

Saurashtra Gramin Bank, Head Office, Rajkot

Deposit Policy

PREAMBLE

One of the important functions of the Bank is to accept deposits from the public for the purpose of lending. In fact, depositors are the major stakeholders of the Banking System. The depositors and their interests form the key area of the regulatory framework for banking in India and this has been enshrined in the Banking Regulation Act, 1949. The Reserve Bank of India is empowered to issue directives/advices on Interest Rates. Banks are now free to formulate deposit products within the broad guidelines issued by RBI/NABARD. This policy document on deposits outlines the guiding principles in respect of formulation of various deposit products offered by the Bank and the 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, method of disposal of deposits of the deceased etc., for the benefit of customers. It is expected that this document will impart greater transparency in dealing with the individual customers and create awareness of their rights. The ultimate objective is that the customers will get services they are rightfully entitled to receive without demand. While adopting this policy, the bank reiterates its commitment to individual customers. This document is a broad framework under which the rights of common depositors are recognized. Detailed operational instructions on various deposit schemes and related services will be issued from time to time.

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 Deposit”** means a deposit received by the Bank, which is withdrawable on demand.
 - I. **“Savings Deposit”** means a form of Demand Deposit which is subject to restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the Bank, during any specific period.
 - II. **“Current Account”** means a form of Demand Deposit wherefrom withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount and will also include other deposit accounts which are neither Savings Deposits nor Term Deposits.
 - III. **“Basic Savings Bank Deposit Account” (BSBDA)** means a demand deposit account opened for greater financial inclusion. Such accounts, opened on the basis of simplified KYC norms are additionally treated as a „Small Account“ (No frill Account) subject to conditions stipulated by RBI. The bank is committed to providing basic banking services to disadvantaged sections of the society. it can be converted to normal SB account after fulfilling guidelines for KYC and applicable minimum balance.

- b) **“Time Deposit”** means a deposit received by the Bank for a fixed period withdrawable only after the expiry of the fixed period and includes deposits such as Recurring Deposits/Term Deposits / Special Term Deposits / Saving Plus Deposit Scheme etc.
- I. **“Recurring Deposits”** means a form of deposit, which stipulates remittance of regular installments for a pre-fixed period at pre-fixed intervals by the customer. It forms part of term deposits.
- c) **Non Resident Deposit Accounts** –Non-Resident bank accounts are those, which are maintained by Indian nationals and Persons of Indian origin resident abroad, foreign nationals and foreign companies in India. Authorized branches can open ordinary non-resident accounts in the names of private individuals. Further Non Resident Deposit may be in form of Demand or Time Deposit.
- 3) WITHDRAWALS:** Withdrawals in account can be by way of Cheques, Withdrawal forms, through the use of ATM's, POS machines, by giving Standing Instructions to the Bank, ECS Instructions or through any other means (like Internet Banking) which may come into usage in future. Cash withdrawal should be in round rupees.
- 4) ACCOUNT OPENING AND OPERATIONS OF DEPOSIT ACCOUNTS**
- a. The Bank, before opening any deposit account, will carry out due diligence as required under “Know Your Customer” (KYC) guidelines issued by RBI and or such other norms or procedures adopted by the Bank. If the decision to open an account of a prospective depositor requires clearance at a higher level, reasons for any delay in opening of the account will be informed to him/her and the final decision of the Bank will be conveyed at the earliest to him/her.
- b. 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 clarifications sought by the prospective depositor when he approaches for opening a deposit account.
- c. For deposit products like Saving Bank (SB) A/c and Current Deposit (CD) A/c, the Bank will normally stipulate certain minimum balance to be maintained as per RBI/NABARD guidelines as part of the terms and conditions governing operations of such accounts which will be displayed on the branch notice board. Failure to maintain minimum balance in the account will attract levy of charges as specified by the Bank from time to time. For SB A/c the Bank may also place restrictions on the number of transactions, cash withdrawals, etc., for a given period. Similarly, the Bank may specify charges for issue of cheque books, additional statements of accounts, duplicate pass book, folio charges, etc. All such details, regarding terms and conditions for operation of the accounts and schedule of charges for various services provided will be communicated to the prospective depositor while opening the account.

- d. **Savings Bank Accounts** can be opened for eligible person/persons and certain organizations/agencies (as advised by RBI, from time to time). Current Accounts can be opened by Individuals/ Partnership Firms/ Private & Public Limited Companies/ HUFs/ Specified Associates/ Societies/Trusts, etc. **Term Deposits**, general information on various Deposits & Interest rates offered by our Bank is available on Bank's website www.sgbrrb.org.
- e. The due diligence process, while opening a Deposit Account will involve satisfying about the identity of the person, verification of address, satisfying about his/her occupation and source of income and obtaining recent photograph of the person/s opening/operating the account, as a part of the due diligence process. As per the provisions of the Prevention of Money Laundering Act, 2002 and the rules made there under by the Government, as well as guidelines issued by RBI/NABARD on KYC and KYC Policy of the Bank, identification documents for every customer is mandatory
- f. In addition to the due diligence requirements under KYC norms, the Bank is required by law to obtain the Permanent Account Number (PAN) or General Index Register (GIR) Number or alternatively a declaration in Form No.60 or 61 as specified under the Income Tax Act/Rules.
- g. 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). SB A/c can also be opened by a minor, jointly with Natural Guardian or with Mother, as the Guardian (status : known as Minor's Account). Minors of the age of 10 years & above will also be allowed to open and operate SB A/c, independently.
- h. Operation in Joint Account – The Joint Account opened by more than one individuals can be operated by any single individual or by more than one individual, jointly. The mandate for operating the A/c can be modified with the consent of all A/c Holders. The SB A/c opened by a minor, jointly with natural guardian/ guardian can be operated by natural guardian only.
- i. The Joint A/c Holders can give any of the following mandates for the disposal of balances in the above A/cs :
- a) **“Either or Survivor”**: If the account is held by two individuals, say A & B, the final balance along with interest, if applicable, will be paid to the survivor on death of anyone of the A/c Holders.
- b) **“Former or Survivor”**: The instructions “Former or Survivor” convey that the Account will be operated upon by the “Former” “A” alone, as long as he is alive and after his death by the “Survivor” “B”. “B” is not to operate the Account during the lifetime of “A”. “B” can operate the Account only after the death of “A”. If “B” dies first the Account is to be operated upon solely by “A”, the legal representative of “B” will have no right to the balance in the Account or to operate the Account. Only the legal representatives of the last Account Holder after his death are entitled to the balance in the Account.

- c) **“Anyone or Survivor/s”**: If the A/c is held by more than two individuals, say A, B and C, the final balance along with Interest, if applicable, will be paid to any one if all of them are alive or to the survivor/s on the death of any of the A/c Holders.
- d) **“Operated Jointly”** : Accounts which has operational instructions “operated jointly”, the operations and all the instructions in this account shall be accepted under joint signatures of all account holders. The above mandates will be applicable to or become operational only on or after the date of maturity in case of term deposits. This mandate can be modified only by the consent of all the a/c Holders.
- j. At the request of the depositor, the Bank will register the mandate/power of attorney given by him/her, authorising another person to operate the Account on his/her behalf.
- k. The Term Deposit A/c holders at the time of placing their deposits can give instructions with regard to closure of the Deposit A/c or renewal of deposit for a further period on the date of maturity. In general, there will be automatic renewal of the deposits for the same period as was for the last deposit.
- l. In general Pass book will be provided by the Bank to depositors for SB A/c and statement of a/c to CD a/c holders periodically as per terms and conditions of opening the A/c.
- m. Specific charges for issue of cheque books, additional/duplicate statement of account, passbook, copies of paid cheques, folio charges, ATM/Debit Card charges, verification of signatures, return of cheques, change in mandate or style of account, etc. will be recovered from time to time as applicable.
- n. Under financial inclusion, BSBDA A/cs should be opened either with “NIL” or very low minimum balances. The nature and number of transactions in such accounts may be restricted which will be made known to the customers at the time of opening of accounts in a transparent manner. BSBDA accounts are governed by RBI rules.

5) **NOMINATION FACILITY**

- a. Nomination facility is available on all deposit accounts opened by the individuals in their individual capacity. This is not available in the name of an institution or society or in any representative capacity as the holder of an office or otherwise. e.g. M.D. of a company, Secretary of an Association, partner of a firm, karta of a HUF etc. However, the facility of nomination is available in respect of deposits held in the name of a sole proprietary concern also. Nomination can be made in favour of one individual only. Nomination so made can be cancelled or changed by the account holder/(s) any time. Witness not required in case of literate person.
- b. In case of depositors putting his/her thumb impressions on the prescribed Forms for making nomination, cancellation or change thereof, the form is required to be attested by two witnesses. Nomination can be made in favour of a minor also, in that case appointee is required to be appointed.
- c. Nomination facility is available for joint deposit accounts with operating instructions as 'E' or 'S' also. In the case of joint accounts, the nominee's right arises only after the death of all the depositors. Bank recommends that all depositors avail of the nomination facility for smooth settlement of claim by the legal heirs in unforeseen

circumstances. The nominee, in the event of death of the depositor/s would receive the balance outstanding in the account as a trustee of legal heirs.

- d. Bank recommends that all depositors avail Nomination facility. If depositors do not want to give nomination, they will give in writing that they do not want nomination in the account. The depositor will be informed of the advantages of the nomination facility while opening a deposit account.
- e. An acknowledgment of Nomination details will be issued to the depositor/s.

6) INTEREST PAYMENT:

- a) Interest shall be paid on Savings Bank/Term Deposit accounts of residents Indians and Non-resident (External) Rupee Deposits (NRE) and Ordinary Non-Resident Deposit (NRO) accounts of the NRIs, at the rate decided by the Bank within the general guidelines issued by the RBI/NABARD from time to time. Interest on Saving Bank Deposit is calculated on daily product basis.
- b) In terms of RBI 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 formulae and conventions as approved by RBI/NABARD/Bank's Board.
- c) The rate of Interest on Deposits will be prominently displayed in the branch premises/on Bank's Website from time to time. Changes in rates, if any, with regard to the deposit schemes and other related services shall also be communicated upfront and shall be prominently displayed.
- d) The Bank has statutory obligations to deduct income tax at source if the total interest paid/payable on all Term Deposits held by a person during a financial year exceeds the amount specified under the Income Tax Act. The customer may give instructions to deduct TDS payable on the deposit, from operative account linked to the Term Deposit account; otherwise the amount of tax would be deducted from interest payable on term deposits and the maturity proceeds of the deposits will be less than that mentioned on Term Deposit. The Bank will issue a Tax Deduction Certificate (TDS) for the amount of tax deducted. The depositor, if entitled for exemption from TDS can submit declaration in the prescribed format i.e. Form 15G/15H at the beginning of every financial year. DEPOSITORS must furnish their PAN Number along with 15G /15H. Failure to furnish PAN will result in deduction of TDS at the prevailing rate advised by Income Tax department.

7) INTEREST PAYMENTS – MODE OF CALCULATION

- a) **SAVINGS BANK ACCOUNTS:** Interest shall be paid on SB Account at the rate as specified by the Bank from time to time. Interest will be calculated on daily product basis and will be credited in the SB A/c in the months of August and February every year or at the time of closing of the SB A/c.
- b) **TERM DEPOSIT ACCOUNTS:** Interest on Term Deposits shall be as applicable on the date of issue/renewal of the Term Deposit Receipt. Interest would be calculated at Quarterly or larger intervals (and not monthly). In the case of Monthly Income Certificate (MIC) Scheme, the Interest is paid monthly at discounted value of the interest for one month.

8) Mode of calculation of Interest on Short Deposits and Fixed Deposits:

- a) SHORT DEPOSITS (Repayable within six months): Interest would be paid for the actual number of days on the basis of 365 days in a year.
- b) FIXED DEPOSITS (Repayable six months and above): Interest would be paid for the actual number of days on the basis of 365 days in a year. Interest is payable only if Fixed Deposit remain with the Bank for minimum period of 7 days. This guideline is subject to revision time to time as per Bank/RBI/NABARD Direction.

9) ACCOUNTS OF MINORS

- a) A minor can open Savings Bank Account and the same can be operated by the natural guardian or by minor himself / herself, if he/she is above the age of 10 years and can sign uniformly.
- b) On attaining majority, the erstwhile minor should confirm the balance in his/her account and if the account is operated by the natural guardian / guardian, fresh specimen signature of erstwhile minor duly verified by the natural guardian would be obtained and kept on record for all operational purposes.

10) ACCOUNTS OF MIGRATORY WORKER, TRANSFERRED EMPLOYEE ETC

- a) Customers may submit only one documentary proof of address (either Current or permanent) while opening a bank account or while undergoing periodic updating. In case the address mentioned as per 'proof of address' undergoes a change, fresh proof of address may be submitted to the branch within a period of Six months.
- b) In case the proof of address furnished by the customer is not the local address or Address where the customer is currently residing, the Branch may take a Declaration of the local address on which all correspondence will be made by the bank with the customer. No proof is required to be submitted for such Address for correspondence / local address. This address may be verified by the bank through 'positive confirmation' such as acknowledgment of receipt of (i) letter, cheque books, ATM cards; (ii) telephonic conversation; (iii) visits; etc. In the event of change in this address due to relocation or any other reason, Customers may intimate the new address for correspondence to the Branch within two weeks of such a change.

11) ACCOUNTS OF ILLITERATE PERSON

An illiterate person may open a Savings Bank account in his sole name or jointly with other person(s). The Bank may open deposit accounts **other than Current Accounts** of illiterate person. 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.

12)ACCOUNTS OF PHYSICALLY IMPAIRED PERSON

A physically impaired person may open an account in his sole name or jointly with other person(s). The Bank may at its discretion open deposit accounts other than Current Accounts. 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.

13)ACCOUNTS OF VISUALLY IMPAIRED PERSON

A visually impaired person may open Savings Bank account in his sole name or jointly with other person(s). The Bank may at its discretion open deposit accounts other than Current Accounts of visually impaired 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.

14)ACCOUNTS OF DISABLED PERSONS WITH AUTISM, CEREBRAL PALSY, MENTAL RETARDATION AND MULTIPLE DISABILITIES

Guardianship certificate issued either by the District Court under Mental Health Act, 1987 or by the Local Level committees under the National Trust for the welfare of persons with Autism, Cerebral Palsy, Mental retardation and Multiple Disabilities Act, 1999 is required for the purpose of opening / operating accounts of such disabled persons. Branches give proper guidance to the guardians/managers of the disabled persons with autism, cerebral palsy, mental retardation and multiple disabilities so that they do not face any difficulties in opening of an account.

15) ADDITION OR DELETION OF THE NAME/S IN AN ACCOUNT

In Joint A/c, the Bank may at the request of all the Joint A/c holders allow addition or deletion of name/s of Joint A/c Holders, if the circumstances so warrant. In case of individual A/c, the Bank may allow an individual depositor to add the name of another person as a Joint A/c Holder.

16)TRANSFER OF ACCOUNTS

The deposit accounts may be transferred to any other branch of the Bank at the request of the depositor. After the accounts are transferred, the account holder has to provide local address proof or submit a declaration to provide the new address proof within six months at the transferee branch, if the transfer is at a different centre.

17) CLOSURE OF ACCOUNTS

- a.) 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.
- b.) Under normal circumstances, we will not close depositors account without giving prior notice of 30 days indicating the reasons for such closure.

18) SECRECY OF CUSTOMER'S ACCOUNTS

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

19) PREMATURE WITHDRAWAL FROM/CLOSURE OF TERM DEPOSIT

The Bank on 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 declare their penal interest rates policy for premature withdrawal of term deposit. The Bank shall make depositors aware of the applicable rate along with the deposit rate. In case of joint accounts, premature withdrawal of Term Deposit will depend on the mandate given by the depositors jointly at the time of opening the Term Deposit or any time subsequently during the term/ tenure of deposit as per mandate. In the event of the death of the depositor, premature termination of the term deposits would be allowed

20) 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 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 bank 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.

21) RENEWAL OF OVERDUE TERM DEPOSITS

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

22) AUTOMATIC RENEWAL OF TERM DEPOSITS ON DUE DATE

Unless there are specific instructions to the contrary, term deposits will be renewed for the same tenure as was for the matured Term Deposit and rate of interest would be as prevailing on due date.

23) ADVANCES AGAINST DEPOSITS

The Bank may consider request of the depositor/s for loan / overdraft facility against term deposits on execution of necessary security documents.

24) SETTLEMENT OF DUES IN DECEASED DEPOSIT ACCOUNT

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

- b) The above procedure will be followed even in respect of a joint A/c where nomination is registered with the Bank.
- c) In Joint Deposit A/cs under operational instructions “operated jointly”, where no nomination is made when one of the Joint A/c 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 A/c holders had given mandate for disposal of the balance in the A/c in the forms such as “either or survivor”, etc., the payment will be made as per the mandate to avoid delays on production of legal documents by the heirs of the deceased.
- d) In the absence of nomination and when there are no disputes among the claimants, the Bank will pay the amount outstanding in the A/c of deceased person against joint application and indemnity by all legal heirs or the person mandated by all legal heirs to receive the payment on their behalf without insisting on legal documents upto Rs.1000, the limit may be revised by the Bank time to time. This is to facilitate that the common depositors are not put to hardship on account of delays in completing legal formalities.
- e) Bank may call for succession certificates from the legal heirs of deceased depositors in cases a) where there are disputes and all the legal heirs do not join in indemnifying the Bank and b) in certain other exceptional cases where the Bank has a reasonable doubt about the genuineness of the claimant(s) being the only legal heir(s) of the depositor.

25) INTEREST PAYABLE ON TERM DEPOSIT IN DECEASED ACCOUNT

- a) In the event of 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. From the date of maturity to the date of payment, the Bank shall pay simple interest at the applicable rate prevailing on the date of maturity, for the period for which the deposit remained with the Bank, beyond the date of maturity as per the Bank’s policy in this regard.
- b) However, in the case of death of the depositor after the date of maturity of the Deposit, the Bank shall pay Interest at Savings Deposit rate prevailing on the date of maturity, from the date of maturity till the date of payment.

26) INSURANCE COVER FOR DEPOSITS

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

27) STOP PAYMENT FACILITY

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

28) DORMANT/INOPERATIVE ACCOUNTS

Accounts which are not operated for a considerable period of time 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. At present Savings Bank and Current accounts are treated as „inoperative/dormant“ if there are no debit as well as credit transactions induced at the instance of customers in the account for a period of over two years. Customer mandated transactions are treated as customer induced transactions and the accounts are treated as operative. The list of Unclaimed/inoperative accounts for more than 10 years is displayed on Bank“ s website for the notice to the public. Claimants can approach the branch with full details of the account for claiming the amount as per the Bank“ s policy. The depositor can request the Bank to activate the account for operating it. The procedure to be followed for activating the account will be intimated and activation of such accounts will not be charged.

29) REDRESSAL OF COMPLAINTS AND GRIEVANCES

Depositors having any complaints/grievances with regard to services rendered by the bank have a right to approach authority (ies) designated by the Bank for handling customers' complaints/grievances. The Bank has in place customers' grievance redressal policy to assist depositors. Accordingly, depositors not satisfied with the services of the Bank may approach nodal officer for redressal of their complaints. Details of nodal officers are displayed at every branch/Regional Office of the bank and are also available on bank's website www.sgbrb.org. 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 30 days from the date of complaint received by the Bank or he/she is not satisfied with the response received from the Bank, he/she has the right to approach Banking Ombudsman appointed by the Reserve Bank of India.

30) Service Charges

The Bank will levy service charges as approved by RBI/NABARD/Bank's Board. The applicable Service Charges will be available for the knowledge of customer on the website of our Bank

31) Policy Revision

The Bank reserves the right to amend/modify this Policy, as and when deemed fit and proper, at its sole discretion. Bank shall also endeavor, to review the Policy at annual intervals.

32) INTIMATION TO CUSTOMERS ON CHANGES EFFECTED

The depositors will be informed of a change in the policy by either of the following, which Bank consider appropriate.

- Advertisement in the newspapers
- SMS to the customers, if mobile number is registered
- Display on the notice board at the branch
- Display on Bank's website at www.sgbrb.org
- Intimation by means of a letter