



यूनियन बैंक
ऑफ इंडिया
भारत सरकार का उपक्रम



Union Bank
of India
A Government of India Undertaking



Annexure C

बैंक जमा पर पॉलिसी 2023-24

Policy on Bank Deposits 2023-24

Policy On Bank Deposits 2023-24



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Policy On Bank Deposits 2023-24



1 Preamble

Banking has always been defined as business of accepting deposits from the public for the purpose of lending to generate profit for the stakeholders. So, depositors are the major participants 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. Central Bank to the nation i.e. 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.

2. Scope of the Policy

The customer perception has changed from traditional banking and products to personalized products & services with ease of operations. To match the expectations of customers as well as prospects and to adopt the changes taking place in the market, Bank shall require paradigm shift to drive the impact necessary to keep pace with the market and changing market scenario. After analyzing peer bank offerings & processes, prioritizing among multiple initiatives, and actively mobilizing central and field teams to achieve immediate impact, we have created sub verticals within our department with special emphasis on corporate salary accounts, NRI business, current deposits and wealth management. Business built by the transformation and redesigning our structure, will support us not only in growing our CASA base but also augment overall deposit position of the Bank.

This policy on deposits & interest payment paves the path for race towards our goals and outlines the guiding principles behind formulation of various deposit products offered by the bank and terms and conditions governing the conduct of the Accounts. The policy not only recognizes the rights of the depositors but also encompasses roles and responsibilities of the Bank towards depositors. It also aims at dissemination of information with regard to various aspects of acceptance of deposits from the public & institutions, conduct and operations of various deposit accounts, payment of interest on various deposit accounts, closure of deposit accounts, method of disposal of deposits of deceased depositors, etc., for the benefit of customers.

3. Objective of the Policy

It is a well-known and accepted fact that customer will take services/products from those who they trust the most. It is expected that this document will impart greater transparency in dealing with the customers of different sections and strata of the economic system and create awareness among customers of their rights. This document is a broad framework under which the rights of common depositors are recognized. The ultimate objective is that the customer will get services they are rightfully entitled to receive without demand and delay.



4. Provisions & applicability of the policy

This policy lays out the broad guidelines under which key functional areas related to deposits are covered. Detailed operational instructions on various deposit schemes and related services are being issued from time to time.

5 Types of Deposit Accounts & definitions:

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

Definition of major deposit schemes are as under:

- (i) **“Demand deposit”** means a deposit received by the bank, which is withdrawable on demand;
- (ii) **“Savings deposit”** means a form of interest-bearing demand deposit which is subject to the restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the bank during any specified period
- (iii) **“Current Account”** means a form of non-interest bearing demand deposit where 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.
- (iv) **“Composite Cash Credit”** means a type of loan product having a cash credit limit with a fully savings module designed to take care of farmer’s interest.

Interest on the minimum credit balance in the composite cash credit account of a farmer during the period from the 10th to the last day of each calendar month shall be paid as per interest rate on savings deposits.
- (v) **“Term deposit”** means an interest bearing deposit received by the bank for a fixed period and shall also include deposits such as Recurring /Cumulative /Annuity /Reinvestment deposits and Cash Certificates
- (vi) **“Bulk Deposit”** means: Single Rupee term deposits of Rupees two crore 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. It can be callable or non-callable depending upon the request of the customer. The interest rate applicable to these deposits will be the ALCO approved rates on day to day basis.
- (vii) **“Notice deposit”** means term deposit for specific period but withdrawable on giving at least one complete banking days’ notice or as specified in the scheme of the product.
- (viii) **“Daily product”** means the interest applied on the end of day balance.
- (ix) **“Domestic Rupee Deposits”** mean rupee deposits maintained in India in the form of current account, savings deposits or term deposit.
- (x) **“Individual”** means a natural person.
- (xi) Three type of Bulk Deposit schemes are currently available in our Bank:



Type of Deposit	Amount		Period	
	Minimum	Maximum	Minimum	Maximum
Callable Deposit	2 Crores	No Limit	7 Days	120 Months
Notice Period Deposits*	2 Crores	No Limit	32 Days	120 Months
Non-Callable Deposits	2 Crores	No Limit	61 Days	36 Months

*In case of notice period deposits, customers have to give 31 days' notice in advance for premature closure of that deposit. The power for waiver of the clause of notice period of 31 days for premature closure of term deposit in notice period deposit will be vested with GM, DMD on case to case basis.

(xii) **“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.

Delegated Authority for closure of Non-Callable Term Deposits

For the cases mentioned above, the power for premature closure of non-callable deposits will be vested with GM, Deposits Mobilization Department looking after the Term Deposit portfolio at Central Office, on case to case basis.

6. Deposits

Deposits in account can be made by way of cash, cheques, electronic transfers like NEFT, RTGS, UPI, ECS, or through any other means which may come into usage after giving due notice on the Bank's website. Cash Deposits at home and non-home branches are subject to certain restrictions and may also involve payment of charges.

7. Withdrawals

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



8. Account Opening and Operation of Deposit Accounts

- 8.1. 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 rules, and regulations and or such other norms or procedures as per the Customer Acceptance Policy of the bank. Know your Customers Business (KYC-B) is an integral and important part of KYC process through which the Bank comes to know its customers, the nature of customers’ business/occupation and inflows /outflows associated with that business, This is requisite information to provide customized business products and solutions. KYC-B is also to be done at the time of account opening. Policy on KYC compliance & Anti Money Laundering Measures and other guidelines issued by bank should be followed while doing KYC of the customers. If the decision to open an account of a prospective depositor requires clearance at a higher level, reasons for any delay in opening the account will be informed to him and the final decision of the bank will be conveyed at the earliest to him.
- 8.2. The bank is committed to provide basic banking services to disadvantaged sections of the society. Banking services will be offered to them through Basic Savings Bank Small Accounts (BSBDS) and accounts will be opened with relaxed customer acceptance norms as per regulatory guidelines.
- 8.3. The account opening forms and other material on Bank’s part 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.
- 8.4. 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 denying to open an account.
- 8.5. Inability of an existing customer to furnish details required by the bank to fulfill statutory obligations could also result in closure of the account after due notice(s) to the customer.
- 8.6. 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 the number of transactions, cash withdrawals etc. during given period. Similarly, the bank may specify charges for issuance of cheque books, additional statement of accounts, duplicate passbook, folio charges, SMS 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.



- 8.7. Savings Bank Accounts can be opened for eligible person / persons and certain organizations / agencies (as approved by Reserve Bank of India from time to time).
- 8.8. Current Accounts can be opened by individuals / proprietorship/ partnership firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies / Trusts, Departments / Authority created by Government (Central or State), Limited Liability Partnership etc.
- 8.9. Term Deposits Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates / Societies / Trusts, Departments / Authority created by Government (Central or State), Limited Liability Partnership etc.
- 8.10. 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 (if required) of the prospective depositor from a person acceptable to the bank and obtaining recent photograph of the person/s opening/operating the account are part of due diligence process.
- 8.11. 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.
- 8.12. FATCA declaration is necessarily required for opening of account.
- 8.13. Deposit accounts can be opened by an individual in his own name (known as account in single name) or by more than one individual in their own names (known as Joint Account).
- 8.14. 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.
- 8.15. The joint account holders can give any of the following mandates for the disposal of balance in the above accounts:
- 8.15.1. **Either or Survivor:** if the account is in the name of two individuals says, A & B, the final balance along with interest, if applicable, will be paid to either of account holders i.e. A or B, on date of maturity or to the survivor on death of any one of the account holders.
- 8.15.2. **Anyone or Survivor:** If the account is in the name of two or more individuals say, A, B & C, the final balance along with applicable interest (if any) , will be paid to any of accountholders i.e. A or B or C, on the date of maturity.
- 8.15.3. On the death of any one of account holder say A, the final balance along with interest if applicable, will be paid to any two of the surviving accountholders i.e. B or C. On the death of any two of account holder say A and B, the final balance along with interest if applicable, will be paid to surviving accountholder i.e. C.



- 8.15.4. **Former or Survivor:** If the account is in the name of two individuals say, 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 the survivor on death of anyone of the account holders.
- 8.15.5. **Later or Survivor:** If the account is in the name of two individuals say, A & B, the final balance along with interest, if applicable, will be paid to the latter i.e. B on date of maturity and to the survivor on death of anyone of the account holders.
- 8.15.6. 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. Now if the joint depositors prefer premature withdrawal of deposits in accordance with the mandate of 'Either or Survivor', 'Anyone or Survivor', 'Former or Survivor', or Later or Survivor, bank may allow premature withdrawal of term deposits to the surviving depositor/s without seeking concurrence of legal heirs of the deceased deposit holder, provided all the depositors have given a specific joint mandate for the said purpose at the time of opening the account or any time subsequently during the tenure of the deposit.
- 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.
- 8.16. 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.
- 8.17. In case of absence of any instructions deposits will be treated as an auto renewal deposit and would be renewed for a similar period as that of matured deposit at the prevailing rate on due date. (Except certain specified deposits like Tax Saver deposits etc.)
- 8.18. Nomination facility is available on all deposit accounts opened by individual(s). Nomination is also available to an account opened by a sole proprietor. In deposits, 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 a nomination, cancellation or change thereof, it is required to be witnessed by a third party if the account holder is illiterate. Nomination can be modified by the consent of account holder/s. Nomination can be made in favour of a minor also. In such cases at the time of making nomination, depositor has to give a name of person (called appointee) who is a major and will receive the amount of deposit on behalf of the nominee in the event of death of the account holder during the minority of the nominee.
- 8.19. Bank recommends that all depositors avail of the 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 the legal heirs. The depositor will be informed of the advantages of the nomination facility while opening a deposit account.
- 8.20. If the person opening the account does not want to nominate anybody, a specific letter to that effect that he does not want to make nomination is to be obtained from the person. In case the person opening the account declines to give such a



letter, the fact shall be recorded on the account opening form and account will be opened if he is otherwise found eligible.

- 8.21. 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.
- 8.22. The deposit accounts may be transferred to any other branch of the Bank at the request of the depositor.
- 8.23. Inability of an existing depositor to furnish details required by the Bank to fulfill statutory obligations could also result in closure of the account after giving due notice(s).

9. CASA Deposits

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 their requirements, balances maintained and charges on various services availed through the accounts. Details of all the Deposit Schemes are also available in Bank's website.

10. Extension of Alternate Delivery Channels to Savings Bank & Current Deposit account holders

The Bank offers multiple electronic channels to customers for conducting their banking transactions. The choice of electronic channels includes ATM, Internet banking, mobile banking including WhatsApp Banking, 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.

11. Interest Payments

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

Provided that balance 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.

- 11.2. Interest rate on savings deposits can be linked to any external bench mark or internal bench mark. The authority for selecting the external bench mark is vested with Board. On approval from the Board, ALCO can decide the interest rate structure, spread etc. depending on the requirements from time to time within the general guidelines issued by the Reserve Bank of India.



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

(i) A uniform interest rate shall be set on balance up to Rupees one lakh, irrespective of the amount in the account within this limit.

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

- 11.3. Interest in Savings Bank Accounts is paid at quarterly intervals in the months of April, July, October and January every year.

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

- 11.4. Interest rates on term deposits shall vary only on account of one or more of the following reasons:

i. Tenor of Deposits:

subject to the condition that minimum tenor of the deposit offered shall be seven days.

ii. 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.

iii. Non- availability of Premature withdrawal option:

Term Deposit without premature withdrawal option.

Provided that all term deposits accepted from individuals (held singly or jointly) for amount of Rupees fifteen lakh and below shall have premature-withdrawal facility.

- 11.5. Interest is calculated at quarterly intervals on domestic term deposits and paid at the rate decided by the bank depending upon the period of deposits. Interest on deposits repayable for less than **181 days**, shall be paid proportionately for the actual number of days reckoning the year at 365 days.

On Fixed deposits for duration of **181 days** or more, interest should be calculated in the following manner,

a) For completed quarters on quarterly basis.

b) For the incomplete quarter i.e. for days, if any-for actual number of days on the basis of 365 days in a year.

In case of monthly deposit scheme, the interest shall be calculated for the quarter and paid monthly at discounted value.

- 11.6. Resident Senior Citizens will get additional interest of 0.50% for the term deposits of the total principal amount up to Rs 5.00 Cr. Depositors will get the benefit of



additional interest of 0.50% over the contracted rate, on attaining Senior Citizen status during the currency of the term deposits.

Resident Super Senior Citizens (individual who is 80 years or above) will get additional interest of 0.75% over and above the rate applicable to general public i.e. 0.25% above RoI for Senior Citizen, for the term deposit(s) of the total principal amount up to Rs 5.00 Cr. Depositors will get the benefit of additional interest from the date of attaining Super Senior Citizen status even during the currency of the existing term deposits.

However, the additional interest rate may be increased up to 1% for senior citizens (including Super Senior Citizen) with approval of the Competent authority. The approving authority for increasing the additional rate is ALCO during the currency of the Policy.

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 super senior citizen.

- 11.7.i Staff members/Retired staff members/spouse of deceased staff members who are senior citizen will get additional rate of 1.50% p.a. over the rates payable to general public.
- 11.7.ii Staff members/Retired staff members/spouse of deceased staff members who are super senior citizens will get additional rate of 1.75% p.a. over the rates payable to public for the term deposits up to Rs 5.00 Cr.
- 11.8. No additional preferential rate will be allowed for all categories of customers on the term deposits of above Rs 5.00 Cr. The normal rates payable to others as decided by ALCO on that day will be applicable in these accounts.
- 11.9. **Deposits Maturing on non- business working day(s) / Holiday(s)**
 - i) In case of Fixed deposits/Short Term deposits, Bank shall pay interest at the originally contracted rate on the principal amount for the non-business working day(s)/holiday(s), intervening between the date of maturity of the specified term of the deposit and the date of payment of the proceeds of the deposit on the succeeding working day.
 - ii) In case of reinvestment deposits (DRIC) and recurring deposits, Bank shall pay interest for the intervening non-business working day(s)/holiday(s) on the maturity value at originally contracted rate.

11.10 **Interest on Overdue Term Deposits**

If a Term Deposit matures and the proceeds are neither renewed nor paid, the amount shall be kept in a separate office account of the Bank and treated as overdue deposits. Such overdue deposits left unclaimed with the Bank

- i. When presented for payment shall be paid the maturity value together with the interest for the intervening period i.e. from the date of maturity to the date of payment at the rate applicable to savings deposit as on the date of payment or the contracted rate of interest on the matured Term Deposit, whichever is lower.
- ii. If the request for renewal is received for such overdue deposit within 14 days from the date of maturity (both days inclusive), the deposit will be renewed from the



date of maturity at the interest rate applicable for deposits as on the date of maturity.

- iii. In case the request for renewal is received after 14 days from date of maturity (both the days inclusive), the term deposit will be renewed from date of request at the interest rate applicable on the date of renewal. However, interest for the intervening period i.e. from the date of maturity to the date of renewal will be paid at the rate applicable to savings deposit as on the date of payment or the contracted rate of interest on the matured Term Deposit, whichever is lower.
- iv. Additional interest of 1% as given to staff under normal circumstances is to be provided for payment of overdue deposits of staff.
- v. Following overdue deposits will be permitted for back dated renewal, on case to case basis and when there is no malafide intension, even if request for renewal is received after 14 days:

Bulk Deposits, lien marked deposits, Special retail deposits, Deposits not renewed because of technical error etc.

Competent Authority for permitting Back dated renewal after 14 days will be:

Amount	Delegation
Upto 2 Cr.	Field General Manager
2 Cr and above	GM, DMD

- 11.11 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 by way of public notice and/or Bank's web site and shall be prominently displayed.
- 11.12 The bank has statutory obligation to deduct tax at source if total interest paid/ payable on all term deposits held by a person exceed the amount specified under the Income Tax Act. In case of re-investment deposits, in order to get the full maturity value on the due date, the depositor may give instructions to deduct tax payable on the term deposit, from operative account linked to the term deposit account; otherwise the amount of tax would be deducted from interest payable on term deposit and the maturity proceeds of the deposit will be lower than that mentioned on the term deposit receipt. 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. Failure to furnish PAN will result in deduction of the TDS at rates as advised by Income Tax Department. If the total interest paid to the depositor in a financial year exceeds the threshold limit as specified by Income Tax Department, tax will be deducted at source and no declaration will be accepted as per Income Tax rules/laws.

12. Term Deposits over Ten Years (Court Order)

The Domestic & NRO Rupee Term Deposits can be opened for minimum period of 7 days and maximum up to 10 Years. For NRE Term Deposits, minimum period is 1 Year and maximum up to 10 Years. However, Depositors are allowed for Domestic



Rupee Term Deposits to be opened for more than permissible period, i.e. 10 Years, in case of Court Order issued in favour of the depositor.

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

Accounts of beneficiaries of MACT Award money, should be opened under MACT/MACAD/relevant Deposit schemes only for crediting the award amount as per direction of the court.

13. 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.

Minors above the age of 10 years will be allowed to open and operate savings bank account independently with the following terms and conditions-

- 13.1 There will be no minimum balance requirement in the account.
- 13.2 The account will always remain in credit and will not be allowed to be overdrawn under any circumstances.
- 13.3 Cheque book will be issued to minor account holder. However, the cheque book would be allowed to be used for the sole purpose of self-cash withdrawal from the account. Minor account holder cannot issue/draw cheque favoring a third party.
- 13.4 No overdrafts will be granted to these minors.
- 13.5 An undertaking indemnifying the Bank relating to operations in the account by the minor will be obtained from the father/mother/legal guardian at the time of opening the account.
- 13.6 KYC norms & due diligence of minor should be ensured while opening and operating these accounts. 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 the erstwhile minor duly verified by the natural guardian would be obtained and kept on records.

14. Account of Illiterate Persons

The bank may at its discretion open deposit accounts other than Current Accounts of an illiterate 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. Normally, no cheque book facility is provided for such Savings Bank Account. At the time of withdrawal/repayment of deposit amount and/or interest, the account holder should affix his /her thumb impression or mark in the presence of the authorized officer who should verify the identity of the person. 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.

15. Accounts of Transgender Persons:

In case of a person claiming to be transgender and needs to open account or to do any banking transaction, the person will be recognized as “Third Gender” and the details shall be accepted in the AOFs/ or other applicable forms as such. All transgender customers shall be treated equally to other male/ female.

16. Account of Visually Challenged Persons

Bank will facilitate opening of Saving Bank accounts as well as Term Deposit accounts of persons with visual impairment. Such accounts will be operated by the accountholder personally. Cheque book facility will be made available. Such accountholders will have to be present before the branch official and affix thumb impression and they will be identified through their photograph to facilitate operations. Bank is also committed in introducing technology banking facilities progressively via ATM & Internet banking in keeping with the availability of supporting technology which will enable visually challenged persons to operate their own accounts.

17. Account of persons with autism, cerebral palsy, mental retardation & multiple disabilities

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

18 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.

19 Customer Information

The customer information collected from the customers shall not be used for cross selling of services or products by the Bank, its subsidiaries and affiliates. If the bank proposes to use such information, it should be strictly with the consent of the accountholder.

20. 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.

21. 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:

- 21.1 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.
- 21.2 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. At present penal interest is charged at 1% which is subject to change from time to time.
- 21.3 Penal Interest shall be applicable for NRO deposits also and provision of penal interest shall be applicable for the new as well as renewed retail term deposits.

22. Premature Renewal / Extension of Term Deposit

In case the depositor desires to renew the deposit by seeking premature closure of an existing term deposit account, the bank will permit the renewal at the applicable rate on the date of renewal, provided the deposit is renewed for a period longer than the balance 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 on the date of deposit to the period for which the deposit remained with the banker contracted rate of interest whichever is lower, without any penalty.

23. Renewal of Term Deposits

- 23.1 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.
- 23.2 However auto renewal option is not available for bulk deposits (deposit of Rs 2 crores and above).



- 23.3 After death of the depositor, renewal (as per mandate given 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.

24 Advance Against Deposits

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

25 Premature Repayment of Term Depositor in Banks with “Either or Survivor” or “Former or Survivor” mandate.

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

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

26 Settlement of Dues in Deceased Depositor's Account

- 26.1 Bank will follow a simplified procedure for settlement of accounts of deceased account 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.
- 26.2 If the depositor has registered a 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 itself about the identity of the nominee, etc.
- 26.3 The above procedure will be followed even in respect of a joint account where nomination is registered with the Bank.
- 26.4 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 holders had given mandates for



disposal of the balance in the account in the forms such as either-or survivor, former / latter or survivor, anyone or survivors or survivor; etc., the payment will be made as per the mandate.

26.5 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 by all legal heirs or the person mandated by the legal heirs to receive the payment on their behalf without insisting on legal documents up to the limit approved by the bank's board. This is to ensure that the common depositors are not put to hardship on account of delays in completing legal formalities. For the amount outstanding over the prescribed limit the necessary legal formalities as prescribed by the Bank from time to time need to be completed.

26.6 In the case of balances lying in Current account standing in the name of a deceased individual depositor/sole proprietorship concern, interest should be paid only from 1st May, 1983, or from the date of death of the depositor, whichever is later, till the date of repayment to the claimants at the rate of interest applicable to savings deposit as on the date of payment.

27 Interest Payable On Term Deposit In Deceased Depositor's Account

27.1 In the event of the death of the depositor before the date of maturity of the 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. **After date of maturity**, interest will be paid at the rate of interest applicable to savings deposit as on the date of payment for the period for which the deposit remained with the Bank beyond the date of maturity.

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

27.3 However, in the case of death of the depositor after the date of maturity of the overdue deposit, the bank shall pay interest as per Bank's policy on overdue deposit.

28 Closure of Accounts:

28.1. Accounts can be closed on written request of the depositor. Request for closure of account should state the reason for closure. The pass book, unused cheque leaves and ATM cum Debit card (after cutting into two pieces across the magnetic strip) must accompany such request. Joint accounts can be closed only at the request of all such joint signatories.

28.2. Under normal circumstances, we will not close depositors account without giving at least 30 days' notice indicating the reasons for such closure. In such cases, account holder will be required to make alternate arrangements for cheques already issued and desist from issuing any fresh cheques on such account.

29. Insurance Cover for Deposits



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

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.

30. Stop Payment Facility

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

31. Dormant Accounts

Accounts which are not operated for a period of two years will be classified as dormant accounts 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 complying with the conditions as per KYC norms.

32. Non Resident Accounts

32.1 “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.

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

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

32.4 “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.

32.5 Rupee Deposits :

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

32.5.1 Non Resident Ordinary Account (NRO): NRIs can open non-resident ordinary deposit accounts for collecting their funds from local bonafide transactions. NRO accounts being rupee accounts, the exchange risk on such deposits is borne by the depositor themselves. When a resident becomes an NRI, his/her existing rupee accounts are designated as NRO accounts. NRO accounts can also be opened to meet the requirements of foreign nationals’ resident in India. These accounts can be maintained as current, savings or Term deposit accounts. The interest rates applicable in these deposits are in accordance with RBI guidelines. However the



interest earned is subjected to tax as per IT act. While the principal amount of NRO deposits is non repatriable, current income and interest earned is repatriable.

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

32.5.3 Permissible Debits and Credits in NRO Accounts

Credits

- Proceeds of remittances received in any permitted currency from outside India through banking channels or any permitted currency tendered by the account-holder during his temporary visit to India or transfers from rupee accounts of non-resident banks.
- Legitimate dues in India of the account holder.
- Transfers from other NRO accounts.
- Any amount received by the account holder in accordance with the rules or regulations made under the FEMA and RBI regulations.

Debits

- All local payments in rupees including payments for investments subject to compliance with the relevant regulations made by the Reserve Bank.
- Remittance outside India of current income in India of the account holder net of applicable taxes.
- Transfers to other NRO accounts.
- Settlement of charges on International Credit Cards issued by authorized dealer/ banks in India to NRIs or PIOs, subject to the limits for repatriation of balances held in NRO accounts specified in regulation 4(2) of Foreign Exchange Management (Remittance of Assets) Regulations, 2016.

32.5.4 Permissible Debits and Credits in NRE Accounts:

Permitted Credits:

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



- i. the amount was declared on a Currency Declaration Form (CDF), where applicable, and
 - ii. The notes are tendered to the bank/branches in person by the account holder himself and the bank/branch is satisfied that account holder is a person resident outside India.
- d. Transfers from other NRE/ FCNR (B) accounts.
- e. Interest accruing on the funds held in the account.
- f. Current income in India due to the account holder, subject to payment of applicable taxes in India.
- g. Maturity or sale proceeds of any permissible investment in India which was originally made by debit to the account holder's NRE/ FCNR (B) account or out of remittances received from outside India through banking channels. Provided that the investment was made in accordance with the foreign exchange regulations in force at the time of making such investment.
- h. Refund of share/ debenture subscriptions to new issues of Indian companies or portion thereof, if the amount of subscription was paid from the same account or from other NRE/ FCNR (B) account of the account holder or by remittance from outside India through banking channels.
- i. Refund of application/ earnest money/ purchase consideration made by the house building agencies/ seller on account of non-allotment of flat/ plot/ cancellation of bookings / deals for purchase of residential/ commercial property, together with interest, if any (net of income tax payable thereon), provided the original payment was made out of NRE/ FCNR(B) account of the account holder or remittance from outside India through banking channels and the bank is satisfied about the genuineness of the transaction.
- j. Any other credit if covered under general or special permission granted by Reserve Bank.

Permitted Debits:

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

32.6 FOREIGN Currency Deposits:

32.6.1. Foreign Currency Non Resident Account (FCNR - B)



These deposits are accepted from non-resident individuals of Indian nationality or origin (NRI) and are maintained in US Dollar, Pound Sterling, and Euro. Only term deposits are accepted under this category. The depositors are protected from exchange risk. As per the RBI directives the minimum maturity period is one year and maximum maturity period is five years. Interest rates on FCNR term deposits are as per the directives of the RBI.

All debits/ credits permissible in respect of NRE accounts as specified in Section 32.5.4 shall be permissible in respect of these accounts also.

32.6.2. Resident Foreign Currency Account

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

32.7. Interest rates on Rupee Deposits-Non-Residents

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

(a) Interest rates on NRE/NRO term deposits shall vary only on account of one or more of the following reasons:

i. Tenor of Deposits:

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

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

ii. Size of Deposits

Differential interest rate shall be offered only on bulk deposits

(b) Interest rates on NRE/ NRO deposits shall not be higher than those offered by the banks on comparable domestic rupee term deposits.

(c) The benefit of additional interest rate on deposits on account of being bank's own staff or senior citizens shall not be available to NRE and NRO deposits.

(d) Interest on savings deposits shall be credited at quarterly intervals.

(e) 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.

32.7.2. Prohibition on marking lien

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

32.7.3. Penalty on premature withdrawal of NRE deposits

Subject to the following:

- (a) The components of penalty shall be clearly brought to the notice of the depositors at the time of acceptance of the deposits. Penal Interest on premature withdrawal shall be applicable for NRO deposits and it shall be applicable for the new as well as renewed NRO retail term 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.

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

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

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

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

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

- i. *Tenor of deposits*

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

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

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

- ii. *Size of deposits*



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

Period of deposit	Ceiling rate
1 year to less than 3 years	Overnight Alternative Reference Rate for the respective currency/ Swap plus 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

- (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.

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

- (a) Interest on the deposits accepted under the scheme shall be calculated on the basis of 360 days to a year.
- (b) The interest on FCNR (B) deposits shall be calculated and paid at intervals of 180 days each and thereafter for the remaining actual number of days.

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

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

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

- (a) If the period from the date of maturity till the date of renewal (both days inclusive) does not exceed 14 days, the rate of interest payable on the amount of the deposit so renewed shall be the appropriate rate of interest for the period of renewal as prevailing on the date of maturity or on the date when the depositor seeks renewal, whichever is lower.
- (b) In all other cases of renewal, interest rates for the overdue period on the renewed amount shall be determined by treating it as a fresh term deposit.
- (c) If, after renewal, the deposit is withdrawn before completion of the minimum stipulated period under the scheme, scheduled commercial banks may, at their



discretion, recover the interest paid for the overdue period i.e. period beyond the original date of maturity.

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

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

- (a) If paid on the maturity of the deposit, interest shall be paid at the contracted rate;
- (b) If the deposit is claimed before the maturity date, interest shall be paid not at the contracted rate but at the rate applicable to the period for which the deposit remained with the bank and without charging penalty for pre-payment;
- (c) In case the depositor dies before the date of maturity of the deposit but the amount of the deposit is claimed after the date of maturity, interest shall be paid at the contracted rate till the date of maturity and simple interest at the applicable rate operative on the date of maturity for the period for which the deposit remained with the bank beyond the date of maturity.
- (d) In case of death of the depositor after the date of maturity of the deposit, the interest rate operative on the date of maturity in respect of savings deposits held under Resident Foreign Currency (RFC) Account Scheme shall be paid from the date of maturity till the date of payment.
- (e) In case the claimants are residents, the maturity proceeds shall be converted into Indian Rupees on the date of maturity and interest shall be paid for the subsequent period at the rate applicable to a domestic term deposit of similar maturity.

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

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

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

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

Subject to the conditions as per FEMA and RBI Directions, Bank shall pay interest at the time of conversion of FCNR(B) Account into RFC/Resident Rupee Account even if the deposit has not completed the minimum maturity period mentioned in section 32.8.1.(a). above.

Provided that the rate of interest shall not exceed the rate payable on savings bank deposits held under RFC Account Scheme.



32.8.7. Premature withdrawal of deposits

- (a) Scheduled Commercial Banks shall, on request from the depositor, permit premature withdrawal of deposits under the FCNR(B) Scheme.
- (b) If the premature withdrawal of FCNR(B) deposits takes place before completion of the minimum stipulated period as mentioned in section 32.8.1.(a). above, no interest shall be paid.

32.8.8. Penalty on Premature Withdrawal of deposits

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

- (a) The components of penalty shall be clearly brought to the notice of the depositors at the time of acceptance of the deposits. If not, the exchange loss arising out of premature withdrawal shall be borne by the Scheduled Commercial Banks.
- (b) Penalty shall be levied on premature withdrawal of FCNR(B) deposits
 - (i) When the depositors return to India for permanent settlement.
 - (ii) For conversion of FCNR (B) deposits into NRE deposits or vice-versa.
- (c) In case of splitting of the amount of 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.
- (d) Scheduled Commercial Banks shall, at their discretion, levy penalty to recover the swap cost in the case of premature withdrawal of FCNR (B) deposits.
- (e) No penalties shall be levied in the case of premature conversion of balances held in FCNR (B) deposits into RFC Accounts by Non-Resident Indians on their return to India.

32.9. Change of Residential Status of NRO Account Holder

(a) From Resident to Non-resident

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

(b) From Non- resident to Resident

NRO accounts may be re-designated as resident Rupee accounts on return of the account holder to India for taking up employment, or for carrying on business or vocation or for any other purpose indicating his intention to stay in India for an uncertain period.

Where the account holder is only on a temporary visit to India, the account should continue to be treated as non-resident during such visit.

32.10. Change Of Residential Status Of The NRE Account Holders



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

32.11. Change Of Residential Status of The FCNR (B) Account Holders

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

33. Staff Deposits and Payment of Additional Interest:

33.1. Definitions:

33.1.1. Staff Member: "A 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 as provided in the bank's Service/Staff Regulations.

33.1.2. Retired Staff Member: "A 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, but does not include an employee retired compulsorily or dismissed in consequence of disciplinary action or resigned employees. Such retired staff may also be senior citizen by virtue of their age.

33.1.3. Family: "Family" means and includes the spouse of the member/retired member of the bank's staff and the child/children, parents, brothers and sisters of the member/retired member of the bank's staff who are Dependent on such member/retired member, but does not include legally separated spouse.

33.2. Payment of additional interest:

As per RBI directives, Master Direction DBR.Dir.No.84/13.03.00/2015-16 updated as on Sep 16 2022, scheduled commercial banks shall at their discretion, allow



additional interest of 1% (one percent) per annum, over and above the rate of interest mentioned in the schedule of interest rates on saving or term deposits of bank's staff and their exclusive associations as well as on deposits of Chairman, Chairman & Managing Director, Executive Director or such other Executives appointed for a fixed tenure, subject to the following conditions.

- 33.2.1.** 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 term deposit account.

It is clarified that, deposits made with our Bank, if any, by such Officials prior to their appointment will not be eligible for Staff benefit and shall continue till maturity at the contracted rate. However, deposits made by such Officials on or after their date of joining our Bank will be eligible for the additional interest benefit (as available for staff deposits).

Further, it is clarified that, on deposits made by the Chairman, Chairman & Managing Director, Executive Director or such other Executives appointed for a fixed tenure, after their tenure, shall be eligible for additional Rate of interest, as mentioned in this policy, if they are superannuating from the Bank and are eligible to draw pension/ retirement benefits from our Bank. The Deposits created by such officials (as per terms of this policy) after their tenure shall also be entitled for the benefit of additional interest along with the interest benefit available for Senior Citizen.

- 33.2.2.** 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.

For the above, it is clarified that the deposits made by the staff of erstwhile Andhra Bank and Corporation Bank, shall continue to be eligible for the additional Rate of Interest on all such deposits (as defined in this policy) post amalgamation as well. Deposits renewed/created after amalgamation will earn interest inclusive of the additional 1% as applicable to regular employees of the Bank, depending on tenor of deposits as per card rate prevailing on the date of deposit.

- 33.2.3.** 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 saving or term deposit account opened with it during the period of deputation.

It is clarified that, persons on-boarded on deputation as per the above Regulatory guidelines will be eligible for the additional interest benefit on deposits created during his/her tenure till its maturity and in case of his/her ceasing to be so eligible, till the maturity of the Term Deposit account. In case these Official/Executive/person is a Senior Citizen, the benefit as available for Senior Citizens will also be available on deposits created during his/her tenure with the Bank.

In the above context, for e.g. Chief Vigilance Officer appointed for a fixed tenure being in the nature of deputation from another Bank shall be governed by the terms as applicable for employees/executives on deputation.



Employees deputed from our Bank to DFS, IBA, CBI/Enforcement Directorate, other Govt. offices, Other Agencies, Joint Venture entities of the Bank, Foreign Branches of the Bank/Foreign Subsidiaries of the Bank, Domestic Subsidiaries of the Bank etc. will be eligible for the benefit of additional interest on staff deposit till such time they remain on the rolls of the Bank.

For the above, it is clarified that post-amalgamation, interest on deposit created prior to amalgamation for bank officials if any, will continue to earn interest at the contracted rate till maturity.

- 33.2.4.** In 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.

It is clarified that such persons will be eligible for the additional interest benefit on deposits created during his/her tenure till its maturity and in case of his ceasing to be so eligible, till the maturity of a Term Deposit account. In case these Official/Executive/person is a Senior Citizen, the benefit as available for Senior Citizens will also be available on deposits created during his/her tenure with the Bank.

In the above context, Internal Ombudsman appointed on a contract for a fixed tenure, this extra interest benefit shall be available for those deposits created during his/her tenor in the Bank. However, deposits created during the tenure will continue to receive the interest rate benefit at the contracted rate till its maturity. The benefit will cease to accrue on fresh deposits created after the expiry of the term of contract, as the case may be.

For the above, it is clarified that post-amalgamation, interest on deposit of such persons created prior to amalgamation for bank officials if any will continue to earn interest at the contracted rate till maturity.

- 33.2.5.** Bank Employee Federations, in which bank employee are not direct members, shall not be eligible for additional interest.

For the above, it is clarified that post-amalgamation exclusive federations of eCB & eAB employees, will continue to earn interest benefit on deposit created prior to amalgamation at the contracted rate till maturity.

- 33.2.6.** Additional interest of 1% p.a. over the rates payable to public shall be allowed in all term deposit accounts up to Rs.5.00 crores and in all types of Saving deposit schemes opened in the name of the following:

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

The additional interest may be paid after obtaining a declaration from the depositor concerned that the monies deposited, or which may be deposited from time to time into such account belongs to the depositor.



On the above, further it is clarified that:

As per previous year's policy point No.33.2.6 And (b) herein above shall exclude legally separated spouse of a staff member/retired staff member. Further a declaration shall be obtained from the depositor concerned that the monies deposited or which may from time to time or be deposited into such account from time to time belong to the depositor (format furnished as Appendix-1). The same shall continue to be obtained in the Amalgamated Entity.

33.3. Joint Deposits of Staff:

33.3.1. Staff Deposits jointly with family members: Where a joint holder of a deposit is a staff member, in order to be entitled for 1.0% p.a. additional interest, the name of the staff member should be first and not subsequent. However, a declaration from the staff member shall be obtained to the effect that the monies deposited or which may be deposited from time to time into such account/s, belong to the concerned staff member (furnished as Appendix-I). The implication of this is that as per extant norms, applicable TDS will be deducted from the total interest paid and relevant TDS certificate will be issued in the name of the staff member only, irrespective of the fact the account is in joint name.

33.3.2. Deposit of Retired Staff (Senior Citizen) jointly with family members: If a deposit is held by a retired staff member who is also a Senior Citizen jointly with his parents / spouse / child /children, brother or sister, then the branch can offer both Staff benefit and Senior Citizen benefit subject to obtaining a declaration from the staff member to the effect that the monies deposited or which may be deposited from time to time into such account/s, belong to the concerned retired staff member. In order to be entitled for Senior Citizen benefit, name of the retired staff member should be first and not subsequent in a joint deposit.

In other words, deposits maintained by retired staff members (who incidentally are senior citizens) jointly with eligible family members would be entitled for the staff benefit by way of additional 1.0% interest along with senior citizen benefit, only when the retired staff member is named first and not subsequent to the deposit.

33.3.3. Staff Deposit jointly with Senior Citizens: Where a joint holder of a deposit made by the Senior citizen is a staff member, to be entitled for 1% p.a. additional interest, only when the name of the staff member is first and not subsequent. A declaration from the staff member shall be obtained to the effect that the monies deposited or which may be deposited from time to time into such account/s, belong to the concerned staff member.

The benefit of additional interest of 0.5% p.a. as extended to senior Citizen scheme shall not be extended to such deposits (since the serving staff member is not a senior citizen). Applicable TDS will be deducted from the total interest



paid and relevant TDS certificate will be issued in the name of the staff member only.

- 33.3.4.** Deposits in the name of spouse of a deceased staff (jointly or singly): If a deposit is held jointly by the spouse of the deceased member of the staff who is senior citizen, then the branch can offer both staff interest and senior citizen interest subject to obtaining of the declaration that deposits belong to him/her. Here again, in order to be entitled for Senior Citizen benefit, name of the spouse of the deceased staff member, who is also a Senior Citizen, should be first in a joint deposit.

33.3.5. Premature closure of staff account:

On premature closure of a staff member's Term Deposit, penalty as applicable shall be levied (1% less than the card rate applicable for staff deposits as prevailing on the date of deposit for the tenure up to which the deposit remained with the Bank).

33.3.6. Ceiling on Staff Deposits:

The maximum ceiling of Rs.5.00 crore would continue as per the previous year's policy. Further, the maximum ceiling of Rs.5.00 crore will be changed in accordance with any subsequent change with the approval of the Competent Authority. The amount invested in Term Deposits (Principal amount) at all branches of the Bank put together under staff category on which the benefit of additional rate of 1.0% p.a. is admissible on deposits of staff category for individuals opened either singly or jointly with family members viz. as staff, ex-staff or spouse of a deceased member of staff or deceased retired member of the Bank's staff.

33.3.7. Accounts which are ineligible for benefits of staff accounts:

- (i) Ex-staff members who have resigned from the service of the Bank (irrespective of the number of years of service put in) will not be eligible for the benefit of the staff accounts in respect of the deposits placed/renewed by them after their resignation from the service of the Bank.
- (ii) Even if the Karta of the family is a member of Bank's staff, the accounts of HUF shall not be eligible for staff rate of interest.
- (iii) Bank Employees Federations, in which bank employees are not direct members, shall not be eligible for additional interest.
- (iv) Deposits in the name of staff under Capital Gains account: If a deposit is held by the staff under Capital Gains Account, no additional interest benefit is available on that deposit. Likewise, additional interest for Senior citizen is also not available for staff deposits under Capital Gains.
- (v) NRE/NRO Deposits of Staff Members: Deposits held by the staff under NRE / NRO Deposit Account shall not be eligible for the additional interest benefit.

33.4. Application of Additional Interest on Existing Deposits:



For deposits which are outstanding on the date of this policy will continue to earn interest as contracted without any change.

With respect to outstanding deposit of eAB & eCB staff members, in joint names, where name of the depositor is not first, the account shall continue to fetch benefit of additional interest till maturity of such deposit as per originally contracted terms of deposit. However, on maturity of such deposit, the benefit of additional interest to staff will cease to continue. Upon renewal of such deposits, the additional interest benefit will be available only if the name of the staff member is first.

33.5. Extension of Staff Deposit Benefit retrospectively:

The deposit/s eligible under the policy which, in case, is/are deprived of eligible benefit due to amalgamation process/technical issues, will be eligible from retrospective effect (i.e. 01.04.2020) till the maturity of deposit. However, it should be ensured that such deposits should also have been eligible during the intervening period but were not extended the same due to technical issue (IT integration post amalgamation) and/or adoption of existing guidelines of erstwhile Banks. Such proposals need to be forwarded to the Deposit Mobilization Department, Central Office for providing back-dated interest benefit as per the existing practice. On maturity of deposit, existing rate with applicable benefit will continue as per the terms of revised policy.

34. The Depositor Education and Awareness Fund Scheme, 2014 (DEAF)

RBI has established The Depositor Education and Awareness Fund (the Fund). Under the provisions of Fund the amount to the credit of any account with the Bank which has not been operated upon for a period of ten years or any deposit or any amount remaining unclaimed for more than ten years shall be credited to the Fund, within a period of three months from the expiry of the said period of ten years. The Fund shall be utilized for promotion of depositors' interest and for such other purposes which may be necessary for the promotion of depositors' interests as specified by RBI from time to time. The depositor would, however, be entitled to claim from the Bank his/her deposit or any other unclaimed amount or operate his/her account after the expiry of ten years, even after such amount has been transferred to the Fund. The Bank would be liable to pay the amount to the depositor/claimant and claim refund of such amount from the Fund.

35. Safe Deposit Lockers

This facility is not offered through all bank branches and wherever the facility is offered, allotment of safe deposit vault will be subject to availability and compliance with other terms and conditions attached to the service. Safe deposit lockers may be hired by an individual (being not a minor) singly or jointly with another individual(s), HUFs, firms, limited companies, associates, societies, trusts etc. Nomination facility is available to individual(s) holding the lockers singly or jointly. In respect of lockers held in joint names, up to two nominees can be appointed. Joint locker holders can give mandate for access to the lockers in the



event of death of one of the holders on the lines similar to those for deposit accounts. In the absence of nomination or mandate for disposal of contents of lockers, with a view to avoid hardship to common persons, the bank will release the contents of locker to the legal heirs against indemnity on the lines as applicable to deposit accounts.

36. Digital Deposits and Accounts

In digital era, the expectations of customers have shifted from traditional branch banking to digital banking. The transactions and account opening without visiting branch is the need of the hour. In line with customers' need, Bank has also formulated products, digital offerings and providing operations through multiple digital modes. End to end digital account opening will also be extended. Digital deposits, digital and digitally assisted customer acquisition, online partnership and onboarding of customers through online account opening facility etc will be governed by the Policy on Digital Deposits issued by Digitalization Department in line with Policy on Bank Deposits of the Bank.

37. Customer Grievances Redressal Machinery

Depositors having any complaint/grievance with regard to services rendered by the bank have a right to approach the authority (ies) designated by the bank for handling customer complaints/grievances. The details of internal set up for redressal of complaints/ grievances will be displayed in branch premises. The branch officials shall provide all required information regarding procedure for lodging the complaint.

The person aggrieved with banking services will first complain to the bank and if he does not receive any reply or is unsatisfied with the reply of the Bank, he may approach Banking Ombudsman appointed by the Reserve Bank of India, for redressal of his grievance.

38. Review and Validity of the Policy

The policy shall be valid for the financial year 2023-24 and its continuity may be extended for a further period not exceeding three months with the specific approval of MD & CEO.

Annexure- I

Date :



यूनियन बैंक
ऑफ इंडिया
भारत सरकार का उपक्रम



Union Bank
of India
A Government of India Undertaking



From :

PF No.-----

To,

The Branch Head,

----- Branch.

Dear Sir,

Undertaking on Joint Deposit

This has reference to my/our Deposit account in the joint names of -----
----- (Staff/Retired Staff) and my -----(mention relationship)
Mr./Mrs.----- with your branch. In this regard,
I confirm/swear/submit that though the deposit amount is made in our joint names, the
monies deposited or which may be deposited from time to time into such account/s, belong
to me (staff member/Retired Staff member).

In view of the above, kindly extend the benefit of additional interest available for staff
deposits to the above referred deposit made in our joint names. In case the above
submission is found false at any time during the currency of the deposit account, I have no
objection in your reversing the additional interest paid on the deposit.

Yours sincerely,



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भारत सरकार का उपक्रम



Union Bank
of India
A Government of India Undertaking



(Name of staff member depositor)

Policy On Bank Deposits 2023-24