THE GENERAL MANAGER-OPERATIONS

## RENEWAL OF POLICY

The Memorandum submitted by your department for renewal of the policy

**"Bank Deposits"**

was approved by the Board on 28-07-2025 for annual renewal with the Memorandum of Changes submitted.

We return herewith the original Memorandum and the annexures

Board Secretary
Dated: 28-07-2025

MEGHALAYA RURAL BANK
Board Dept.

# BANKS DEPOSIT POLICY

# Meghalaya Rural Bank

**DEPARTMENT : Accounts Department**

# Version Control:

| Date of Approval/Review | Version at start of Review | New Version |
|---|---|---|
| 28.06.2023 | | v-1 |
| 03.08.2024 | v-1 | v-2 |
| 28.07.2025 | v-2 | v-3 |
| | | |

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## 1. INTRODUCTION:

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

This policy document 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 deposit accounts, payment of interest on various deposit accounts, closure of deposit accounts, method of disposal of deposits of deceased depositors, product approval process, annual survey of depositor satisfaction and the triennial audit of such services etc., for the benefit of customers. It is expected that this document will impart greater transparency in dealing with the individual customers and create awareness among customers of their rights. The ultimate objective is that the customer will get services they are rightfully entitled to receive without demand.

While adopting this policy, the bank reiterates its commitments to individual customers outlined in 'Code of Bank's Commitment to customers' adopted by the Banks. This document is a broad framework under which the rights of common depositors are recognized. Detailed operational instructions on various deposit schemes and related services are being issued from time to time. Guidelines of RBI/ Government issued from time to time shall automatically form part of the Policy.

## 2. Types of Deposit Accounts :

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

A) "**Demand deposits"** means a deposit received by the Bank which is withdrawal on demand.

Different types of demand deposits are:

i) "**Savings deposits**" means a form of interest bearing demand deposit which is a deposit account whether designated as "Savings Account", "Savings Bank Account", "Savings Deposit Account", "Basic Savings Bank Deposit Account (BSBDA)" or other account by whatever name called which is subject to restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the Bank during any specified period;

ii) "**Current Account**" means a form of non-interest bearing demand deposit where from withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount and shall also be deemed to include other deposit accounts which are neither Savings Deposit nor Term Deposit;

iii) **Notice deposit"** means term deposit for specific period but withdrawable on giving at least one complete banking day's notice.

iv) **"Term deposit**" means an interest bearing deposit received by the Bank for a fixed period withdrawable normally after the expiry of the fixed period and shall include deposits such as Short Term Deposits / Fixed Deposits / Re-investment Plan/ Recurring Deposits etc.,

v) **Bulk Term Deposit "**means single rupee term deposit of Rs 2.00 Cr and above. Further it is clarified that multiple Deposits for one depositor in a single day irrespective of the tenor of deposits, amounting to Rs.2.00 crore and above will also be treated as Bulk Deposit. The interest rate applicable to these deposits will be the ALCO approved rates on a regular basis.

vi) **"Non-Callable Term Deposit"** means term deposits without premature closure facility. Premature closure of non-callable term deposit can only be allowed in circumstances as given below;

(i) death of depositor/first depositor in case of joint account
(ii) bankruptcy of the depositor/s
(iii) in case of specific order from Government/Regulator
(iv) in case of court order
(v) in case of any other special circumstances/exigencies.

## 3. <u>Account Opening and Operation of Deposit Accounts:</u>

A) The Bank before opening any deposit account will carry out due diligence as required under "Know Your Customer" (KYC) guidelines issued by RBI , Anti- Money laundering (AML Act) & PMLA Act and other regulations and or such other norms or procedures as per the Customer Acceptance Policy of 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 providing basic banking services to disadvantaged sections of the society. Banking services will be offered to them through no-frill accounts and accounts will be opened with relaxed customer acceptance norms as per regulatory guidelines( liberalized KYC norms) , However the full KYC of the customer to be obtained within the specified time.

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 or for record, it is expected of the bank official opening the account, to explain the procedural formalities and provide necessary clarification sought by the prospective depositor when he approaches for opening a deposit account.

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

E) Inability of an existing customer to furnish details required by the bank to fulfil statutory obligations could also result in closure of the account after due notice(s) is provided to the customer.

F) For Deposit products like Savings Bank Account and Current Deposit Account, the bank will normally stipulate certain minimum balances to be maintained as part of terms and conditions governing operation of such accounts. Failure to maintain minimum balance in the account will attract levy of charges as specified by the bank from time to time. For Saving Bank Account the bank may also place restrictions on number of transactions, cash withdrawals, etc., for given period. Similarly, the bank may specify charges for issue of cheque books, additional statement of accounts, duplicate passbook, folio charges, etc. All such details, regarding terms and conditions for operation of the account and schedule of charges for various services provided will be communicated to the prospective depositor while opening the account.

G) 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).

H) 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. However , related KYC norms should be strictly followed.

I) 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.

J) The due diligence process, while opening a deposit account will involve satisfying about the identity of the person, verification of address, satisfying about his occupation and source of income. Obtaining introduction of the prospective depositor from a person acceptable to the Bank and obtaining recent photograph of the person/s opening / operating the account are part of due diligence process. The concept of “MULE” account is to ascertain that the account operations and transactions will be done by the bonafied customer only. Branches should ensure to give extra precautions that no Mule account is opened in the branch.

K) In addition to the due diligence requirements, under KYC norms the Bank is required by law to obtain Permanent Account Number (PAN) or alternatively declaration in Form No. 60 or 61 as specified under the Income Tax Act / Rules.

L) 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).

Savings Bank Account can also be opened by a minor jointly with natural guardian or with Father/ mother as the guardian (Status: known as Minor's Account). Minors above the age of 10 will also be allowed to open and operate saving bank account independently. However, no overdrafts will be granted to these minors.SB account can also be opened by a minor represented by guardian or jointly with a major, where minor is represented by natural guardian. Minors above the age of 10 will also be allowed to open and operate SB account subject to restrictions on transactions and no cheque books will be provided to such accounts.

M) Operation of Joint Account – The Joint Account opened by more than one individual can be operated by single individual or by more than one individual Jointly. The mandate for operating the account can be modified with the consent of all account holders. The Savings Bank Account opened by minor jointly with natural guardian / guardian can be operated by such guardian only.

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

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

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

O) 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.

P) 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 case of absence of any instructions deposits will be treated as an auto renewal deposit and should be renewed for a similar period.

Q) Nomination facility is available on all deposit account opened by individuals. Nomination is also available to an account opened by a sole proprietor. 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. While making nomination, cancellation or change thereof, it is required to be witnessed by a third party. Nomination can be modified by the consent of account holder/s. Nomination can be made in favour of a minor also. However, in such case additional guardian details is required who will be the custodian in case the proceeds of the ac is transferred to the minor till he/she become major.

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

S) 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 may issue a Pass Book to Savings Bank account holders.

T) The deposit accounts may be transferred to any other branch of the Bank at the request of the depositor. Bank won't charge for such facility.

U) CASA deposits refer to Current Accounts Deposits and Savings Accounts Deposits. This policy inter alia contains the broad framework for CASA deposits. Detailed operational instructions and features of various deposit schemes are being issued from time to time. Under CASA Bank will provide variants of current and savings deposits to cater to needs of different customer groups based on balances maintained and charges on various services availed through the accounts. Details of all the Deposit Schemes are also available in Bank's website.

V) Extension of Alternate Delivery Channels to Savings Bank & Current Deposit account holders : The Bank offers choice of electronic channels to customers for conducting their banking transactions. The choice of electronic channels includes ATM, Internet banking, mobile banking including SMS banking facility and phone banking. Wherever such electronic facilities are offered as a part of the basic account/product, bank will obtain specific consent of the customers for availing the facility.

## 4. <u>Interest Payments</u>:

Banks are free to determine their savings bank interest rate subject to the following two conditions:

- Uniform interest rate on savings bank deposits up to ₹1 lakh, irrespective of the amount in the account within this limit.
- For savings bank deposits over 1 lakh, bank may provide differential rates of interest, if it so chooses, subject to the condition that banks will not discriminate in the matter of interest paid on such deposits, between one deposit and another of similar amount, accepted on the same date, at any of its offices. This would be applicable to savings bank deposits of Resident Indians only.

However, term deposit interest rates are decided by the Bank within the general guidelines Issued by the Reserve Bank of India from time to time through the bank's ALCO committee. The rate of interest on deposits will be prominently displayed in the branch premises. Changes, if any, with regard to deposit schemes and other related services shall also be communicated upfront and shall be prominently displayed.

As per RBI directions interest on Savings Bank account on daily product basis would be paid from 01.04.2010. Interest on savings deposit shall be credited at quarterly intervals. In terms of Reserve Bank of India directives, interest shall be calculated at quarterly intervals on term deposits and paid at the rate decided by the Bank depending upon the period of deposits. In case of monthly deposit scheme, the interest shall be calculated for the quarter and paid monthly at discounted value. The interest on term deposits is calculated by the Bank in accordance with the formulate and conventions advised by Indian Banks' Association. The Bank has statutory obligation to deduct tax at source if the total interest paid / payable on all term deposits held by a person exceeds the amount specified under the Income Tax Act. The Bank will issue a tax deduction Certificate (TDS Certificate) for the amount of tax deducted. The depositor, if entitled to exemption from TDS can submit declaration in the prescribed format at the beginning of every financial year.

Interest rates on deposits:

Bank fixes the interest rates on term deposits including Recurring Deposit based on market conditions, need for mobilization of funds and taking into account the cost of funds. The interest rates are subject to revision from time to time. The rate of interest on domestic term deposit of various maturities is fixed with the prior approval of Asset Liability Management Committee (ALCO).The interest shall be calculated at quarterly rests on term deposits. In case of term deposits with monthly interest payments, the interest shall be calculated for the quarter and paid monthly at discounted value. The interest rate on term deposits including Recurring deposit is calculated by the Bank in accordance with the formulae and conventions advised by Indian Banks' Associations.

Whenever interest rates are revised, the revised rates are applicable to fresh deposits as well as renewal of matured deposits only. Aggregate value of deposits placed by a depositor on the day for an identical tenor will be taken as the basis for deciding applicable interest rate. No interest shall be paid on deposits held in current accounts. However, 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.

RBI Guidelines on Interest rate of deposits:

Scheduled commercial banks shall pay interest on deposits of money (other than current account deposits) accepted by them or renewed by them in their Domestic, Ordinary Non-Resident (NRO), Non-Resident (External) Accounts (NRE) and Foreign Currency (Non-resident) Accounts (Banks) Scheme {FCNR(B)} deposit account on the terms and conditions specified in the following directions: There shall be a comprehensive policy on interest rates on deposits duly approved by the Board of Directors or any committee of the Board to which powers have been delegated. The rates shall be uniform across all branches and for all customers and there shall be no discrimination in the matter of interest paid on the deposits, between one deposit and another of similar amount, 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. The rates shall not be subject to negotiation between the depositors and the bank.The interest rates offered shall be reasonable, consistent, transparent and available for supervisory review/ scrutiny as and when required. Interest rates on term deposits shall vary only on account of one or more of the following reasons:

Tenor of Deposits:

Banks 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.

Size of Deposits

Differential interest rate shall be offered only on bulk deposits.Provided that differential interest shall not be applicable on deposit schemes framed on the basis of the Bank Term Deposit Scheme, 2006 or the deposits received under the Capital Gains Accounts Scheme,1988.

Payment of Additional Interest on domestic deposits

The Bank shall, at its discretion, 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, General Managers or such other Executives appointed for a fixed tenure, subject to the following conditions:

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

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:

i . Member or a retired member of the bank's staff, either singly or jointly with any member or members of his/ her family; or

ii. the spouse of a deceased member or a deceased retired member of the bank's staff; and an Association or a fund, members of which are members of the bank's staff;

iii. The Bank shall, at its discretion, formulate term deposit schemes specifically for resident Indian senior citizens, offering higher and fixed rates of interest as compared to normal deposits of any size. Provided that this facility is not offered on the term deposit standing in the name of an HUF or the Karta of the Hindu Undivided Family (HUF), even if the Karta is a resident Indian senior citizen.

iv)The Bank shall, at its discretion, give its resident Indian retired staffs, who are senior citizens, the benefit of additional interest rates as admissible to senior citizens over and above the additional interest payable to them by virtue of their being retired members of the banks' staff.

**5. Minors' Accounts:**

Saving Bank account and Term Deposit Accounts including Recurring Deposits can be opened in the name of minor (known as Minor's Account) by natural guardian or guardian appointed by court (legal guardian). Savings Bank Account or Term Deposit Account can also be opened in the name of a minor jointly with natural guardian or with mother as the guardian (known as Minor's Account) or jointly with a major, where minor is represented by natural guardian. In such cases only the guardian will be permitted to operate the account. No Current Account can be opened by a minor to be operated by the minor. Minors above the age of 10 will be allowed to open and operate savings bank account independently subject to restrictions on transaction amount, keeping in view the risk management system. Additional banking services like ATM/ Debit card, Cheque book facility etc., would be offered subject to account will always remain in credit and will not be allowed to be overdrawn. KYC norms & due diligence of minor should be ensured while opening and operating these accounts. On attaining majority on the same day account should be made inoperative till the time customer converts the minor account to major with required KYC documents. Bank would initiate prior communication to Minor accounts that would attain majority. On attaining majority, the erstwhile minor should confirm the balance in his/ her account and if the account is operated by the natural guardian/ guardian, fresh specimen signature of erstwhile minor duly verified by the natural guardian/ guardian would be obtained and kept on record for all operational purposes. The right of the guardian to operate upon the account automatically comes to an end once the minor attains majority.

**6. Account of Illiterate :**

The Bank may at its discretion open deposit accounts other than Current Account for an illiterate person. The account of such person may be opened provided he/ she call on the Bank personally along with a witness who is known to both the depositor and the Bank. Joint accounts of two illiterate persons can also be opened. Normally, no cheque book facility is provided to illiterate persons. However, to meet periodic repayment of retail loans, utility bills etc, Bank would consider issuing cheque book with safeguards to protect customer interest. At the time of withdrawal/ repayment of deposit amount and/ or interest, the account holder should affix his/ her thumb impression or mark in the presence of the authorized officer who should verify the identity of the person. The Bank will explain the need for proper care and safe keeping of the passbook etc. given to the account holder. The bank official shall explain the terms and conditions governing the account to the illiterate person.

**7. 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.

**8. Customer Information:**

The customer information collected from the customers shall not be used for cross selling of Services or products by the Bank. If the Bank proposes to use such information, it should be strictly with the consent of the account holder.

**9. Secrecy of Customer's Accounts:**

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

**10. Premature Withdrawal of Term Deposit:**

The Bank, on a request from the depositor, at its discretion may allow withdrawal of term deposit before completion of the period of the deposit agreed upon at the time of placing the deposit. The bank shall make depositors aware of the applicable rate along with the deposit rate.

The bank has in place following policy for premature withdrawal of term deposit:

- Unless expressly prohibited under a deposit scheme, premature withdrawal of deposit will be allowed, irrespective of the period, it has run, but no interest will be paid on term deposits, which remain with the bank for less than 7 days.
- For term deposits which have run for 7 days and above, interest will be paid at the rate applicable on date of deposit for the period for which it has actually remained with the bank or the contracted rate whichever is lower with penalty charge if any for premature withdrawal for the term deposits.
- In case of any deposit amount of Rs.100.00 Crores and above or the Deposit amount decided by ALCO Committee and having term of more than 31 days customers have to give 31 days' notice in advance for premature closure of that deposit. This provision will not be applicable to the Flexi term deposits.

**11. Premature Renewal of Term Deposit:**

In case the depositor desires to renew the deposit by seeking premature closure of an existing term deposit account, the bank will permit the renewal at the applicable rate for the period of renewal on the date of renewal. While prematurely closing a deposit for the purpose of renewal, interest on the deposit for the period it has remained with the bank will be paid at the rate applicable for the said period and not at the contracted rate. Further the bank may levy penalty for pre-mature closure of an existing deposit at such rates as may be decided by the bank from time to time.

**12. Renewal of overdue term deposits :**

Depositors can give instructions at the time of opening the account for payment of maturity proceeds to their accounts or by draft or for renewal of the deposit for the period of their choice. In the absence of any instructions from customer, the bank will renew the deposit on due date for the same period for which the matured deposit was placed. However the depositor will have a choice to change the auto renewal period within 14 days from the date of maturity with value dated effect for such period. Request for change of the auto renewal period received after 14 days from the date of maturity will be treated as premature renewal of deposit. However auto renewal option is not available for bulk deposits (deposit of Rs 2 crores and above).

After death of the depositor, renewal (as per mandate at the time of opening of account)/ auto renewal in the account shall be treated as null/void. (In absence of death intimation, if a deposit is renewed/ auto renewed after death of the depositor same will be treated as null/void). Interest for the said deposit will be paid at the rate applicable to savings deposit as on the date of payment.

**13. Advances against Deposits:**

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

**14. Settlement of dues in deceased deposit account**

Bank would follow a simplified procedure for settlement of accounts of deceased accounts holders. The claims in respect of deceased depositors and release of payments to survivor(s)/ nominees will be made within a period not exceeding 15 days from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claimant(s) to the bank's satisfaction

i) Accounts with survivor/ nominee clause:

If the depositor has registered nomination with the Bank; – the balance outstanding in the account of the deceased depositor will be transferred to the account of / paid to the nominee after the Bank satisfies about the identity of the nominee, etc In 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 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. The payment made to the survivor(s) /nominee, subject to the foregoing conditions, would constitute a full discharge of the bank's liability. In such cases, payment to the survivor(s)/ nominee of the deceased depositors would be made without insisting on production of succession certificate, letter of administration or probate, etc., or obtaining any bond of indemnity or surety from the survivor(s)/nominee, irrespective of the amount standing to the credit of the deceased account holder.

ii) Accounts without the survivor/ nominee clause: In case where the deceased depositor had not made any nomination or for the accounts other than those styled as "either or survivor" (such as single or jointly operated accounts), Bank will adopt a simplified procedure for repayment to legal heir(s) of the depositor keeping in view the imperative need to avoid inconvenience and undue hardship to the common person.

Keeping in view the Bank's risk management systems, Bank will fix a minimum threshold limit, for the balance in the account of the deceased depositors, up to which claims in respect of the deceased depositors could be settled without insisting on production of any legal representation in the form of succession certificate, letter of administration or probate) other than a letter of indemnity.

**15. Interest Payable on Term Deposit in Deceased Account:**

i) Claim before Maturity- As applicable to the actual period up to payment, without penalty .

ii) 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 (Death-DOM- DOP), the Bank shall pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment (DOM-DOP), the Bank shall pay simple interest at the applicable rate obtaining on the date of maturity, for the period for which the deposit remained with the Bank beyond the date of maturity.

iii) In the case of death of the depositor after the date of maturity of the deposit (DOM-Death-DOP), the bank shall pay interest at savings deposit rate obtaining on the date of maturity from the date of maturity till the date of payment (From DOM to DOP @ SB interest).

**16. Insurance Cover for Deposits:**

All bank deposits are covered under the insurance scheme offered by Deposit Insurance and Credit Guarantee Corporation of India (DICGC) subject to certain limits and conditions. The details of the insurance cover in force will be made available to the depositor. All the branches must place the DICGC board in a prominent place in the banking hall. Bank while offering deposit products linked to insurance benefits will give choice to the customer for availing the insurance benefit and will explicitly specify the insurance cost if the depositor opts for insurance cover.

**17. Stop Payment Facility:**

Bank would accept stop payment instructions from the depositors in respect of cheques issued by them. Immediately on receipt of customer's instructions Bank will give acknowledgement and take action, provided these cheques have not already been cleared by the Bank. Bank would levy charges, if any and the same would be included in the Tariff schedule as amended from time to time. In case a cheque has been paid after stop payment instructions are acknowledged, Bank would reimburse and compensate the customer as per the compensation policy of the Bank. The entries of the same are to be ensured to be entered in the Bank's specified Stop payment register. The acknowledgement for the request is to be provided to the customer in the specified COS.

## 18 Dormant accounts:

Accounts which are not operated for a period of two years will be transferred to a separate dormant / inoperative account status in the interest of the depositor as well as the Bank. The depositor will be informed of charges, if any, which the Bank will levy on dormant / inoperative accounts. The depositor can request the Bank to activate the account for operating it after completing certain formalities. As per RBI guidelines a savings as well as current account should be treated as inoperative/ dormant if there are no transactions in the account for over a period of two years.

For the purpose of classifying an account as "Inoperative" the debit/ credit transactions induced at the instance of customers as well as through third party are considered. A transaction in any account is treated as "Customer Induced" if it has been induced at the instance of customers as well as third parties. Mandate from the customer for crediting the interest on Fixed Deposit account to the Savings Bank account and credit of such interest to the Savings bank account will be treated as a customer induced transaction and the account will be treated as operative account. However, service charges levied by the bank or interest credited by the bank on Savings bank account are not considered as a transaction.

The credit balance in any deposit account maintained with the bank, which have not been operated upon for ten years or more, or any amount remaining unclaimed for ten years or more, as mentioned in paragraph 3(iii) of the "Depositor Education and Awareness" (DEA) Fund Scheme, 2014, are required to be transferred by the Bank to DEA Fund maintained by the Reserve Bank of India.

## 19.Redressal of complaints and grievances:

Depositors having any complaint / grievance with regard to services rendered by the Bank has a right to approach authority (ies) designated by the Bank for handling customer complaint / grievances. The details of the internal set up for redressal of complaints / grievances will be displayed in the branch premises including the details of the Banking Ombudsman. 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 one month from date of complaint or he/she is not satisfied with the response received from the Bank, he/she has a right to approach Banking Ombudsman appointed by the Reserve Bank of India.

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