

## **E. Comprehensive Deposit Policy**

The Bank 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.

### **PART I - POLICY FOR DOMESTIC RUPEE DEPOSITS**

#### **E (1): Preamble**

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.

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.

## **E (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. 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;

## **E (3): 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 and the final decision of the Bank will be conveyed at the earliest to him.
- 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 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 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 cheques 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 introduction of the prospective depositor from a person acceptable to the Bank and obtaining recent photograph of the person/s opening / operating the account are part of due diligence process.
- viii. 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.
- ix. 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).
- x. 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 only.

- xi. The joint account holders can give any of the following mandates for the disposal of balance in the above accounts:
  - Either or Survivor** : If the account is held by two individuals say, A&B, the final balance alongwith interest, if applicable, will be paid to survivor on death of anyone of the account holders.
  - 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 any two account holders.
- xii. The above mandates will be applicable to or become operational only on or after the date of maturity of term deposits. This mandate can be modified by the consent of all the account holders.
- xiii. 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.
- xiv. 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.
- xv. Nomination facility is available on 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, it is required to be witnessed by a third party. Nomination can be modified by the consent of account holder/s. Nomination can be made in favour of a minor also. Bank recommends that all depositors avail nomination facility. The nominee, in the event of death of the depositor/s, would receive the balance outstanding in the account as a trustee of legal heirs. The depositor will be informed of the advantages of the nomination facility while opening a deposit account.
- xvi. 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.
- xvii. The deposit accounts may be transferred to any other branch of the Bank at the request of the depositor.

#### **E (4): Interest Payments**

- i) Interest shall be paid on saving account as directed by Reserve Bank of India directive from time to time. As per RBI guidelines No interest shall be paid on current account. However, term deposit interest rates are decided by the Bank within the general guidelines issued by the Reserve Bank of India from time to time.
  
- 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) Interest on deposits where the terminal period (monthly/quarterly/half year etc. as the case may be) is incomplete shall be paid on maturity.
  - d) 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 above 15 days will be 1% below the applicable rate of interest (at the time when deposit was kept with the Bank) for the actual period for which deposit has remained with the bank.
  
- iv) The rate of interest on deposits will be prominently displayed in the branch premises and on banks web site [www.cosmosbank.in](http://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.

### **E (5): Rounding off of Transactions**

All transactions including Payment of Interest on Deposits/Charging of Interest on Advances 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.

### **E (6) : Minor's Accounts**

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.

### **E (7): 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 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.

## **E (8): Premature Withdrawal Of Term Deposit**

Reserve Bank of India as per Master Circular on interest rates on Rupee Deposits UCB.BPD. PCB.MC.NO.11/13.01.000/2012-13 dt. July 2, 2012 has permitted all UCBs to allow premature withdrawal of a term deposit and to determine own penal interest rates for the same. However, depositors should be made aware of the applicable penal rate along with the deposit rate.

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 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 applicable rate of interest (at the time when deposit was kept with the Bank) for the actual period for which deposit has remained with the bank. However Bank may change rule 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 Deposit Confirmation Advice.

## **E (9): 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.

### **E (10): 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.

### **E (11): 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.

### **E (12) : 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.

### **E (13): 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.

**E (14): 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.

**E (15): 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.
- 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) **Transfer/Split Up Of The Deposit On The Death Of An Account Holder-** On the death of a depositor, the Bank may allow the deposit to be held in the name/s of one or more legal heirs, or legal representatives, or nominees of the depositor, either jointly in their names, or along with other persons, or separately in their names by splitting up the deposits.

### **E (16): 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 obtaining 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 obtaining on the date of maturity from the date of maturity till the date of payment.

### **E (17) : Inoperative / Dormant Accounts**

Saving as well as Current Accounts which are not operated for more than a period of 1 year will be posted a letter for revival of operations.

Accounts which are not operated for more than a period of 2 years will be treated as Inoperative / Dormant Account.

### **E (18): Redressal of complaints and grievances**

Depositors having any complaint / grievance with regard to services rendered by the Bank has a right to approach authority(ies) designated by the Bank for handling customer complaint / grievances. The details of the internal set up for redressal of complaints / grievances will be displayed in the branch premises. 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 60 days from date of complaint or he is not satisfied with the response received from the Bank, he has a right to approach Banking Ombudsman appointed by the Reserve Bank of India.

### **E (19) : Secrecy Of Customer's Accounts**

The Bank shall not disclose details / particulars of the customer's account to a third person or party without the expressed or implied consent from the customer.

However, there are some exceptions, viz. disclosure of information under compulsion of law, where there is a duty to public to disclose and where interest of the Bank requires disclosure.

## **E-PART II - CUSTOMER CARE**

**E (20): We suggest you to take following safe guards to help prevent fraud and protect your accounts from misuse.**

- i. Do not keep your cheque book and cards together and ensure proper safe custody of your cheque books, pass book and cards.
- ii. Do not keep the blank cheque leaves signed. Issue crossed / account payee cheques as far as possible.
- iii. Do not allow anyone else to use your card, PIN, password or other security information.
- iv. If you opt to change your PIN you should choose your new PIN carefully.
- v. Always learn your PIN, password and other security information, and destroy the notice as soon as you receive it.
- vi. Never write down, record or save on PC your PIN, password or other security information.
- vii. Never give your account details, password or other security information to anyone.
- viii. Not to issue cheque without adequate balance/ maintaining minimum balance as specified by the Bank.
- ix. Send cheques and other financial instruments by Registered Post or by reputed courier.
- x. Bring pass book while withdrawing cash from savings bank account through withdrawal slip. Get pass book updated from time to time.
- xi. Use nomination facility.
- xii. Inform change of address, telephone number, etc., to the Branch.
- xiii. Inform loss of demand draft, fixed deposit receipt, cheque leaves book, key of Locker, card etc., immediately to the Branch.
- xiv. Avail standing instructions facility.
- xv. Pay interest, installments, locker rent and other dues on time.
- xvi. Avail services such as ATM, ECS, NEFT, RTGS, SMS Banking, Mobile banking, E-statements etc.,

- xvii. Not to introduce any person under any circumstances who is not personally known to you for the purpose of opening account.

**E (21) : Branch practices for customers**

- i. Displaying of business hours.
- ii. Attending to all customers present in the banking hall at the close of business hours.
- iii. Providing Customer Relation Officer at all branches- May I Help You'.
- iv. Offering nomination facility to all deposit accounts (i.e. account opened in individual capacity), all safe deposit locker hirers (i.e. individual hirers).
- v. Displaying interest rates for various deposit schemes on notice board in the branches.
- vi. Providing details of various deposit schemes / services of the Bank.
- vii. Displaying Time -Norms for various banking transactions/services.
- viii. Providing complaint register in the branch premises.
- ix. Displaying names and addresses of Regional Offices dealing with customer grievances / complaints.
- x. Displaying the scheme of Banking Ombudsman 2006. As well displaying the name and address of Banking Ombudsman of the respective state.

\*\*\*\*\*