

CENTRAL MADHYA PRADESH GRAMIN BANK
POLICY ON BANK DEPOSITS -2017-2018

PREAMBLE

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

This policy document on deposits outlines the guiding principles in respect of formulation of various deposit products offered by the Bank and 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 deposits accounts, payment of interest on various deposit accounts, closure of deposit accounts, method of disposal of deposits of deceased depositors, etc., for the benefit of customers. It is expected that this document will impart greater transparency in dealing with the individual customers and create awareness among customers of their rights. The ultimate objective is that the customer will get the services they are rightfully entitled to receive without demand.

While adopting this policy, the bank reiterates its commitments to individual customers outlined in Bankers' Fair Practice Code of Indian Banks' Association. 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

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:

- i) "**Demand deposits**" 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 a deposit account whether designated as "Savings Account", "Savings Bank Account", "Savings Deposit Account", "Basic Savings Bank Deposit Account (BSBDA)" or other account by whatever name called which is subject to the restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the bank during any specified period;
- iii) "**Term 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 / Double Benefit Deposits / Short Deposits / Fixed Deposits /Monthly Income Certificate /Quarterly Income Certificate etc.
- iv) "**Notice Deposit**" means term deposit for specific period but withdrawable on giving at least one complete banking days' notice;
- v) "**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 Deposit nor Term Deposit;

vi) “Bulk Deposit” means: Single Rupee term deposits of Rupees fifteen lakhs and above

Deposits

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

Withdrawals

Withdrawals in account can be by way of Cheques, Withdrawal forms, through the use of ATM's, *POS machines, by means of electronic transfer through Internet, by use of biometric cards, by giving Standing Instructions to the Bank, ECS 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..

*Withdrawal from this mode is not available at present, can be facilitated, once this facility is available

Account Opening and Operation 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 and the final decision of the Bank will be conveyed at the earliest to him.

B) The bank is committed to providing basic banking services to disadvantaged sections of the society. Banking services will be offered to them through small accounts. Such accounts will be opened with relaxed customer acceptance norms as per regulatory guidelines.

C) The account opening forms and other material would be provided to the prospective depositor by the Bank. The same will contain details of information to be furnished and documents to be produced for verification and/ or for record. It is expected of the Bank official opening the account, to explain the procedural formalities and provide necessary clarifications sought by the prospective depositor when he approaches for opening a deposit account.

D) For deposit products like Savings Bank Account and Current Deposit Account, the Bank will normally stipulate certain minimum balances to be maintained as part of terms and conditions governing operation of such accounts. Failure to maintain minimum balance in the account will attract levy of charges as specified by the Bank from time to time. For Saving Bank Account, the Bank may also place restrictions on number of transactions, cash withdrawals, etc., for given period. Similarly, the Bank may specify charges for issue of cheque books, additional statement of accounts, duplicate 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. Service charges of the bank are displayed at the Bank's website as well.

E) Savings Bank Accounts can be opened for eligible person / persons and certain organizations / agencies (as advised by Reserve Bank of India (RBI) from time to time)

Current Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies / Trusts, etc.

Term Deposits Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates / Societies / Trusts, etc.

F) 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 recent photograph of the person/s opening / operating the account is part of due diligence process.

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

H) The Bank will undertake due diligence as per as per the applicable FATCA/CRS rules as notified by RBI/CBDT. The customer has to declare and agree to disclose the material facts at the time of opening and in also future, failing which the Bank would be within its right to put restrictions in the operations of the account or close it or report to any regulator and/or any authority designated by GOI/RBI or take any other action as may be deemed appropriate by the Bank if the deficiency is not remedied within the stipulated period.

I) Deposit accounts can be opened by an individual in his own name (status: known as account in single name) or by more than one individual in their own names (status : known as Joint Account) . Savings Bank Account can also be opened by a minor jointly with natural guardian or with mother as the guardian (Status: known as Minor's Account). Minors above the age of 10 will also be allowed to open and operate saving bank account independently.

J) KYC once done by one branch of the bank will be valid on transfer of the account within the Bank as long as full KYC has been done for the concerned account. The customers are allowed to transfer their account from one branch to another branch without insisting on fresh proof of address and on the basis of a self-declaration from the account holder about his / her current address, subject to submitting proof of address within a period of six months. Periodical updation of KYC data would continue to be done by the Bank as per prescribed periodicity

K) 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 natural guardian / guardian only.

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

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

- ii. **Former 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 A. However, in case of death of A it will be paid to B.
- iii. **Latter or Survivor :** If the account is held by two individuals say, A & B, the final balance along with interest, if applicable, will be paid to B. However, in case of death of B, it will be paid to A.
- iv. **Anyone or Survivor/s :** If the account is held by more than two individuals say, A, B and C, the final balance along with interest, if applicable, will be paid to any one of the joint account holders or to the survivor(s) on death of any one/two account holders.
- v. **Jointly:** If the account is held by more than two individuals say, A, B and C, the bank account will be operated by both or all account holders jointly. In such accounts, operations are permitted only with the mandate or authority of both or all the account holders jointly. For Example: A and B opened a joint bank account in Bank X with mode of operation Jointly, to do some transaction or instruct bank for any service both A and B need to sign the form, otherwise as per the mandate given by all depositors jointly

The above mandate for opening joint accounts/disposal of balances become operational from the date deposit account is opened. This mandate can be modified by the consent of all the account holders. In case of joint accounts, the premature withdrawal of Term Deposits will depend on the mandate given by the depositors jointly at the time of opening the Term Deposit or at any time subsequently during the term/ tenure of deposit as per mandate, without seeking the concurrence of the legal heirs of the deceased joint deposit holder. In the event of the death of the depositor, premature termination of the term deposits would be allowed.

M) 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.

N) The term deposit account holders at the time of placing their deposits can give instructions with regard to closure of deposit account or renewal of deposit for further period on the date of maturity. In absence of such mandate, the Bank will automatically renew the deposit for original tenure for which the deposit is initially made.

O) Nomination facility

- The depositor will be informed of the advantages of the nomination facility while opening a deposit account.
- Nomination facility is available on all deposit account/accounts opened by the individual/individuals.
- Nomination is also available to a sole proprietary concern account. Nomination can be made in favour of one individual only.

- Nomination can be made in favour of a minor also, subject to the appointment of natural or court appointed guardian to receive the amount of the deposit on behalf of the nominee in the event of account holder(s) death, along with the details and signatures of 2 witness(es)
- Nomination facility is available for joint deposit accounts. In the case of joint accounts, the nominee's right arises only after the death of all the depositors.
- Only one nominee can be made for deposit accounts
- Name of Nominee will be printed in the Passbook/ Term Deposit receipts/ statement of accounts, if a customer opts for the same.
- In case of depositors putting his/her thumb impressions on the prescribed Forms for making nomination, cancellation or change thereof, it is required to be attested by two witnesses with their signatures. (Thumb impression of witness(es) is not allowed)
- Nomination so made can be cancelled or changed by the account holder/(s) any time.
- Bank recommends that all depositors avail nomination facility. If they do not want to give nomination, they will give in writing that they do not want nomination in the account. 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.

P) 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 these account holders.

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 center.

A) Inter Branch Account Transfer:

The transfer of deposit accounts of the customers from one branch to the other branch within the bank is possible without change in the account number.

The customer will be required to tender a written request letter for transfer of his/her/ accounts to the home branch or at the branch where he/she wants to transfer his/her account. In case he/she

opt to submit application at transferee branch, the transferee branch will forward the request application of the customer to home branch and only Home branch will transfer the account.

After the accounts are transferred, the account holder has to provide local address proof at the transferee branch.

Interest Payments

i) Bank has adopted the method of reckoning the year at 365 days (even for Leap Year) for the calculation of interest on Deposit and Loan.

ii) Interest shall be paid on Savings Bank/Term Deposit accounts of residents Indians at the rate decided by the Bank within the general guidelines issued by the Reserve Bank of India from time to time. Interest on SB accounts is calculated **Quarterly** on daily product basis and credited to the accounts on half yearly basis in the month of June and December. However, term deposit interest rates are decided by the Bank within the general guidelines issued by the Reserve Bank of India from time

iii) In terms of Reserve Bank of India directives, interest shall be calculated at quarterly intervals on term deposits and paid at the rate decided by the Bank depending upon the period of deposits. In case of monthly deposit scheme, the interest shall be calculated for the quarter and paid monthly at discounted value. The interest on term deposits is calculated by the Bank in accordance with the formulae and conventions advised by Indian Banks' Association.

iv) The rate of interest on deposits will be prominently displayed in the branch premises. Changes, if any, with regard to the deposit schemes and other related services shall also be communicated upfront and shall be prominently displayed. These will also be displayed in the Bank's website.

v) Mode of calculation of interest on Short deposits and fixed deposits:

**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

**FIXED DEPOSITS
(Repayable six months & above)**

Interest would be paid on quarterly compounded basis for the actual number of days on the basis of 365 days in a year

******Note:** In respect of any "Special deposit scheme" announced by the bank, it will have different interest calculation method as per the scheme offer. ****

vi) The Bank has statutory obligation to deduct tax at source if the total interest paid / payable on all term deposits held by a person exceeds the amount specified under the Income Tax Act.

- The Bank will issue a tax deduction certificate (TDS Certificate) for the amount of tax deducted.
- The depositor, if entitled to exemption from TDS can submit declaration in the prescribed format at the beginning of every financial year.
- Branch will give an acknowledgment to the customer at the time of receipt of Form 15-G/15-H. This will help in building a system of accountability and customers will not be put to inconvenience due to any omission on the part of the branch.

- The declaration filed in Form 15G and 15H u/s 197A shall not be valid unless the person filing the declaration furnishes his PAN in such declaration. In case of failure to do the same, tax is deducted at the rate mentioned in the relevant provisions of the IT Act or at the rate in force or at the rate of 20%, whichever is applicable.

FORM- 15G

Form 15G can be submitted by Non-Senior Citizens i.e. individuals who are less than 60 years of age and who satisfy both the criteria mentioned below:-

- (i) The final tax on the estimated total income computed as per the provisions of the Income Tax Act should be NIL.
- (ii) The aggregate of the interest & other income received during the financial year should not include the basic exemption limit as per the prevailed Income Tax slab.

FORM-15H

15H can be submitted by Senior Citizens only i.e. those who are above 60 years of age and satisfy the following criteria:

- (i) The financial tax on the estimated total income computed as per the provisions of the Income Tax Act should be Nil.
- (ii) If the total interest earned on all Time Deposits of a customer, wherever TDS is applicable, exceeds the exemption limit of Income Tax {Presently Rs. 250000.00 (Rs. Two Lakh Fifty Thousand only). These exemptions limits are subject to change as per Govt. Policies and are net of Standard Deductions, as may be applicable} Form 15G or 15H will not be accepted. In such case, the depositor may approach Income Tax authority for any exemption in TDS.

Deposits maturing on non-business working day

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

MINORS' ACCOUNTS

- a) The minor can open Savings Bank Account and the same can be operated by the natural guardian / guardian or by minor himself / herself, if he/she has attained the age of 10 years or above. The account can also be opened jointly subject to:

(i) Minor Accounts operated by guardian (When Minor's age is below 10 years): In this case the account is operated by the natural guardian in two capacities – one as joint account holder and the other as a natural guardian of minor joint account holder. In such accounts special instructions like 'either or survivor' or jointly or survivor' should be obtained which remain dormant during minority of the minor and become operative after the minor becomes major.

ii) Self Operated Accounts by minors (when minor has completed the age of 10 years and is literate): Joint account of a minor is allowed with his guardian.

iii) Joint account is also allowed in the name of two minors provided both are of 10 years of age, are literate, belong to the same family and operation is jointly.

- 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.

ACCOUNT OF ILLITERATE PERSON

The Bank may at its discretion open deposit accounts other than Current Accounts of illiterate person. The SB/RD/Time Deposit account of such person may be opened provided he/ she is identified by a witness who is known to both the depositor and the Bank. Normally, no chequebook 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.

ACCOUNTS OF VISUALLY CHALLENGED PERSON

A visually challenged 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 visually challenged person. The SB/RD/Time Deposit account of such person may be opened provided he/she is identified by a witness who is known to both the depositor and the Bank. The Bank official shall explain the terms and conditions governing the account to such person. All banking facilities such as cheque book, ATM facility, lockers, retail loans etc. are offered to visually challenged persons without any discrimination. Precautionary measures should be taken while

allowing operations in such accounts, under witness(es) of a literate person known to customer and Bank.

FACILITY TO SICK/OLD/INCAPACITATED PERSONS

Bank will extend all possible help to an account holder who is not only unable to be physically present in the bank but is also not able to put his/her thumb impression on the cheque /withdrawal form due to certain physical incapacity.

In such cases where thumb or toe impression of the sick/old/incapacitated account holder is obtained, it will be identified by two independent witnesses known to the bank, one of whom should be responsible Bank official.

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.

CUSTOMER INFORMATION

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

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 express 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.

PREMATURE WITHDRAWAL 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 has the freedom to determine its own penal interest rate for premature withdrawal of term deposits.

At present provisions of penal interest are as follow:

- i. In case of premature withdrawal of deposits up to Rs. 2 lakhs, there will be no levy of penal interest.

- ii. Penal interest at the rate of 1% will be charged on premature withdrawal of time deposit above Rs. 2 lakhs.
- iii. No Penalty will be levied on premature withdrawal of deposits provided the deposits are renewed for a period longer than remaining period of the original contract.
- iv. The premature payment of auto renewed time deposits will be made with upto date interest as per provisions contained herein above
- v. Penalty is waived on premature payment of Deposit upon settlement of claims in the deceased depositor's accounts in the case of a term deposit standing in the name of deceased individual depositor and two or more joint depositors where one of the depositors has died. Interest is paid at the applicable rate for the period actually run on the date of placing the deposit.

The bank shall ensure that the depositors are made aware of the applicable penal rate along with the deposit rate. However, the bank at its discretion may disallow premature withdrawal of large Rupee term deposits of '1 crore and above'. The bank shall, however, notify such depositors of its policy of disallowing premature withdrawal in advance, i.e. at the time of accepting such deposits."

The joint deposit holders shall be permitted to give the mandate for pre-mature payment either at the time of placing fixed deposit or anytime subsequently during the term/ tenure of the deposit. If such a mandate is obtained, bank shall allow premature withdrawal of term / fixed deposits by the surviving depositor without seeking the concurrence of the legal heirs of the deceased joint deposit holder. Further, such premature payment of deposit would not attract any penal charge.

In case of term deposits with "Either or Survivor" or "Former or Survivor" or "Latter or survivor" or "Anyone or Survivors" mandate, bank shall 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.

If the operating instruction is "Either or Survivor" or "Anyone or Survivors" and one of the depositors expires before the maturity, no pre-payment of the fixed / term deposit may be allowed without the concurrence of the legal heirs of the deceased joint holder in absence of mandate by the joint deposit holders.

In Case of term deposits with "Former or Survivor", premature withdrawal would however require the consent of the both parties, when both of them are alive, and that of the surviving depositor and the legal heirs of the deceased in case of death of one of the depositors.

In Case of term deposits with "Latter or Survivor", premature withdrawal would however require the consent of the both parties, when both of them are alive, and that of the surviving depositor and the legal heirs of the deceased in case of death of one of the depositors.

PREMATURE RENEWAL OF TERM DEPOSIT

In case the depositor desires to renew the deposit by seeking premature closure of an existing term deposit account, the bank will permit the renewal at the applicable rate on the date of renewal, provided the deposit is renewed for a period longer than the balance period of the original deposit. While prematurely closing a deposit for the purpose of renewal, interest on the deposit for the period it has remained with the bank will be paid at the rate applicable to the period for which the deposit remained with the bank and not at the contracted rate.

RENEWAL OF OVERDUE RD/ TERM DEPOSITS

Overdue interest will be paid in RD overdue a/c if the customer invests total proceeds of such RD a/c in other Time Deposit scheme of the Bank

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

If request for renewal is received after the date of maturity, such overdue deposits will be renewed with effect from the date of maturity at interest rate applicable as on the due date, provided such request is received within 14 days from the date of maturity. In respect of overdue deposits renewed after 14 days from the date of maturity, interest for the overdue period will be paid at the rates decided by the Bank from time to time.

ADVANCES AGAINST DEPOSITS

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

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

SETTLEMENT OF DUES IN DECEASED DEPOSIT ACCOUNT

- i. If the depositor has registered nomination with the Bank; - the balance outstanding in the account of the deceased depositor will be transferred to the account of / paid to the nominee after the Bank satisfies about the identity of the nominee, etc.
- ii. The above procedure will be followed even in respect of a joint account where nomination is registered with the Bank. In the case of joint accounts, the nominee's right arises only after the death of all the depositors.
- iii. In a joint deposit account, when one of the joint account holders dies, the Bank is required to make payment jointly to the legal heirs of the deceased person and the surviving depositor(s). However, if the joint account holders had given mandate for disposal of the balance in the account in the forms such as "either or survivor, former /

latter or survivor, anyone of survivors or survivor; etc., the payment will be made as per the mandate to avoid delays in production of legal papers by the heirs of the deceased.

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

INTEREST PAYABLE ON TERM DEPOSIT IN DECEASED ACCOUNT

- i) In the event of death of the depositor before the date of maturity of deposit and amount of the deposit is claimed after the date of maturity, the Bank shall pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment, the Bank shall pay simple interest at the applicable rate operative 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.
- ii) 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 operative on the date of maturity from the date of maturity till the date of payment.

Payment of Additional Interest on domestic deposits

A. Bank shall allow additional interest of one per cent per annum, over and above the rate of interest mentioned in the schedule of interest rates on savings or a term deposits of bank's present, resigned staff after confirmation in service of our bank and retired staff (Not applicable to terminated/ CRS/ Dismissed Staff) and on deposits of Chairman, General Manager, Regional Manager or such other Executives appointed for a fixed tenure, subject to the following conditions:

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

(ii) 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.

(iii) In the case of employees taken on deputation from another bank, the bank from which they are deputed may allow additional interest in respect of the savings or term deposit account opened with it during the period of deputation.

(iv) In the case of persons taken on deputation for a fixed tenure or on a contract of a fixed tenure, the benefit will cease to accrue on the expiry of the term of deputation or contract, as the case may be.

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

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

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

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

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

Insurance Cover for Deposits

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

Stop Payment Facility

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

Dormant Accounts/ Inoperative Accounts

Section 26 of the Banking Regulation Act, 1949 provides, inter alia, that every banking company shall, within 30 days after close of each calendar year submit a return in the prescribed form and manner to the Reserve Bank of India as at the end of each calendar year (i.e., 31st December) of all accounts in India which have not been operated upon for 10 years.

The Depositor Education and Awareness Fund Scheme, 2014 –Section 26A of Banking Regulation Act, 1949:

The Bank will adhere to the provisions of the Depositor Education and Awareness Fund Scheme, 2014 issued by RBI from time to time

Bank shall follow the instructions detailed below while dealing with inoperative accounts:

- i) Bank shall make an annual review of accounts in which there are no operations (i.e., no credit or debit other than crediting of periodic interest or debiting of service charges) for more than one year. The bank may approach the customers and inform them in writing that there has been no operation in their accounts and ascertain the reasons for the same. In case the non- operation in the account is due to shifting of the customers from the locality, they may be asked to provide the details of the new bank accounts to which the balance in the existing account could be transferred.
- ii) If the letters are returned undelivered, they may immediately be put on enquiry to find out the whereabouts of customers or their legal heirs in case they are deceased.
- iii) In case the whereabouts of the customers are not traceable, banks shall consider contacting the persons who had introduced the account holder. They can also consider contacting the employer / or any other person whose details are available with them. They can also consider contacting the account holder telephonically in case his Telephone number / Cell number has been furnished to the bank. In case of Non Resident accounts, the bank may also contact the account holders through e-mail and obtain their confirmation of the details of the account.
- iv) A savings as well as current account shall be treated as inoperative / dormant if there are no transactions in the account for over a period of two years.
- v) In case any reply is given by the account holder giving the reasons for not operating the account, banks shall continue classifying the same as an operative account for one more year within which period the account holder may be requested to operate the account. However, in case the account holder still does not operate the same during the extended period, bank shall classify the same as inoperative account after the expiry of the extended period.

- vi) For the purpose of classifying an account as ‘inoperative’ both the type of transactions i.e., debit as well as credit transactions induced at the instance of customers as well as third party shall be considered. However, the service charges levied by the bank or interest credited by the bank shall not be considered.
- vii) There may be instances where the customer has given a mandate for crediting the interest on Fixed Deposit account to the Savings Bank account and there are no other operations in the Savings Bank account. Since the interest on Fixed Deposit account is credited to the Savings Bank accounts as per the mandate of the customer, the same shall be treated as a customer induced transaction. As such, the account shall be treated as operative account as long as the interest on Fixed Deposit account is credited to the Savings Bank account. The Savings Bank account can be treated as inoperative account only after two years from the date of the last credit entry of the interest on Fixed Deposit account.
- viii) Further, the segregation of the inoperative accounts is from the point of view of reducing risk of frauds etc. However, the customer shall not be inconvenienced in any way, just because his account has been rendered inoperative. The classification is there only to bring to the attention of dealing staff, the increased risk in the account. The transaction may be monitored at a higher level both from the point of view of preventing fraud and making a Suspicious Transactions Report. However, the entire process shall remain un-noticeable by the customer.
- ix) Operation in such accounts may be allowed after due diligence as per risk category of the customer. Due diligence would mean ensuring genuineness of the transaction, verification of the signature and identity etc. However, it would be ensured that the customer is not inconvenienced as a result of extra care taken by the bank.
- x) There will be charges for activation of inoperative accounts, which may change from time to time as per the amendments in the schedule of service charges of the Bank.
- xi) Banks will ensure that the amounts lying in inoperative accounts are properly audited by the internal auditors / statutory auditors of the bank.
- xii) Interest on savings bank accounts shall be credited on regular basis whether the account is operative or not.
- xiii) Banks will also consider launching a special drive for finding the whereabouts of the customers / legal heirs in respect of existing accounts which have already been marked as ‘inoperative accounts’.

Display list of Inoperative Accounts:

Bank will display the list of unclaimed deposits/inoperative accounts which are inactive / inoperative for ten years or more on their respective websites. The list so displayed on the websites will contain only the names of the account holder(s) and his/her address in respect of

unclaimed deposits/inoperative accounts. In case such accounts are not in the name of individuals, the names of individuals authorized to operate the accounts will also be indicated. However, the account number, its type and the name of the branch shall not be disclosed on the bank's website. Banks will also give on the same website, the information on the process of claiming the unclaimed deposit/activating the inoperative account and the necessary forms and documents for claiming the same. Banks will have adequate operational safeguards to ensure that the claimants are genuine

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

INTIMATION TO CUSTOMERS ON CHANGES EFFECTED

The depositors will be informed of a change in the policy by either of the following:

- Display on the notice board at the branch
- Display on Bank's website at <http://www.centralmpgraminbank.com>.

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.

REDRESSAL OF COMPLAINTS AND GRIEVANCES:

Depositor 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. 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 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.

(Deposit Policy is approved by the Honourable Board of directors in their 29th Board meeting held on 16.08.2017)
