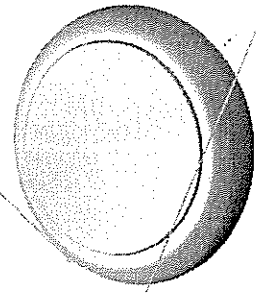
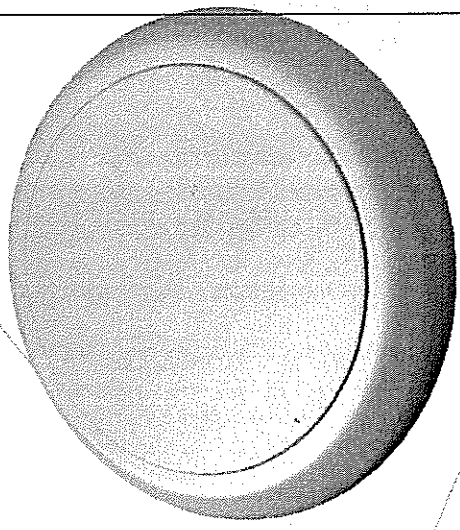


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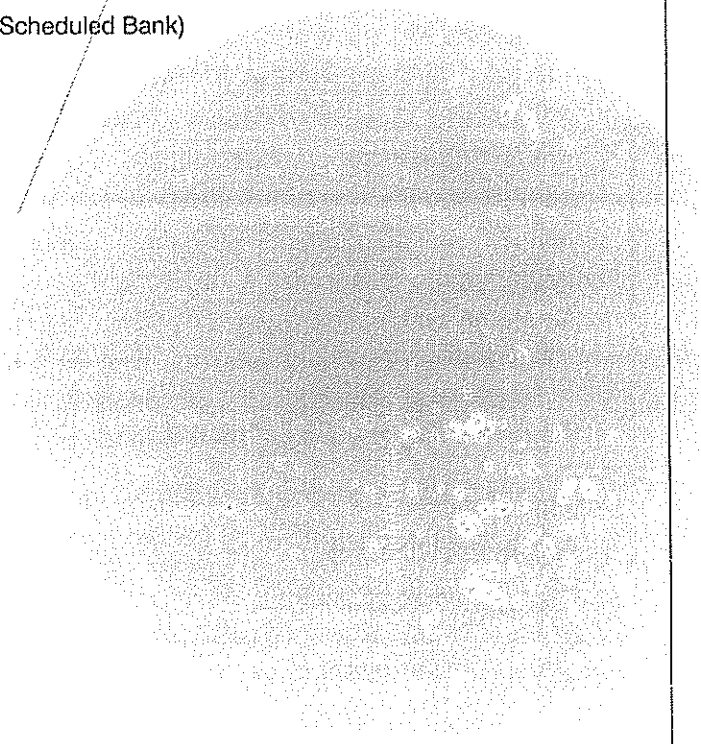
COSMOS BANKTM

THE COSMOS CO-OP. BANK LTD. (Multistate Scheduled Bank)

Enriching Life!

Comprehensive Deposit Policy

Resources Department



Classification: Classified –Strictly for Cosmos Internal use only.

Department: Resources Department

Author: General Manager, Operations

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Policy approval Policy reviewed as per RBI guidelines

Name	Position	Signature
Hon. Board of Directors		

Procedural Sign Off

Sr. No.	Name	Position	Review / Signature
1	Suhas Gokhale	Managing Director	
2	General Manager	Operations	
3	Dy. General Manager	Resources	

Distribution List

Sr. No.	Name	Position
1	All branches and employees	

INTRODUCTION -

The Banks has formulated a transparent and comprehensive policy setting out the rights of the depositors. The policy covers all aspects of operations of deposit accounts and other related issues to facilitate interaction of depositors at branch levels. This policy is also explicit in regard to secrecy and confidentiality of the customers.

PURPOSE

This policy document aims at compiling all the rules, regulations to be followed while opening, maintaining, closing any of deposit account. The review mechanism envisages identifying shortcoming in product features and service delivery, for betterment of the product.

REFERENCE –

RBI Master Direction

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Section 2	Objectives of the Policy



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Section 1. Scope

This policy applies to all business units across the Cosmos Bank in all geographies and covers all categories of branches/offices.

Section 2. Objectives of the Policy

The Bank is engaged in the general banking business, accepting deposits from the public for the purpose of lending and making investments. Over the years the bank has emerged as a key market player in catering to the financial requirements of our customers. The customers would continue to be the centre-point of our business strategy. In tune with above objectives our bank has also diversified into different fields like life and non-life insurance, depository services, mutual fund, collection of taxes etc.



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 terms and conditions governing the conduct of the account.

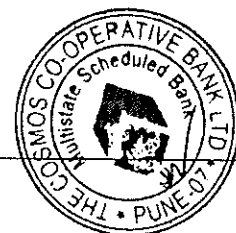
The document recognizes the rights of depositors and aims at dissemination of information with regard to various aspects of acceptance of deposits from the members of the public, conduct and operations of various deposits accounts, payment of interest on various deposit accounts, closure of deposit accounts, method of disposal of deposits of deceased depositors, etc., for the benefit of customers.

The ultimate objective is that the customer will get services they are rightfully entitled to receive without demand.

Section 3. Type 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. Definition of major deposits schemes are as under: -

- i) "Demand deposits" means a deposit received by the Bank which is withdrawable on demand;
- ii) "Savings deposits" 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 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 day's 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;



Section 4. Account Opening and Operation of Deposit Accounts

- i. The Bank before opening any deposit account will carry out due diligence as required under "Know Your Customer" (KYC) and Anti Money laundering 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.
- ii. 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/she approaches for opening a deposit account.
- iii. 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 Savings 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.
- iv. 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)
- v. Current Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies / Trusts, etc.
- vi. Term Deposits Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates / Societies / Trusts, etc.
- vii. 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 are part of due diligence process.
- viii. In accordance with the IBA Guidelines, branches should not open current account of entities which enjoy credit facilities from the banking system without specifically obtaining NOC from the lending bank. In order to ensure adherence to these guidelines, while opening a current account, the bank should insist for NOC from existing lenders or closure of existing accounts.

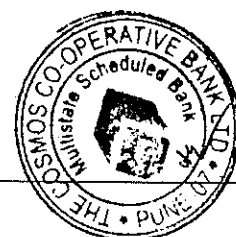


- ix. In addition to the due diligence requirements, under KYC norms the Bank is required by law to obtain Permanent Account Number (PAN) or General Index Register (GIR) Number or alternatively declaration in Form No. 60 or 61 as specified under the Income Tax Act / Rules.
- x. Deposit accounts can be 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).
- xi. Operation of Joint Account – Customer is required to give a clear mandate regarding operation of account at the time of account opening. The mandate for operating the account can be modified with the consent of all account holders.
- xii. The Savings Bank Account opened by minor jointly with natural guardian / guardian can be operated by natural guardian only.
- xiii. In accordance with the IBA Guidelines, branches should not open current account of entities which enjoy credit facilities from the banking system without specifically obtaining NOC from the lending bank. In order to ensure adherence to these guidelines, while opening a current account, the bank should insist for NOC from existing lenders or closure of existing accounts.
- xiv. The joint account holders can give any of the following mandates for the disposal of balance in the above accounts:

Either or Survivor: This means any one of the Account holders can operate the Account. Further, if the account is held by two individuals say, A&B, having account operation instructions as E/s then in case of death of any one account holder, the final balance along with interest, if any, will be paid to the survivor account holder.

Anyone or Survivor/s : If the account is held by more than two individuals say, A, B and C, the final balance alongwith interest, if applicable, will be paid to the survivor on death of all other account holders.

Former or Survivor : In case the mandate is 'Former or Survivor', the 'Former' alone can operate /withdraw the matured amount of the fixed term deposit, when both the depositors are alive. However, the signature of both the depositors may have to be obtained, in case the deposit is to be paid before maturity. If the former expires before the maturity of the fixed /term deposit, the 'Survivor' can withdraw the deposit on maturity. Premature withdrawal would however require the consent of both the 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 Deposit Accounts, the account operation mandates will be applicable to or become operational only on or after maturity of term deposits. This mandate can be modified by the consent of all the account holders.

xv. At the request of the depositor, the Bank will register mandate / power of attorney given by him/her authorizing another person to operate the account on his/her behalf.

xvi. 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.

xvii. Nomination facility is available to all deposit accounts opened by the individuals. Nomination is also available to a sole proprietary concern account. Nomination can be made in favour of **one** individual only. Nomination so made can be cancelled or changed by the account holder/s any time. While making nomination, cancellation or change thereof, are not required to be witnessed by a third party. Nomination can also be made in favour of a minor. Bank recommends that all depositors should avail nomination facility. The nominee, in the event of death of the depositor/s, would receive the balance outstanding in the account as a trustee of legal heirs. The depositor will be informed of the advantages of the nomination facility while opening a deposit account.

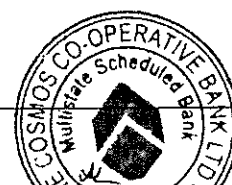
- Nomination can be done by individuals only and in favour of one individual only.
- Nomination should be recommended and in case customer do not wish to nominate then such remark should be made on forms alongwith customer signature. However, customer's account opening request should not be rejected for not opting for Nomination facility.
- Nomination Registered should be printed on the pass books and deposit confirmation advises.

xviii. A passbook / 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.

xix. The deposit accounts may be transferred to any other branch of the Bank at the request of the depositor.

Section 5. Interest Payments

- i) Interest shall be paid at quarterly rests on savings account as directed by Reserve Bank of India directive from time to time. Interest will be calculated on the closing balance of deposit account on daily basis and will be credited to the account only when it is Rs. 1/-



or more. The interest will actually be credited to customers account at the end of every calendar quarter. As per RBI guidelines No interest shall be paid on current account.

Term deposit interest rates are decided by the Bank within the general guidelines issued by the Reserve Bank of India from time to time.

Bank pays interest to its NRE and NRO Deposit holders as per the rates decided by the Bank but in no case the interest rates offered on NRE and NRO deposit holders will be higher than those offered on comparable domestic rupee deposits.

- ii) 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 as under.
 - a) Member Banks may not accept any deposits for a period longer than 10 years, excepting in terms of order of the Competent Courts or in the case of Minors where interests of minors are involved, provided banks are convinced that it is necessary to do so and Individual Banks may decide in this matter based on Asset Liability Management policies being followed.
 - b) Interest on deposits for fixed term may be paid, credited transferred with frequency not less than the Quarterly rests. However, payment of monthly interest may be allowed, if required, by discounting the quarterly interest accrued.
 - c) On deposits repayable in less than three months or where the terminal quarter is incomplete, interest would be paid for completed months if exist in that broken period, and then based on month's interest, interest for broken days is calculated.
- iii) For all categories of deposits (Except NRE & FCNR) the interest payable on encashment of term deposit before maturity date upto 14 days shall be zero and 15 days and above will be 1% below the applicable rate of interest for completed period of the deposit.
- iv) The rate of interest on deposits will be prominently displayed in the branch premises and on banks web site www.cosmosbank.in Changes, if any, with regard to the deposit schemes and other related services shall also be communicated upfront and shall be prominently displayed.



- v) 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.
- vi) In respect of a term deposit maturing for payment on a Sunday or a holiday or a non-business working day, a bank will pay interest till the next working day at the originally contracted rate,
 - a) on the maturity value in the case of reinvestment deposits and recurring deposits, and
 - b) on the original principal amount in the case of ordinary term deposit on the basis of 365 days in a year.
 - c) In case of reinvestment deposits and recurring deposits, bank shall pay interest for the intervening non-business working day on the maturity value.
- vii) **Rounding off of Transactions** - All transactions including Payment of Interest on Deposits will be rounded off to the nearest Rupee; i.e., fraction of 50 paise and above will be rounded off to the next higher rupee and fraction of less than 50 paise shall be ignored.

Section 6. Prohibitions & Exemptions

Bank does not:

- (a) Pay any remuneration or fees or commission or brokerage or incentives on deposits in any form or manner to any individual, firm, company, association, institution or any other person except:
 - i) Commission paid to agents employed to collect door-to-door deposits under a special scheme.
 - ii) Remuneration paid to Business facilitators or Business Correspondents.
 - iii) Incentives granted to staff members as approved by the Reserve Bank of India from time to time.
- (b) Offer prize / lottery / free trips (in India and / or abroad), etc., or any other initiative having element of chance for mobilizing deposits.
- (c) Resort to unethical practices of raising of resources through agents / third parties to meet the credit needs of the existing / prospective borrowers or to grant loans to the intermediaries based on the consideration of deposit mobilisation.
- (d) Issue any advertisement / literature soliciting deposits from public highlighting only the compounded yield on term deposits without indicating the actual rate of simple interest offered by the co-operative bank for the particular period. Simple rate of interest per annum for the period of deposit should be indicated invariably.
- (e) Accept interest-free deposit other than in current account or pay compensation indirectly.



- (f) Accept deposits from / at the instance of private financiers or unincorporated bodies under any arrangement which provides for either issue of deposit receipt/s favouring client/s of private financiers or giving of an authority by power of attorney, nomination or other-wise, for such clients receiving such deposits on maturity.
- (g) Grant advances against term deposits maintained with other banks.
- (h) Open a savings deposit account in the name of entities other than individuals, Karta of HUF and organizations / agencies as specified in schedule I
- (i) Create any fund to be utilized for charitable purposes in consultation with the depositors.

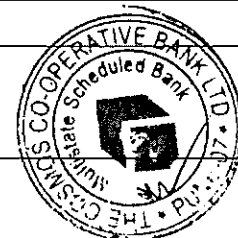
Exemptions

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

- (a) A deposit received by the co-operative bank:
- i) From the institutions permitted to participate in the Call / Notice / Term Money Market both as lenders and borrowers.
 - ii) For which it has issued a participation certificate;
- (b) Payment of interest on delayed collection of outstation instruments like cheques, drafts, bills, telegraphic/mail transfers, etc.

SCHEDULE- I

(1)	Primary Agricultural Credit Society which is being financed by the co-operative bank
(2)	Khadi and Village Industries Boards
(3)	Agriculture Produce Market Committees
(4)	Societies registered under the Societies Registration Act, 1860 or any other corresponding law in force in a State or a Union Territory
(5)	Companies licensed by the Central Government under Section 8 of Companies Act, 2013 or Section 25 of Companies Act, 1956 or under the corresponding provision in the Indian Companies Act, 1913 and permitted, not to add to their names the words 'Limited or the words 'Private Limited
(6)	Institutions other than those mentioned in section 26(h) and whose entire income is exempt from payment of Income-tax under the Income-Tax Act, 1961
(7)	Government departments / bodies / agencies in respect of grants/ subsidies released for implementation of various programmes / Schemes sponsored by Central Government / State Governments subject to production of an authorization from the respective Central / State Government departments to open savings bank account
(8)	Development of Women and Children in Rural Areas (DWCRA)
(9)	Self-help Groups (SHGs), registered or unregistered, which are engaged in promoting savings habits among their members
(10)	Farmers Clubs - Vikas Volunteer Vahini – VVV



Section 7. Minor's Accounts

As per HINDU MINORITY AND GUARDIANSHIP ACT, 1956-

"Minor" is defined as a person who has not completed 18 years of age.

Under section 3 of Indian Majority act, 1875, it is provided that when a guardian is appointed by a court except under order 32 of the Civil Procedure Code, or in the case of ward under the Court of Wards, a person is deemed to have attained majority on the completion of 21 years of age.

The minor can open Savings Bank Account and the same can be operated by the natural guardian.

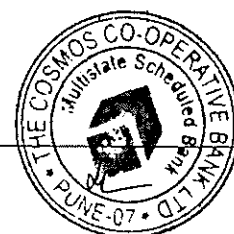
On attaining majority, the erstwhile minor should confirm the balance in his/her account and if the account is operated by the natural guardian / guardian, fresh specimen signature of erstwhile minor duly verified by the natural guardian would be obtained and kept on record for all operational purposes.

Section 8. Account of Illiterate / Blind Person

The Bank may at its discretion open deposit accounts other than Current Accounts of 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 of the Bank 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 / blind person.

Section 9. Accounts 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/ Collector of District 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. Hence, a legal guardian so appointed can open the Bank account as long as he remains the legal guardian. Legal guardian, so appointed will furnish an indemnity-cum-undertaking bond duly stamped as per the local law in force along with Guardianship Certificate.



Section 10. Accounts of Transgender Persons

In case of a person claiming to be a 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. The salutation of such person shall be "Mx". All transgender customers shall be treated equally to other male/ female customers without any discrimination and all kinds of banking services/products will be made available to them.

Section 11. Operation of Bank Accounts by Old/Sick/ Incapacitated Customers

The old / sick / incapacitated account holder falls in the following two categories:

- a) An account holder is too ill to sign a cheque and is unable to be physically present at the branch to do transactions but can put his/her thumb impression on the cheque/withdrawal form- in such a case, thumb or toe impression of the sick/old/incapacitated account holder is obtained, it will be identified by two independent witnesses known to the branch, one of whom will be a responsible bank official.
- b) An account holder who is not only able to be physically present at the branch but also is unable to put his/her thumb impression on the cheque/withdrawal form due to certain physical defect/incapacity- in such cases a mark will be obtained on the cheque/withdrawal form which will be identified by two independent witnesses, one of whom will be a responsible bank official. The customer will be asked to indicate to the branch as to who would withdraw the amount from the Bank on the basis of cheque/withdrawal form as obtained above and that person should be identified by two independent witnesses. The person who would be actually drawing the money from the branch will be asked to furnish his signature to the branch. In case, a person who has lost his both hands, the signature can be by means of a mark. This mark may be placed by the person in any manner. It could be toe impression also. It can be by means of mark which anybody can put on behalf of the person who has to sign, the mark being put by an instrument.

Section 12. Accounts of Senior citizen and differently abled persons

The Bank with the permission of its Board may offer a higher rate of interest on Fixed Deposits to Senior Citizens. All kinds of term deposits accounts attracting special rates for senior citizen can be opened jointly with any other person. In all the cases, the senior citizen must be the first holder.

Bank will render all possible assistance to senior citizens in carrying out banking transactions by providing personalized services, ensuring proper seating arrangement in banking hall, services through single window mechanism, submission of Life certificates at any of the branches, ease in filing Form 15G/H, permitting withdrawal of funds and issue of cheque book by persons authorized by senior citizens on production of authorization letter and passbook.



Section 13. Pension Accounts

- i. Pension account has to be opened only to credit pension amount. No other credits are allowed in this account. However there is no restriction on debit transactions. Pension holder can maintain a separate saving account for other purpose.
- ii. All banking services viz. intersol transaction / Personalized Multicity Chequebook with all value added services will be offered at par with Regular Saving Account with following exceptions-
 - a. ATM Card / ATM cum Debit Card
 - b. Internet Banking
 - c. Mobile Banking
 - d. Intra Bank Account Portability
 - e. Loan based upon Pension amount
 - f. Closure of an account without consent of Govt. Treasury Department
 - g. Settlement of claim of deceased pensioner without consent of Govt. Treasury Department
 - h. Third Party Cash withdrawal facility is not allowed.

iii. Annual Identification / Life Certificate

Pensioner should personally visit at their Home branch for annual identification in every November. In case, pensioner is unable to appear due to bodily illness or infirmity, has to produce a life certificate to Home Branch through Second holder of Joint Account or nearest relative at the case may be, failing which pension will not be credited from next month. Furnishing life certificate / life signature is responsibility of the Pension Account holder. Bank officials will be responsible for forwarding the life signature / life certificate to concerned Treasury Office within the time limit given by Treasury Office. Bank officials will communicate the list of pension account holders not furnishing the life signature / life certificate.

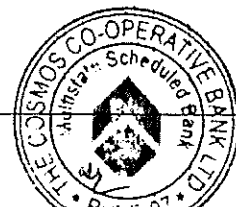
iv. Power Of Attorney

The pension account cannot be operated by a Power of Attorney Holder except in case of the account of former President of India/Vice President of India or the spouse of the deceased President /Vice President.

Section 14. Opening of NRE/NRO accounts

Bank will allow opening banking accounts of Non Resident Indians under the directives / regulations / notifications of the Foreign Exchange Management Act (FEMA) 1999.

- > The Bank allows opening of NRO account of foreign students studying in India. The detailed guidelines for opening of such accounts are given in the KYC Policy.
- > The Bank will offer the following types of accounts for the NRIs:



- NRE Account
- FCNR Account
- NRO Account
- RFC Account

Section 15. Opening/ Operation Of An Account Under The Real Estate (Regulation And Development)Act, (RERA)2016

As per RERA Act, 2016 the promoter is required to deposit seventy per cent of the amount realized for the real estate project from the allottees /buyers in a separate account to be maintained in a scheduled bank to cover the cost of construction and the land cost and to be used only for that purpose.

The detail guidelines regarding the opening and operations of the account are given in AML and KYC policy of the Bank.

Section 16. Customer Information:

- As per RBI guidelines, the customer information collected from the customers while opening the account will not be used for cross selling other services or products of the Bank. Prior consent of the account holder will be obtained before using the customer information for marketing.
- The Bank shall not disclose details / particulars of the customer's account to a third person or party without the expressed or implied consent from the customer.
However, there are some exceptions, viz. disclosure of information under compulsion of law, where there is a duty to public to disclose and where interest of the Bank requires disclosure.
- The Account opening form for all accounts seeks such permission.

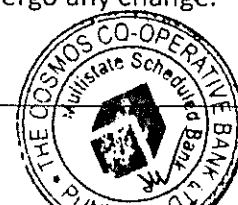
Section 17. Premature Withdrawal of Term Deposit

Reserve Bank of India as per Master Circular on interest rates on Rupee Deposits vide Master circular ref no. - RBI/ DCBR / 2015 -16 /23 Master Direction DCBR. Dir. No. 1 /13.01.000 /2015-16 dtd. May 12, 2016 states that,

There shall be a comprehensive policy on penalties for premature withdrawal of term deposits approved by the Board of Directors or any Committee of the Board to which powers have been delegated.

(b) The components of penalty shall be clearly brought to the notice of the depositors at the time of acceptance of deposits. If not, no penalty shall be levied.

(c) In case of splitting of the amount of term deposit at the request from the claimant/s of deceased depositors or Joint account holders, no penalty for premature withdrawal of the term deposit shall be levied if the period and aggregate amount of the deposit do not undergo any change.



Accordingly, 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 interest paid in such cases will be at the rate applicable for the period for which the deposit remained with the bank and not at the contracted rate, after charging penalty at the rate decided by the bank from time to time.

Presently the penalty rule is as 1% below the rate applicable for the period deposit remained with bank. However Bank may change rate of penalty from time to time.

Presently the bank is having no deposit scheme which disallows premature withdrawal of large deposits held by entities other than individuals and Hindu Undivided Families.

The Bank makes the customer aware of applicable penal rate. Said clause is printed on Fixed Deposit Receipt.

Section 18. Reinvestment of Term Deposit

In order to facilitate better Asset Liability Management, banks are permitted to formulate their own policies towards conversion of deposits with effect from May 05, 2010. Accordingly the Bank has framed its own policy. If any customer wishes to reinvest his existing deposit the same will be permitted as per the Bank's policy.

If deposit remains with the bank after reinvestment for a period longer than the remaining period of the original contract, No penalty will be charged for reinvestment of deposit. Interest on existing deposit is paid at applicable rate of interest for the completed period of original contract.

If the deposit remains with the bank after reinvestment for a lesser period than the remaining period of original contract penalty will be charged on the applicable rate of interest for that specific period for reinvestment of deposit. Bank reserves the right to prescribe the rate of penalty from time to time.

Section 19. Renewal of Matured Term Deposits

The Bank is offering Auto renewal facility for maturing term deposits. This option is to be exercised at the time of account opening.

Under Auto Renewal facility, the matured deposit will be renewed for the same period as of the original deposit at the rate applicable on the date of maturity. The said auto renewal facility may not be offered to special deposits schemes.

In case any depositor wishes to renew the overdue deposit which is not renewed under auto renewal process and if the request is received within 14 days from the date of maturity such deposit would be renewed with effect from the date of maturity for the period as desired by the customer at interest rate applicable as on the maturity date.



The same rule will be applied in case any depositor wishes to break the receipt created under auto renewal process and desires to keep the same in different products or get the payment of such renewed deposit receipt.

In respect of overdue deposit renewed after 14 days from the date of maturity the interest for the overdue period will be paid as per the rate decided by the Bank from time to time, presently it is the applicable savings rate and thereafter it will be renewed for the period as desired by the customer at the rate prevailing on the date of renewal of deposit.

Section 20. Repayment of Term Deposit And Payment Of Periodic Interest In Cash -

Rules regarding payment of Term Deposit / payment of periodic interest in cash will be governed by prevailing Income Tax Rules and Reserve Bank of India guidelines.

Presently, no branch/ service outlet of Co-operative bank shall repay the Term Deposit / pay periodic interest in Cash where the aggregate amount of deposit held by such person with the Branch either in his name or jointly with any other person On the date of such repayment together with the interest singly/ jointly is Rs. 20000 or more. Payment of such Term Deposit should be made by an account payee cheque / account payee Bank draft or by credit to the account of the depositor.

Section 21. Advances against Term Deposit

As per RBI guidelines Banks are free to determine its own policy regarding margin on Advances and Rate of interest thereon.

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.

Section 22. DICGC Insurance Cover

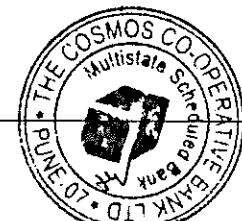
All bank deposits are covered under the insurance scheme offered by Deposit Insurance and Credit Guarantee Corporation of India (DICGC) subject to certain limits and conditions. The details of the insurance cover in force will be made available to the depositor.

Section 23. Settlement of Dues in Deceased Deposit Account

Please refer policy on settlement of claim of deceased depositor in this regard.

Section 24. Depositor Education and Awareness Funds Scheme (DEAF) – 2014

Reserve Bank of India has established Depositor Education and Awareness Fund (DEAF) in the year 2014. Under the provisions of this section the amount to the credit of any account in India with any 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.



Bank is member of DEAF scheme and regularly submitting the returns on monthly basis as prescribed by Reserve Bank of India. Bank has designed a separate system for handling DEAF cases. Also, detailed procedure is drafted and being followed in case of DEAF refund as per the guidelines issued by Reserve Bank of India.

(24) (i) Interest computation for Deposit transferred to DEAF –

Reserve Bank of India has instructed Banks that; banks shall calculate the cumulative balances in all accounts along with interest accrued, as on the day prior to the effective date of transfer. Such amount should then be transferred to DEAF account of Reserve Bank of India. Banks are free to decide the rate of interest on Deposits to be given for unclaimed deposit transferring to DEAF. Accordingly, our Bank has decided to provide the interest at prevailing Savings deposit rate.

Reserve Bank of India has further specified that, rate of interest by banks to the depositors/ claimants on the unclaimed interest bearing deposit amount transferred to the Fund shall be @ the interest rate prescribed by the RBI from time to time, with simple interest per annum. (i.e Reserve Bank of India will pay the interest from the period amount transferred to DEAF to amount claimed by Depositor at 3.50%p.a)

Administration.

Upon approval of the latest version of this policy, earlier version stands revoked.
This policy will continue to be in force till the reviewed policy comes into place.

