take decision to allow the premature closure of the account subject to application of penalty of 1.5% for the applicable rate.

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

In compliance with RBI directives, no interest is payable on pre-mature closure of NRE & FCNR term deposits if the deposit remained with the bank for less than a year.

4.4 Renewal of Term Deposit before Maturity:

In case of callable deposits if the depositor desires to renew the deposit by seeking premature closure of an existing Term Deposit account, the Bank will permit the renewal at the applicable rate on the date of renewal, provided the deposit is renewed for a period longer than the balance period of the original deposit. While prematurely closing a deposit for the purpose of renewal, interest on the deposit for the period it has remained with the Bank will be paid at the rate applicable to the period for which the deposit remained with the Bank and not at the contracted rate without penalty.

4.5 Renewal of Overdue Term Deposit:

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

1. Whenever an overdue deposit is presented for renewal within 14 days of its maturity, the deposit will be renewed with effect from the date of maturity at interest rate applicable as on the due date.
2. Whenever an overdue deposit is presented for renewal after 14 days from its maturity, interest for the overdue period is to be paid as under:
 - The interest for the overdue period is to be calculated as per the interest rate applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower and interest will be added to the

original maturity amount and new fixed deposit will be created with interest rate applicable as on the presentment date.

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

4.6 **Advances against Deposit:**

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

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

4.7 **Settlement of Dues in Deceased Deposit Account:**

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

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

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

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

In the absence of nomination and when there are no disputes among the claimants, the Bank will pay the amount outstanding in the account of deceased person against joint application and indemnity by all legal heirs or the person mandated by the legal heirs to receive the payment on their behalf



without insisting on legal documents up to the limit approved by the Bank's Board. This is to ensure that the common depositors are not put hardship on account of delays in completing legal formalities.

4.8 Interest Payable on Term Deposit in Deceased Account:

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

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

(Detailed guidelines/process for settlement of claims of deceased depositor is available on Bank's Website)

4.9 Insurance Cover for Deposit:

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 as under:

"Each depositor in a bank is insured upto a maximum of 5,00,000 (Rupees Five Lakhs) presently for both principal and interest amount held by him in the same right and same capacity as on the date of liquidation/cancellation of bank's license or the date on which the scheme of amalgamation/merger/reconstruction comes into force."

The DICGC insures all deposits such as savings, fixed, current, recurring, etc. deposits except the following types of deposits:

1. Deposits of foreign Governments;
2. Deposits of Central/State Governments;
3. Inter-bank deposits;
4. Deposits of the State Land Development Bank with the State co-operative Bank;
5. Any amount due on account of and deposit received outside India
6. Any amount, which has been specifically exempted by the corporation with the previous approval of Reserve Bank of India



CHAPTER - II

5. ACCOUNTS RELATED TO NON- RESIDENT INDIAN, PIO AND OCI:

5.1 General information / Definition under FEMA:

- 1) "NRE account" means a Non-resident External deposit account referred to in Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.
- 2) "NRO account" means a Non-resident ordinary deposit account referred to in Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.
- 3) "FCNR(B) account" means a Foreign Currency Non-Resident (Bank) account referred to in Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.
- 4) According to the regulations, a "Foreign Currency Account" means an account held or maintained in currency other than the currency of India or Nepal or Bhutan
- 5) 'Deposit' includes deposit of money with a Bank, company, proprietary concern, partnership firm, corporate body, trust or any other person;
- 6) "Bulk Deposit" means single Rupee term deposits of Rs. 2 Crore and above;
- 7) "Notice deposit" means term deposit for specific period but withdrawable on giving at least one complete Banking days' notice;
- 8) "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.

5.2 Non- Resident Indian :

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

Person Resident of India:

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

(i) a person residing in India for more than one hundred and eighty-two days during the course of the preceding financial year but does not include -

A. a person who has gone out of India or who stays outside India, in either case

a) for or on taking up employment outside India, or



- b) for carrying on outside India a business or vocation outside India, or
 - c) for any other purpose, in such circumstances as would indicate his intention to stay outside India for an uncertain period;
- B. a person who has come to or stays in India, in either case, otherwise than -
- a) for or on taking up employment in India, or
 - b) for carrying on in India a business or vocation in India, or
 - c) for any other purpose, in such circumstances as would indicate his intention to stay in India for an uncertain period;

5.3 Person Of Indian Origin:

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

- 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)

5.4(a) For Overseas Corporate Bodies (OCB) Accounts:

As per RBI Circular no A.P.(DIR Series) Circular No.14 (Sep 16, 2003), Overseas Corporate Bodies (OCBs) were derecognised in India as an eligible 'class of investor'.

Under the above regulation, OCBs shall not open and maintain Non-Resident (External) Rupee Account (NRE), Foreign Currency (Non-Resident) Account (Bank) [FCNR(B)] Accounts and Non-Resident Ordinary Rupee (NRO) Deposit Account with authorised Bank in India and all existing NRE (Savings, Current) Accounts of the OCBs shall be closed forthwith and balances repatriated except where instructions have been given by the RBI not to allow operations in the accounts of specific OCBs without prior permission of RBI and such account shall continue to be operative. The existing NRE Deposits (Recurring or Fixed), FCNR (B) Accounts and Non-Resident Ordinary Rupee (NRO)

Deposit (Recurring or Fixed) Account may be permitted to continue till original maturity. The maturity proceeds of NRE Deposits and FCNR (B) shall be repatriated expeditiously and no new NRE / FCNR / NRO Accounts in the name of OCBs shall be renewed.

Further, as per RBI Notification No. FEMA 101 /2003-RB dated 03/10/2003, an existing NRO (Saving) Account held or maintained in the name of an OCB shall be closed and balances transferred to non-interest bearing NRO (Current) Account. The disposal of balances in such NRO (Current) account shall require specific approval of the Reserve Bank except in the following cases:

- i) all local payments in rupees
- ii) remittance outside India of current income in India of the account holder net of applicable taxes

Any loan or other facility granted against the security of a Recurring/Fixed Deposit Account held in the name of an OCB, shall not be renewed and shall be closed by adjustment of the proceeds on maturity of the deposit.

In terms of AP (DIR Series) Circular No.13 dated November 29, 2001, the ban imposed on OCBs under PIS will continue. However, they shall continue to hold the shares and convertible debentures purchased under PIS till such time these are sold on Stock Exchange in India.

(b) Overseas Citizenship of India (OCI) commonly known as 'Dual Citizenship':

A foreign national, who was eligible to become a citizen of India on 06.01.1950** or was a citizen of India on or at any time after 26.01.1950 or belonged to a territory that became part of India after 15.08.1947 and his/her children and grandchildren, provided his/her country of citizenship allows dual citizenship in some form or other under the local laws, is eligible for registration as an Overseas Citizen of India (OCI).

Minor children of such person are also eligible for OCI. However, if the applicant had ever been a citizen of Pakistan or Bangladesh, he/she will not be eligible for OCI.

The OCI can open all types of accounts viz (NRE, FCNR (B), NRO). Please see the relevant regulation below.

Explanation: for the purpose of this sub-regulation, the expression 'Person of Indian Origin' includes an 'Overseas Citizen of India' cardholder within the meaning of Section 7(A) of the Citizenship Act,



1955. (Read with https://www.mha.gov.in/PDF_Other/Merge_PIO_OCI.pdf dated 09/01/2015)

As can be seen the PIO includes OCI cardholder as per the regulation. Therefore, the OCI can open all the three types of accounts in India.

5.5 General Guidelines:

- a) Only External source of funds can be credited to NRE/ FCNR/ RFC/ EEFC Accounts.
- b) Residents cannot open Non-Resident and Non-Residents cannot open Resident Accounts.
- c) The NRIs and PIOs, includes OCI cardholder, can open all the three types of accounts- NRO, NRE & FCNR (B)- in India.
- d) NRE, NRO and FCNR accounts may be held jointly in the names of two or more NRIs/ PIOs.
- e) Non-Resident Indians may be allowed to open joint account with Resident on FORMER or SURVIVOUR basis and Resident Indian may also be allowed to open joint account with NRIs on FORMER or SURVIVOUR basis, with close relatives as defined in regulation 6 of Companies Act 2013.
- f) The Non-Resident status should be continuously checked and ensured. When a Resident person becomes Non-Resident, his/ her existing Resident Account shall be designated as NRO A/c.
- g) Non-Resident accounts (NRO/ NRE/ FCNR) can be maintained in the name(s) of individuals with Indian Nationality/Origin.
- h) The Non-Residents with foreign nationality and Non-Indian Origin are also eligible to open and maintain NRO accounts in India.
- i) Individual/entities of Pakistan and Bangladesh shall requires prior approval of the Reserve Bank of India for opening NRE and FCNR (B) account. Individuals/ entities of Pakistan nationality/ origin and entities of Bangladesh origin require the prior approval of the Reserve Bank of India for opening NRO account.
- j) A Citizen of Bangladesh/Pakistan belonging to minority communities in those countries i.e. Hindus, Sikhs, Buddhists, Jains, Parsis and Christians residing in

India and who has been granted LTV or whose application for LTV is under consideration, can open only one NRO account with an AD bank subject to the conditions mentioned in Notification No. FEMA 5(R)/2016-RB dated April 01, 2016, as updated from time to time. The opening of such NRO accounts will be subject to reporting of the details of the accounts opened by the concerned Authorised bank, to the Ministry of Home Affairs (MHA) on a quarterly basis as instructed vide AP (DIR Series) Circular No. 28 dated March 28, 2019.

- k) Individuals of Bangladesh nationality can open an NRO account subject to the individual(s) holding a valid visa and valid residential permit issued by Foreigner Registration Office (FRO)/ Foreigner Regional Registration Office (FRRO) concerned.
- l) An NRO (current/ savings) account can be opened by a foreign national of non-Indian origin visiting India, with funds remitted from outside India through banking channel or by sale of foreign exchange brought by him to India. The balance in the NRO account may be paid to the account holder at the time of his departure from India provided the account has been maintained for a period not exceeding six months and the account has not been credited with any local funds, other than interest accrued thereon.
- m) Income earned in the NRE and FCNR (B) accounts is exempt from income tax and income earned in NRO account is taxable.
- n) 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.
- o) 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.
- p) On change in residential status, FCNR (B) deposits may be allowed to continue till maturity at the contracted rate of interest, if so desired by the account holder. Bank should convert the FCNR (B) deposits on maturity into resident rupee deposit accounts or RFC account (if the depositor is eligible to open RFC account), at the option of the account holder.



- q) NRO accounts may be designated as resident accounts on the return of the account holder to India for any purpose indicating his intention to stay in India for an uncertain period. Likewise, when a resident Indian becomes a person resident outside India, his existing resident account should be designated as NRO account.
- r) Persons resident in Nepal and Bhutan can open Indian rupee accounts with an authorised Bank in India.
- s) Balances in NRE and FCNR (B) accounts are fully repatriable. Balances in NRO account of NRIs/ PIOs can be remitted up to USD 1 (one) million per financial year (April-March) along with their other eligible assets.
- t) Passport should be obtained to open an account. The signature on the account opening form for operations may be the same or different from that is available on the passport.
- u) Bank shall not mark any type of lien, direct or indirect, against NRE Saving Deposits.
- v) When a person resident in India leaves country (other than Nepal or Bhutan) for taking up employment, or for carrying on business or for any other purpose indicating his intention to stay outside India for an uncertain period, his existing resident account should be designated as a Non-Resident (Ordinary) account

5.6 Non-Resident (ORDINARY) Rupee Account:

A. Eligibility for opening of NRO Account:

- i. Any person resident outside India for putting through bonafide transactions in rupees. Foreign national having Work Visa / Student Visa / Tourist Visa can also open NRO accounts if their stay in India is less than six months,
- ii. The individuals of Bangladesh nationality may be allowed to open NRO account without the approval of the RBI subject to the following conditions:
 - The Bank concerned should satisfy itself that the individual is holding valid visa and valid residential permit issued by Foreigner Registration Office (FRO) / Foreigner Regional Registration Office (FRRO) concerned.



- Business entity of Bangladesh & Individuals / Business entity of Pakistan should not be allowed to open NRO account without prior approval of RBI

B. Types of Accounts:

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

C. Joint Accounts with Residents:

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

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

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

E. Operations in the Accounts :

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

Credits :

- a) Inward remittances from outside India, legitimate dues in India and transfers from other NRO accounts are permissible credits to NRO account.
- b) Proceeds of any foreign currency, which is fully convertible, tendered by the account holder during his temporary visit to India. Foreign currency exceeding USD 5000 or its equivalent in form of cash should be supported by Currency Declaration Form. Rupee funds should be supported by encashment certificate, if they represent funds brought from outside India.
- c) Transfers from other NRO accounts, proceeds of loan disbursed by Bank/s against security of NRO Term Deposits /NRE Term Deposits/FCNR.
- d) Sale proceeds of assets including immovable property acquired out of rupee/ foreign currency funds or by way of legacy/inheritance.
- e) Resident individual may make a rupee gift or may lend to a NRI/PIO/OCI who is a close relative of the resident individual [close relative as defined in Section 6 of the Companies Act, 1956] by way of crossed cheque /electronic transfer. The amount shall be credited to the Non-Resident (Ordinary) Rupee Account (NRO) a/c of the NRI/PIO/OCI and credit of such gift amount or loan amount may be treated as an eligible credit to NRO a/c. The gift amount or loan amount would be within the overall limit of USD 250,000 per financial year as

permitted under the Liberalized Remittance Scheme (LRS) for a resident individual.

Legitimate dues in India of the account holder: This includes current income like rent, dividend, and pension interest etc.

Debits:

- The account can be debited for the purpose of local payments, transfers to other NRO accounts or remittance of current income abroad net of applicable taxes. Apart from these, balances in the NRO account cannot be repatriated abroad except by NRIs, PIOs and OCIs up to USD 1 million, subject to conditions specified in foreign exchange management (remittance of assets) regulations, 2016. Funds can be transferred to NRE account within this USD 1 million facility.
- e. Remittances from NRO to NRE Invariably comply with following instructions of RBI as regard to transfer of funds from NRO either to NRE account or effecting outward remittance:-
 - i. Obtain request application form from NRI/PIO/OCI for transfer of funds from NRO to NRE or for remittance outward
 - ii. Undertaking from NRI/PIO/OCI that he has not made any remittance outward or transferred funds from NRO to NRE during the current financial year.
 - iii. Alternatively to obtain the details of such transfer from NRO Accounts held with other Bank or from our own branches in India during the current financial year.
 - iv. Obtain 15 CA and 15 CB for the transaction amount requested by NRI/PIO/OCI Record details of transaction in a register customer ID wise and or Account wise Respect the overall limit of USD one million per depositor per financial year and record the exchange rate while allowing INR remittance or fund transfer from NRO equivalent of USD one million.
 - v. Income-tax - It shall be mandatory on the part of Authorized Dealers to comply with the requirement of tax laws, as applicable.



F. Maximum Permissible Amount for Remittance:

Balances in an NRO account of NRIs/ PIOs are remittable up to USD 1 (one) million per financial year (April-March) along with their other eligible assets.

In case the remittance is made in more than one instalment, the remittance of all instalments should be made through the same AD.

An undertaking by the account holder/remitter as under, where the remittance is to be made from the balances held in the NRO account:

“the said remittance is sought to be made out of the remitter's balances held in the account arising from his/ her legitimate receivables in India and not by borrowing from any other person or a transfer from any other NRO account and if such is found to be the case, the account holder will render himself/ herself liable for penal action under FEMA.”

G. Restrictions:

The remittance facility in respect of sale proceeds of immovable property is not available to citizens of Pakistan, Bangladesh, Sri Lanka, Afghanistan, China, Iran, Nepal, Bhutan, Hong Kong, Macau and Democratic People's Republic of Korea (DPRK) (who cannot acquire or transfer immovable property in India, other than on lease, not exceeding five years.)

The facility of remittance of sale proceeds of other financial assets is not available to citizens of Bhutan, Bangladesh, Nepal and Pakistan.

Such repatriation is allowed provided the following conditions are satisfied:

- The immovable property was acquired by the seller in accordance with the provisions of the foreign exchange law in force at the time of acquisition by him or the provisions of foreign exchange management (acquisition and transfer of immovable property in India) regulations 2000;
- The amount to be repatriated does not exceed the amount paid for acquisition of the immovable property received through normal banking channels or out of funds held in FCNR (B) account or NRE account.

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

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

All local payments in Rupees including payments for eligible investments subject to compliance with relevant regulations made by the Reserve Bank



and Remittance outside India of current income in India of the non-resident individual account holder, net of applicable taxes.

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

5.7 NRO Term Deposit:

A. Tenor:-

Bank shall have the freedom to determine the maturity/tenor of the deposit subject to the condition that minimum tenor of NRO Term Deposits shall be seven days. Our Bank is accepting Deposits for a minimum period of -7- days and maximum period of 10 Years.

B. Renewal of Term Deposits / Overdue Deposit:-

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

C. Auto Renewal of Term Deposit:-

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

- If the depositor does not come forward to renew FDR or does not give renewal instruction on due date, all term deposit of any maturity would be automatically renewed for one year and short deposit will be auto renewed for the same period for which original deposit was issued.

D. Prepayment:-

Prepayment of Deposits under NRO Accounts is permitted subject to 1% penalty from the applicable rate at the time of placing the deposit, for the period for which the deposit has actually run. However penal interest will not be charged in case of premature withdrawal of Deposits provided such



deposits are reinvested in the Term Deposits with maturity period longer than the remaining period of original contract of deposits Pre-maturely withdrawn.

E. Waiver of Penalty:-

No penalty for prepayment of deposit upto 5 lacs which remained with the Bank for a minimum period of 12 months. In such cases the rate of interest applicable for premature payment without penalty will be rate ruling on the date of accepting of deposits (i.e. the date of contract) for period for which the deposit has actually remained with the Bank or the Contracted Rate whichever is lower.

If at a later date i.e. after such an automatic renewal, the depositor requests for pre-payment of the old deposits, before making payment the branch should obtain old receipt duly discharged and also obtain prepayment instructions for the automatically renewed FD and then pre pay the renewed FDR as per rules.

F. Request for Longer Maturity:-

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

G. Nomination Facility:-

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

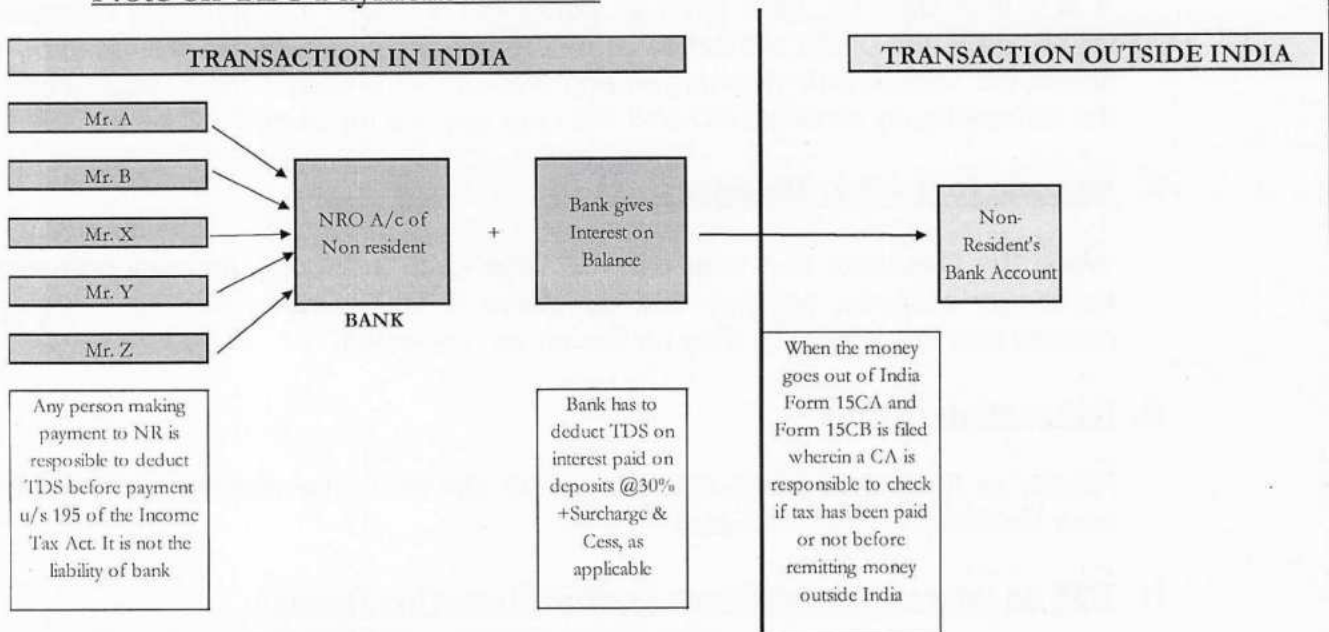
H. TDS on Interest Paid on Term Deposit/Recurring Deposit:

The definition of time deposits has changed and w.e.f. 01-06-2015 the definition of Time Deposit will include Recurring Deposits. Hence TDS will be deducted on such Deposits where interest payment exceeds the threshold limit of Rs.10,000/- or as stipulated from time to time, in a Financial Year.



I. Double Tax Avoidance Agreement:

Note on TDS Payment in NRO A/c



TDS RATE FOR INTEREST ON NRO ACCOUNT

Any interest paid/accrued in an NRO account, either on savings or fixed deposits, will be subject to a flat TDS rate of 30% along with a surcharge and a health and education cess of 4% for the financial year 2023-24.

The rate of surcharge applicable increases with the increase in the interest income as mentioned below:

1. If the total interest earned on NRO deposits and savings bank accounts is less than or equal to Rs 50 lakh, then the tax rate is 31.2% (TDS @ 30% + surcharge 0% + cess 4%)
2. If the total interest earned is greater than Rs 50 lakh and less than or equal to Rs 1 crore, then the tax rate is 34.32% (TDS @ 30% + surcharge 10% + cess 4%)
3. If the total interest earned is greater than Rs 1 crore and less than or equal to Rs 2 crore, then the tax rate is 35.88% (tax rate @ 30% + surcharge 15% + cess 4%)



4. If the total interest earned is greater than Rs 2 crore and less than or equal to Rs 5 crore, then the tax rate is 39% (tax rate @ 30% + surcharge 25% + cess 4%)
5. If the total interest earned exceeds Rs 5 crore, then the tax rate is 42.74% (tax rate @ 30% + surcharge 37% + cess 4%).

Budget 2023 Update: Under New tax Regime, the highest surcharge of 37% has been reduced to 25% which will be applicable from 1st April 2023 (FY 2023-24).

* The rates are subject to change.

6. NON-RESIDENT (EXTERNAL) RUPEE ACCOUNT:

6.1 NRE Term Deposit – Tenor:

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

6.2 Joint Account:-

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

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

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

They are members of a Hindu undivided family;

Or

They are husband and wife;

Or

The one is related to the other in the manner indicated in Schedule IA (list of close relatives- Book of Instruction on NRI)

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



6.3 Nomination and Settlement of Deceased Accounts:

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

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

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

6.4 Temporary Overdrawing:

Foreign Exchange Management (Deposit) Regulations, 2016 under Notification No FEMA 5 (R) /2016-RB dated 01.04.2016 allows that Authorized Banks, may at their discretion,/commercial judgment, allow for a period of not more than two weeks, overdrawing in NRE Savings Bank accounts, up to a limit of Rs.50000/- subject to a condition that such overdrawing together with the interest payable thereon are cleared/repaid within the said period of two weeks, out of inward remittances through Banking channels or by transfer of funds from other NRE/FCNR(B) accounts.

6.5 Waiver of Penalty:

No penalty for prepayment of deposit upto 5 lacs which remained with the Bank for a minimum period of 12 months. In such cases the rate of interest applicable for premature payment without penalty will be rate ruling on the date of accepting of deposits (i.e. the date of contract) for period for which the deposit has actually remained with the Bank or the Contracted Rate whichever is lower.

6.6 Interest Rate on NRE Savings Deposit Account:-

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



6.7 Tax Exemption:

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

6.8 Penalty on premature withdrawal of NRE deposits –

- (a) The components of penalty shall be clearly brought to the notice of the depositors at the time of acceptance of the deposits.
- (b) No penalty shall be levied for premature withdrawal of NRE term deposits for conversion into Resident Foreign Currency (RFC) Account.
- (c) Penalties for premature withdrawal shall be levied for conversion of NRE deposit into FCNR (B) deposit and vice versa.
- (d) No penalty for premature withdrawal shall be levied, where depositors of the branch as mentioned in section 4(h) of this direction desires premature withdrawal of deposit consequent to the transfer of business to another bank.

7. FOREIGN CURRENCY (NON-RESIDENT) ACCOUNT (BANK) SCHEME [FCNR (B) ACCOUNT]

7.1 General:

Reserve Bank introduced the Foreign Currency (Non-Resident) Account (Bank) scheme effective from 15th May, 1993. Under the scheme, Bank bears the exchange rate risk and deploy the amounts of deposits mobilized under the scheme in a variety of purposes including for grant of pre- shipment credit to exporters.

Account holder is protected against fluctuations in Indian Rupee Value vis-à-vis the currency in which the account is denominated.

7.2 Nomenclature of the scheme:

Foreign Currency (Non-resident) Account (Bank) Scheme (FCNR (B) Account).

7.3 Eligibility:

NRIs/PIOs/OCIs are eligible to open and maintain these accounts with an authorized dealer.

NOTE: Opening of FCNR (B) accounts by Individual/entities of Pakistan and Bangladesh nationalities shall requires prior approval of the Reserve Bank of India



7.4 Currency:

At present, our Bank accepts deposit in US Dollar, Pound Sterling, Euro, Canadian Dollar and Australian Dollar (henceforth called Permissible currencies)

7.5 Period:

The deposits can be accepted in the form of Term Deposit between maturity period ranges of one to five years.

7.6 Rate of Interest:

- a) The interest rates on all Deposits, including where differential rates of interest are offered, shall be subject to the overall ceiling prescribed at (e) below.
- b) Interest on floating rate deposits shall be paid within the ceiling of swap rates for the respective currency/ maturity and in case of fixed rate deposits, interest shall be paid within the ceiling of Overnight Alternative Reference Rate for the respective currency / maturity.
- c) The interest reset period shall be six months for all floating rate deposits.
- d) The Overnight Alternative Reference Rate for the respective currency /SWAP rates as on the last working day of the preceding month shall form the base for fixing ceiling rates for the interest rates offered effective in the following month.
- e) The Interest Rates ceiling on FCNR (B) Deposits shall be as under:

Period of deposit	Ceiling rate
1 year to less than 3 years	Overnight Alternative Reference Rate for the respective currency/ Swap plus 250 basis points
3 years and above up to and including 5 years	Overnight Alternative Reference Rate for the respective currency / Swap plus 350 basis points

- f) NRI Department, BCC, Mumbai advises rate of interest payable on FCNR (B) Deposits as per RBI directives and Bank's ALCO Committee guidelines on monthly basis.



- g) 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.
- h) Interest rates on NRE/ NRO deposits shall not be higher than those offered by the bank on comparable domestic rupee term deposits.
- i) 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:
3. 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.
 4. In all other cases, interest shall be paid at the contracted rate.
- J) 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.

7.7 Repatriation:

Repatriation of funds permitted freely in any convertible currency.

7.8 Permissible Debits / Credits:

- i) All debits / credits permissible in respect of NRE Accounts as specified under Non-Resident (External) Account Scheme will also be permissible in respect of these accounts.
- ii) Transfer of funds from the existing NRE Accounts to FCNR (B) Accounts and vice versa, of the same account holder, is permissible without the prior approval of Reserve Bank of India (RBI).
- iii) Balance in EEFC and RFC (D) account may be allowed to be credited to FCNR (B) Account, at the option/ request of the account holders consequent upon change of their residential status from resident to Non-Resident.
- iv) Fresh inward remittances received from abroad by the base branch in following manner through proper Banking channel.



7.9 Calculation of Interest:

Interest on FCNR (B) balances held in these account may be paid half yearly. Interest may be credited in FCNR (B) Account itself or may be credited in separate account for conversion to INR or remittance as per instructions of the depositor.

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

7.10 Payment of interest on FCNR (B) deposits

(a) **Returning NRIs** FCNR (B) deposits shall be treated as resident deposits from the date of return of the account holder to India

b. **Conversion of FCNR (B) Accounts of Returning Indians into RFC Accounts / Resident Rupee Accounts (Payment of interest)** - 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. **Provided** that the rate of interest shall not exceed the rate payable on savings bank deposits held under RFC Account Scheme.

7.11 Payment of Interest on Overdue FCNR (B) Deposit:-

All the Non-Resident deposits [FCNR (B) and NRE] shall be renewed under the Automatic Renewal System. In respect of Automatic Renewal System and payment of overdue interest specified under the Non- Resident (External) Account Scheme will be applicable for FCNR (B) Scheme also.

Branches may renew an overdue deposit or a portion thereof provided the overdue 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 should be the appropriate rate of interest for the period of renewal as prevailing on the date of maturity or on the date when the depositor seeks renewal, whichever is lower.



In case of overdue deposit where the overdue period exceeds 14 days and the depositor places the entire amount of overdue deposit or a portion thereof as a fresh FCNR (B) deposit: -

- a) The deposit is not to be renewed but to be accepted as a fresh deposit from the date of request by the depositor.
- b) The rate of interest applicable on the said fresh Deposit will be the appropriate rate of interest for the period of the deposit as prevailing on the date of request by the depositor.
- c) As for the interest for the overdue period, the applicable rate will be the appropriate rate of interest as prevailing on the date of maturity or on the date of request by the Depositor whichever is lower, applicable for the period of 1 year.
- d) The said overdue interest may either be paid immediately or may be included in the fresh deposit amount kept by the depositor.
- e) The overdue interest so paid / credited to fresh deposit account should invariably be indicated on the face of the Deposit Receipt.
- f) If the deposit is withdrawn before completion of minimum stipulated period of 1 year, the overdue interest so paid / credited to the deposit account itself, will be recovered.
- g) Necessary Permission for payment of overdue interest should be obtained from the Regional Authority.

7.12 Payment of Interest on Premature Withdrawal:

- i) Branches at the request may permit premature withdrawal of FCNR (B) deposit. The rate of interest applicable in the case of AUD, CAD, US Dollar, Pound Sterling and Euro will be one percent less than the actual interest payable for the period for which it has run prevailing on the date of issue of receipt or on the date when the depositor seeks premature withdrawal, whichever is lower, provided the deposit has run for a minimum period of one year. However the component of penalty should be clearly brought to the notice of the depositor at the time of acceptance of deposit.
- ii) Conversion of FCNR (B) Deposits into NRE / FCNR (B) Deposits for availing higher rate of interest before maturity should be subject to the penal provisions relating to premature withdrawal.
- iii) 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.
- iv) Bank shall, at their discretion, levy penalty to recover the swap cost in the case of premature withdrawal of FCNR (B) deposits.
 - v) No penalty for premature withdrawal shall be levied, where depositors of the branch as mentioned in section 4(h) of direction Bo. Master Direction DBR. Dir. No.84/13.03.00/2015-16 dated 03.03.16 desire premature withdrawal of deposit consequent to the transfer of business to another Bank.
 - vi) For any premature withdrawal before completion of one year, no interest will be payable.
 - vii) No penalty shall be levied for premature withdrawal of NRE term deposits for conversion into Resident Foreign Currency (RFC) Account by Non-Resident Indians on their return to India.
 - viii) Penalties for premature withdrawal shall be levied for conversion of NRE deposit into FCNR (B) deposit and vice versa.
 - ix) No penalty for premature withdrawal shall be levied, where depositors of the branch as mentioned in section 4(h) of this direction desires premature withdrawal of deposit consequent to the transfer of business to another bank.
 - x) Penalty shall be levied on premature withdrawal of FCNR(B) deposits (i) when the depositors return to India for permanent settlement. (ii) for conversion of FCNR (B) deposits into NRE deposits or vice-versa.

xi) Waiver of Penalty:

In order to waive the penalty on premature withdrawal to renew of FCNR (B) Deposits for better rate of interest provided if the customer is ready to renew the deposits for a period more than the residual maturity and the same deposit has run at least for a period of one year at our Bank. In other word the renewal period should be more than residual period with a minimum of one year.

7.13 Interest payable on the deposit of a deceased FCNR(B) depositor :

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;

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.



8. SPECIAL NON-RESIDENT RUPEE ACCOUNT (SNRR ACCOUNT):-

1. Any person resident outside India, having a business interest in India, may open a Special Non-Resident Rupee Account (SNRR account) with an authorised Bank for the purpose of putting through bona fide transactions in rupees.
2. Opening of SNRR accounts by Pakistan and Bangladesh nationals and entities incorporated in Pakistan and Bangladesh requires prior approval of Reserve Bank.
3. The SNRR account shall carry the nomenclature of the specific business for which it is in operation and shall not earn any interest. Separate SNRR account for each category of transactions or a single SNRR Account for a person resident outside India engaged in multiple categories of transactions provided it is able to identify/segregate and account them category-wise.
4. The debits/ credits and the balances in the account shall be incidental and commensurate with the business operations of the account holder.
5. The tenure of the SNRR account should be concurrent to the tenure of the contract/ period of operation/ the business of the account holder and in no case should exceed seven years. Approval of the Reserve Bank shall be obtained in cases requiring renewal. However, the restriction of seven years shall not be applicable to SNRR accounts opened by persons resident outside India for certain specified purposes
6. The balances in the SNRR account shall be eligible for repatriation and transfers from any NRO account to the SNRR account are prohibited.
7. All transactions in the SNRR account will be subject to payment of applicable taxes in India.
8. SNRR account may be designated as resident rupee account on the account holder becoming a resident.



9. RESIDENT FOREIGN CURRENCY (RFC) ACCOUNT:

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

- a) received as pension or any other superannuation or other monetary benefits from his employer outside India; or
- b) realized on conversion of the assets which were acquired by him when he was a non –resident and repatriated to India; or
- c) received or acquired as gift or inheritance from a person resident outside India and repatriated to India; or
- d) received as the proceeds of life insurance policy claims/maturity/surrender values settled in foreign currency from an insurance company in India permitted to undertake life insurance business by the Insurance Regulatory and Development Authority
- e) any income arising or accruing thereon which is held outside India in pursuance of a general or special permission granted by the Reserve Bank;

9.1 Type of Accounts:

The accounts may be maintained in the form of Current Account, Savings Account and Term Deposit Account.

9.2 Rate of Interest on Term Deposit:

One year and above but below 5 years period, same rates as applicable to FCNR (B) Deposits.

9.3 Other Aspects:

Pre- Payment	Same as FCNR (B) Deposits
Death of Depositor	Same as FCNR (B) Deposits
Renewal of Deposit	Same as FCNR (B) Deposits
Nomination Facility	Same as FCNR (B) Deposits



9.4 Joint Account:

RBI has permitted Resident Indians to include Non-resident close relative as defined in Sec 6 of Companies Act, 1956 as a joint holder in their RFC Account on "Former or Survivor" basis. However, such Non-Resident close relative shall not be eligible to operate the account during the lifetime of the Resident Account holder.

9.5 Remittance after Account Holder's Death by a Nominee Resident outside India:

- a) RBI has given general permission to AD to allow a nominee being a person resident outside India to remit funds to the extent of his share or entitlement from the account of the deceased account holder.
- b) A nominee being a person resident in India, who is desirous of remitting funds outside India out of his share for meeting the liabilities abroad of the deceased, may apply to the RBI for such remittances.
- c) No loan/overdraft shall be granted by the Bank against balances in RFC Accounts.

9.6 Resident Foreign Currency (Domestic) Account. [RFC (D) Account] :

1. A resident individual may open an RFC(D) account to retain in a bank account in India the foreign exchange acquired in the form of currency notes, bank notes and travellers cheque from overseas sources such as:
 - a. payment while on a visit abroad for services not arising from any business or anything done in India;
 - b. honorarium or gift or for services rendered or in settlement of any lawful obligation from any person not resident in India and who is on a visit to India;
 - c. honorarium or gift while on a visit to any place outside India;
 - d. gift from a relative;
 - e. unspent foreign exchange acquired from an authorised person for travel abroad;
 - f. representing the disinvestment proceeds received by the resident account holder on conversion of shares held by him to ADRs/ GDRs under the ADR/GDR scheme approved by Government of India.
 - g. by way of earnings received as the proceeds of life insurance policy claims/ maturity/surrender values settled in foreign currency from an insurance



- company in India permitted to undertake life insurance business by the Insurance Regulatory and Development Authority
- h. The sum total of the accruals in the account during a calendar month should be converted into Rupees on or before the last day of the succeeding calendar month after adjusting for utilization of the balances for approved purposes or forward commitments.
 - i. Balances in the account can be used for any current or capital account transactions in accordance with the provisions of the Foreign Exchange Management (Current Account Transactions) Rules, 2000 or the Foreign Exchange Management (Permissible Capital Account Transactions) Regulations, 2000, respectively.
 - j. Balances may be credited to NRE/ FCNR (B) Accounts, at the option/ request of the accountholders consequent upon change of their residential status from resident to non-resident.

9.7 Operation in the Account:-

The sum total of the accruals in the account during a calendar month should be converted into Rupees on or before the last day of the succeeding calendar month after adjusting for utilization of the balances for approved purposes or forward commitments.

- i) Debits to the account shall be for payments towards a current account transaction in accordance with the provisions of the Foreign Exchange Management (Current Account Transactions) Rules, 2000 and towards a Capital Account transaction permissible under the Foreign Exchange Management (Permissible Capital Account Transactions) Regulations, 2000.
- ii) The account shall be maintained in the form of Current Account and this account will be Non-Interest bearing.
- iii) Cheque Book facility may be provided.
- iv) There shall be no ceiling on the balances in the Account.
- v) Instant credit against currency notes and Traveller's Cheques received for credit of such account should be accorded (Relative expenses should be absorbed to the branch Profit & Loss A/c).
- vi) Notional rates as applicable to EEFC, FCNR (B) and RFC will be the rate for converting the foreign currency amount into Indian Rupee in the branch books.
- vii) Minimum balance to be maintained in these accounts is USD 500/- or its equivalent.



- viii) Charges for not maintaining minimum balance etc. will be as applicable to normal current accounts.
- ix) Nomination facility is available.
- x) All the precautions / procedures including "Know Your Customer" as applicable for opening any other domestic account will be applicable for opening these accounts.

10 EXCHANGE EARNER'S FOREIGN CURRENCY (EEFC) ACCOUNT SCHEME:-

EEFC Account Scheme was introduced in 1992, which enables exporters and other exchange earners to retain 100 percent of their receipts in foreign exchange with an authorised Bank in India.

A person resident in India (which includes individuals, firms, companies, etc.) may open, hold and maintain with an Bank in India, a Foreign Currency Account to be known as Exchange Earner's Foreign Currency (EEFC) Account. The EEFC Account shall be opened, held and maintained in the form of non-interest bearing current account only.

The sum total of the accruals in the account during a calendar month should be converted into Rupees on or before the last day of the succeeding calendar month after adjusting for utilization of the balances for approved purposes or forward commitments.

Fund-Based/ Non-Fund Based credit facilities should not be granted against the balances held in EEFC Accounts. Exporters can repay packing credit advances, whether availed of in Rupee or in foreign currency, from balances in their EEFC account to the extent exports have actually taken place.

Balances held in the account may be credited to NRE/ FCNR (B) Accounts, at the option/ request of the account holders consequent upon change of their residential status from Resident to Non-Resident.

The credits permitted to this account are:

- 100 percent of the foreign exchange earnings by way of inward remittance through normal banking channel, (other than loans or investments);
- payments received for the purpose of counter trade;
- advance remittance received by an exporter towards export of goods or services;
- professional earnings including director's fees, consultancy fees, lecture fees, honorarium and similar other earnings received by a professional by rendering services in his individual capacity;
- interest earned on the funds held in the account;
- Re-credit of un-utilized foreign currency earlier withdrawn from the account;

- g. repayment of trade related loans/ advances (which were granted to the account holder's importer customer out of balances held in the EEFC accounts);
- h. disinvestment proceeds received by the resident account holder on conversion of shares held by him to ADRs/ GDRs under the ADR/GDR Scheme approved by the Government of India.
- i. Payments received in foreign exchange by an Indian startup arising out of sales/export made by the start up or its overseas subsidiaries.

Debits: The debits allowed in these accounts are:

- a) Payment outside India towards capital or current account transactions in accordance with the provisions of Foreign Exchange Management (Permissible Capital Account Transactions) Regulations, 2000 or Foreign Exchange Management (Current Account Transactions) Rules, 2000, respectively;
- b) payment in foreign exchange towards cost of goods purchased from a 100 percent Export Oriented Unit or a Unit in an Export Processing Zone/ Software Technology Park/ Electronic Hardware Technology Park;
- c) payment of customs duty in accordance with the provisions of Export Import Policy;
- d) trade related loans/ advances, by an exporter account holder to his importer customer outside India, subject to complying the provisions of FEMA and the rules/ regulations made thereunder;
- e) payment in foreign exchange to a person resident in India for supply of goods/ services including payments for air fare and hotel expenditure

Withdrawal in rupees are permitted from this account, provided the amount so withdrawn cannot be re-credited to the account.

The claims settled in rupees by ECGC/ insurance companies should not be construed as export realization in foreign exchange and the claim amount will not be an eligible credit to the EEFC account.

11. DIAMOND DOLLAR ACCOUNT (DDA) SCHEME – DDA Account:

Firms and companies which comply with the eligibility criteria stipulated in the Foreign Trade Policy of the Government of India may open DDA accounts, details of which are laid down in Schedule II of FEMA 10(R), as amended from time to time, with an AD in India. The salient features of the Scheme are:

- a) Realization of export proceeds and local sales (in USD) of rough, cut, polished diamonds; and pre and post shipment finance availed in USD can be credited to such account.
- b) Payments for purchase of rough, cut and polished diamonds can be made from DDA account. Funds can also be transferred to rupee account of the exporter.



- c) The account should be maintained in the form of a Non-Interest bearing current account.
- d) The sum total of the accruals in the account during a calendar month should be converted into Rupees on or before the last day of the succeeding calendar month after adjusting for utilization of the balances for approved purposes or forward commitments.

12. BARODA ADVANTAGE FIXED DEPOSIT (NON-CALLABLE) UNDER RIRD/MIP/QIP SCHEME FOR NRI CUSTOMERS:

Main feature of the product is as under

- a. As per Direction of RBI, Bank can pay differential rate of interest on term deposit above Rs.1.00 crore and without premature withdrawal option.
Bank has made Non-callable Deposit for NRE / NRO FDR over and above the card rate where minimum deposit is of Rs.1.00 crore to less than Rs.2/-Crore with additional interest revised from time to time and without premature option.
 - In exceptional condition premature withdrawal permission may be granted by Head Retail Liability Vertical. The Retail Liability Head will assess the exceptional condition and after being satisfied with the reason he may allow. Exceptional Conditions are:
 - i. Branch made deposit erroneously.
 - ii. Non-Callable auto renewed in Non-Callable
 - iii. Customer wanted modification within 15 days of making of Non-callable Deposit
 - iv. Customer's Death.
 - v. Non-callable Deposit held in the name of Govt Bodies.
 - In case of Premature Withdrawal, the rate applicable to Non- Callable shall not be applicable and the deposit will be treated as Callable Term Deposit. Further 2% Penal Interest on callable deposit rate will be applicable for premature payment of deposits (i.e. the date of contract) for period for which the deposit has actually remained with the Bank or the Contracted Rate whichever is lower. Penalty will not be applicable in case of error made by the branch.
- b. Minimum Period 01 year and maximum is 10 years.



CHAPTER -III

13. INTEREST RATE FRAMEWORK:

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

"Interest rates payable on deposits shall be strictly as per the schedule of interest rates disclosed in advance. Bank is maintaining the bulk deposit interest rate card in Core Banking system to facilitate supervisory review". All transactions, involving payment of interest on deposits shall be rounded off to the nearest rupee for rupee deposits and to two decimal places for FCNR (B) deposits.

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

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

- c) In case of reinvestment deposits and recurring deposits, Bank shall pay interest for the intervening Non-Business working day on the maturity value
- d) Payment of Additional Interest on domestic deposits at the Bank's discretion, we allow additional interest of one per cent per annum, over and above the rate of interest mentioned in the schedule of interest rates on savings or a term deposits of Bank's staff 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.



- ii) Benefits of additional interest to Bank's staff member or retired staff member is available only in case of the staff member or retired staff members has an account singly or jointly with family member where the staff member/retired staff member is the "**Principal Account Holder**".
- iii) In case of employees taken over pursuant to the scheme of amalgamation, the additional interest is allowed only if the interest at the contractual rate together with the additional interest does not exceed the rate, which could have been allowed if such employees were originally employed by the Bank.
- iv) In the case of employees taken on deputation from another Bank, the Bank from which they are deputed may allow additional interest in respect of the savings or term deposit account opened with it during the period of deputation.
- v) In the case of persons taken on deputation for a fixed tenure or on a contract of a fixed tenure, the benefit will cease to accrue on the expiry of the term of deputation or contract, as the case may be.
- vi) Bank Employees' Federations, in which Bank employees are not direct members, shall not be eligible for additional interest.
- vii) 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) Member or a retired member of the Bank's staff, either singly or jointly with any member or members of his/her family; or
 - b) The spouse of a deceased member or a deceased retired member of the Bank's staff; and
 - c) An Association or a fund, members of which are members of the Bank's staff.
 - d) 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 Bank staff.
 - e) Bank shall, at their discretion, formulate term deposit schemes specifically for resident Indian senior citizens, offering higher and

fixed rates of interest as compared to normal deposits of any size.

- f) Term Deposit schemes specifically for resident Indian senior citizens, offering higher and fixed rates of interest as compared to normal deposits of any size. Provided that this facility is not offered on the Term Deposit standing in the name of an HUF or the Karta of the Hindu Undivided Family (HUF), even if the Karta is a resident Indian Senior Citizen.

e) Consequence of transfer of branch of one bank to another bank

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

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

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

Exclusions:

- All Non Individual/Corporate Customers/Non Resident Customers
- HUF
- Accounts under NRE/NRO/FCNR (TD2/TD3/TD8) Schemes
- All Capital Gains Schemes
- Accounts under subsidy Schemes
- Accounts under KVP schemes
- Bulk Deposits (Deposit amount >2 cr)
- TD accounts closed within 7 days
- SB accounts
- Overdue Deposits

Inclusions:

- Individual Customers who attains the age of 60 years or more on the date of TD account opening or Renewal.
- As per scheme specific where Sr. Citizen Interest benefit is applicable as per Bank's guidelines.
- Additional interest @0.50% would be payable or as decided by the Bank from time to time.
- Separate interest table code to Sr. Citizen Interest benefit would be available for each eligible schemes. Additional interest should not be paid through customer or account preferential field in FINACLE.



14. PROHIBITIONS AND EXEMPTIONS:

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 incentive having element of chance for mobilizing deposits. However, inexpensive gifts costing not more than Rupees 250/- which is the amount prescribed by the Indian Banks' Association (IBA) as part of the Ground Rules and Code of Ethics framed by them may, at the Bank's discretion, be given to depositors at the time of accepting deposits.
- c. Resort to unethical practices of raising of resources through agents/third parties to meet the credit needs of the existing/prospective borrowers or to grant loans to the intermediaries based on the consideration of deposit mobilization.
- d. Issue any advertisement/literature soliciting deposits from public highlighting only the compounded yield on term deposits without indicating the actual rate of simple interest offered by the Bank for the particular period. Simple rate of interest per annum for the period of deposit should be indicated invariably.
- e. Accept interest-free deposit other than in current account or pay compensation indirectly.
- 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 favoring client/s of private financiers or giving of



an authority by power of attorney, nomination or other-wise, for such clients receiving such deposits on maturity.

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

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

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

Exemptions:

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

(a) A Deposit Received by the Bank:

- i. From the institutions permitted to participate in the Call/Notice/Term Money Market both as lenders and borrowers.
- ii. For which it has issued a participation certificate;
- iii. Under the Capital Gains Accounts Scheme, 1988, framed by the Government of India in pursuance of sub-section (2) of Section 54, sub-section (2) of Section 54B, sub-section (2) of Section 54D, sub-section (4) of Section 54F and sub-section (2) of Section 54G of the Income-Tax Act, 1961; and
- iv. Under the Certificate of Deposit Scheme.

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



15. OTHER IMPORTANT INFORMATION:

15.1 Customer Information:

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

15.2: Rights of Depositors:

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

15.3 Secrecy of Customer Account:

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

15.4 Suo-Moto Closure of Saving and Current Account:

The Bank shall close accounts, which are in contravention of the contract constituting the basis of Banker-Customer relationship, do not adhere to the prescribed rules and are considered undesirable and un-remunerative. These accounts shall be closed only after sending proper written notice to the customer with a notice period of 30 days, at the address of the customer as per Bank records. Examples of undesirable and un-remunerative features are:

- a) Drawing cheques without funds.
- b) Rash / fraudulent transactions routed through Bank account which may expose the Bank to unnecessary risks.
- c) Zero Balance Accounts
- d) Dormant / Inoperative accounts as per extant RBI Directives.



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

For further clarification and guidance please refer to KYC AML Policy.



15.5 Redressal of Complaints and Grievances:

Depositors having any complaint / grievances with regard to services rendered by the Bank has a right to approach authority (ies) designated by the Bank for handling customer complaint / grievances. The names of the nodal officers for redress of complaints / grievances will be displayed in the branch premises and internal set up for redress of complaints is displayed on the Bank's website. The branch officials shall provide all required information regarding procedure for lodging the complaint. In case the depositor does not get response from the Bank within 60 days from the date of complaint or he is not satisfied with the response received from the Bank, he has a right to approach Banking Ombudsman appointed by the Reserve Bank of India.

15.6 Compliance:

- The schedule of Interest Rates payable on deposits be disclosed in advance for the information of the customers.
- The interest paid on deposits below Rs.2.00 crores to all the customers should be as per schedule and should not be subject to negotiation between the depositor and the Bank.
- In case the customer is having Cash Credit or Overdraft facilities in banking system, “**No Current Account**” should be opened of the concerned customer except if the same is permissible under RBI's Consolidated Circular on Opening of Current Accounts and CC/OD Accounts by Bank issued vide Circular No. RBI/2022-23/27 DOR.CRE.REC.23/21.08.008/2022-23 dated 19.04.2022.
- In case of introduction of New Product, it is to be intensively monitored in the first 6 months after introduction.
- The Statutory/Regulatory guidelines issued by Regulator/Statutory Body/Bank Board be followed scrupulously.

15.7 Periodicity of Review of the Policy (Sunset Clause):

The policy will be valid up to 30/09/2026. The directives/guidelines issued by RBI in this regard shall automatically become part & parcel of this Policy. The policy will remain in force till the renewal of the new policy. The Managing Director & CEO may allow continuation of the policy for maximum period of Six Months from due date of review in case the policy cannot be reviewed on or before due date.



