



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

Comprehensive Deposit
Policy 2024-25.
Resources Department



Classification: Classified –Strictly for Cosmos Internal use only.

Department: Resources Department

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


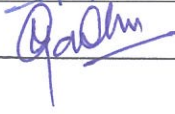
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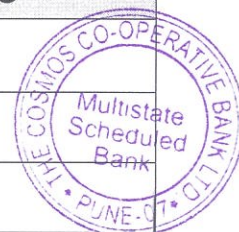
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Policy approval Policy reviewed as per RBI guidelines

Name	Position	Signature
Hon. Board of Directors		

Procedural Sign Off

Sr. No.	Position	Review / Signature
1	Managing Director	
2	Jt. Managing Director	
3	Dy. Chief General Manager - Resources	
4	Asst. Gen. Manager, Trade Finance	



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



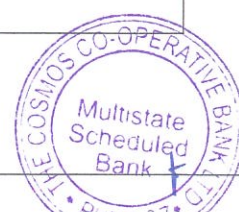
envisages identifying shortcoming in product features and service delivery, for betterment of the product.

REFERENCE –

- RBI Master Direction – Export of Goods and Services was last updated on August 29, 2024
- RBI Master Direction – Interest Rate on Deposits was last updated on January 1, 2024
- RBI Master Direction – Maintenance of Rupee Deposit updated on July 1, 2015

CONTENTS

Section 1	Scope
Section 2	Objectives of the Policy
Section 3	Type of Deposit Accounts
Section 4	Account Opening and Operation of Deposit Accounts
Section 5	Nomination Facility
Section 6	Product Designing Process
Section 7	Interest Payments
Section 8	Minor's Accounts
Section 9	Account of Illiterate / Blind Person
Section 10	Accounts of persons with autism, cerebral palsy, mental retardation & multiple disabilities
Section 11	Accounts of Transgender Persons
Section 12	Operation of Bank Accounts by Old/Sick/ Incapacitated Customers
Section 13	Accounts of Senior citizen and differently abled persons
Section 14	Pension Accounts
Section 15	Opening of NRE/NRO accounts
Section 16	Opening/ operation of an Account under the Real Estate (Regulation And Development Act (RERA) 2016
Section 17	Customer Information
Section 18	Premature Withdrawal of Term Deposit
Section 19	Reinvestment of Term Deposit
Section 20	Renewal of Matured Term Deposits



Section 21	Repayment of Term Deposit and Payment of Periodic Interest in Cash
Section 22	Advances against Term Deposit
Section 23	DICGC Insurance Cover
Section 24	Settlement of dues in Deceased Deposit Account
Section 25	Depositor Education and Awareness Funds Scheme (DEAF) – 2014
Section 26	Deposit Mobilization
Section 27	Acceptance of Deposits by Unincorporated Bodies/ Private Ltd Companies with 'Bank Guarantee'
Section 28	Deposit Collection Schemes floated by Private Organizations
Section 29	Acceptance of Deposits from other banks by Primary (Urban) Cooperative Banks (UCBs)
Section 30	Prohibitions & Exemptions

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 customers. The customers would continue to be the centre-point of business strategy. In tune with above objectives bank has also diversified its activities 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

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 after the expiry of the fixed period and includes deposits such as Recurring / Double Benefit Deposits / Short Deposits / Fixed Deposits / Monthly Income / Quarterly Income Certificate etc.
- iv) "Current Account" means a form of non-interest-bearing demand deposit wherefrom withdrawals are allowed at any number of times depending upon the balance in the account or up to a particular agreed amount and shall also be deemed to include other deposit accounts which are neither Savings Deposit nor Term Deposit;

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.



- ii. The account opening forms and other material will 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, Bank official opening the account, will 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. The charges for non-maintenance of minimum balance to be maintained by customer will be proportionate to the extent of shortfall observed. All the 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 and at the time of updation of charges will be updated on the Bank's website & notice board.
- 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. 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).

- ix. 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.
- x. 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 operating the account or the disposal of balance in 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. Premature withdrawal would however require the consent of both the parties, when both of them are alive. In case of death of either of/both the depositors, refer detailed guidelines given under settlement of claims of deceased depositors.

While there are no restrictions on the number of account holders in a joint account, bank examines, every request for opening joint accounts very carefully. In particular, the purpose, nature of business handled by the parties and other relevant aspects relating to the business, and the financial position of the account holders, will be looked into before opening such accounts. Care is also exercised when the number of account holders is large.



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.

- xii. 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.
- xiii. 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.
- xiv. 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.
- xv. The deposit accounts may be transferred to any other branch of the Bank at the request of the depositor.
- xvi. The Bank obtains PAN/GIR number of depositor opening an account with an initial deposit of Rs. 50000/- and above.
- xvii. Issue of Cheque Books - Fresh cheque books should be issued only against production of duly signed requisition slips from previous cheque book issued to the party. In case the cheque book is issued against a requisition letter, the drawer should be asked to come personally to the bank or cheque book should be sent to him under registered post directly without being delivered to the bearer. Loose cheques should be issued to account holder only when they come personally with a requisition letter and on production of passbooks.
- xviii. The opening of new accounts should be authorised only by the Branch Manager or by the Officer-in-Charge of the Deposit Accounts Department concerned at bigger branches.

Guidelines in respect of declaration to be obtained from the proposed customer opening current account regarding confirmation of the credit facilities availed if any and also confirming that he is not enjoying any credit facility with any other Bank is incorporated in KYC Policy.



The Bank offers BSBDA(Basic Savings Bank Deposit Account) scheme which offers minimum common facilities to all their customers with no requirements of minimum balance. Guidelines in respect of maintenance of BSBDA accounts is incorporated in KYC Policy.

Section 5. Nomination Facility -

Nomination Rules-

The Co-operative Banks (Nomination) Rules, 1985 have been framed in terms of Sections 45-ZA, 45-ZC, 45ZE and 56 of the Banking Regulation Act, 1949.

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.

It is clarified that the various nomination forms (DA1, DA2, and DA3 for Bank Deposits,) prescribed under the Co-operative Banks (Nomination) Rules, 1985.

Deposit Accounts

- (a) The nomination to be made by the depositor or, as the case may be, all the depositors together in respect of a deposit held by the bank to the credit of one or more individuals. Nomination facility is available to all deposit accounts opened by the individuals. Nomination is also available to a sole proprietary concern account.
- (b) The said nomination may be made only in respect of a deposit, which is held in the individual capacity of the depositor and not in any representative capacity as the holder of an office or otherwise.
- (c) 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. Only Thumb-impression(s) shall be attested by two witnesses.
- (d) Nomination can also be made in favour of a minor. Where the nominee is a minor, the depositor or, as the case may be, all the depositors together, may, while making the nomination, appoint another individual not being a minor, to receive the amount of the deposit on behalf of the nominee in the event

of the death of the depositor or, as the case may be, all the depositors during the minority of the nominee.

- (e) In the case of a deposit made in the name of a minor, the nomination shall be made by a person-lawfully entitled to act on behalf of the minor.
- (f) The cancellation of the said nomination to be made by the depositor or, as the case may be, all the depositors together.
- (g) A variation of the said nomination to be made by the depositor or, as the case may be all the depositors together.
- (h) The said nomination shall be made in favour of only one individual.
- (i) A nomination, cancellation of nomination or variation of nomination may be made as aforesaid at any time during which the deposit is held by the bank to the credit of the depositor or depositors, as the case may be.
- (j) In the case of a deposit held to the credit of more than one depositor, the cancellation or variation of a nomination shall not be valid unless it is made by all the depositors surviving at the time of the cancellation or variation of the nomination.
- (k) The relevant duly completed Form of Nomination or cancellation of nomination or variation of nomination filed with the bank shall be registered in the books of the bank.
- (l) A nomination or cancellation of nomination or variation of nomination shall not cease to be in force merely by reason of the renewal of the deposit.
- (m) 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.
- (n) Nomination Registered should be printed on the pass books and deposit confirmation advises.

Section 6. Product design process –

New deposit products will be introduced, and existing products will be modified by the Bank after a review of the product, market study of similar products available in the market and customer expectation about such products.

The views and opinions of customers received through branches/ Zonal Offices will be considered while designing new products and modifying existing products. While formulating new products, the guidelines issued by Reserve Bank of India and Indian Banks' Association will be taken into consideration.



All new products and modifications of existing products will be approved by the Board of Directors before being implemented

Section 7. Interest Payments

- i) Interest shall be paid at quarterly rests on savings account as directed by Reserve Bank of India 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.
- ii) Interest will not be paid for any deposits held in current accounts, except in case of death of individual depositor or sole proprietor. The interest computation in this case is defined in policy on claims of deceased depositors in detail.
- iii) Interest on domestic rupee savings deposits is calculated on a daily product basis as under:
 - a) A uniform interest rate is set on balance up to Rupees one lakh, irrespective of the amount in the account within this limit.
 - b) Differential rates of interest may be provided for any end-of-day savings bank balance exceeding Rupees one lakh.
 - c) Bank is presently charging differential interest rate for savings deposit having balance above Rs. 25.00 lakhs.

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 will be higher than those offered on comparable domestic rupee deposits.

- i) 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

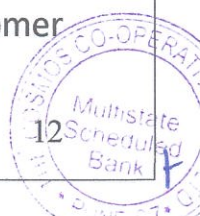


Bank in accordance with the formulae and conventions advised by Indian Banks' Association as under.

- 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.
- ii) For all categories of deposits (Except NRE & FCNR) the interest payable on encashment of term deposit before maturity date upto 6 days shall be zero and 7 days and above will be 1% below the applicable rate of interest for completed period of the deposit.
- iii) 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.
- iv) 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.
- v) 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 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.
- vi) **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.
- vii) Co-operative banks shall, at their discretion, 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.
- viii) Deposit schemes with lock-in period in the Finance Bill of 2006, the Government had announced Tax benefits to bank term deposits which are of 5-year tenure u/s 80C of IT Act, 1961. The bank's Cosmo Tax Saver Deposit Scheme which is as per the prescribed sections of the IT Act, 1961 has a lock-in period of five years and hence premature withdrawal is not permitted.
- ix) Bank shall have the freedom to offer term deposits without premature withdrawal option, Provided that all term deposits accepted from individuals (held singly or jointly) and Hindu Undivided Families for amount of Rupees one crore and below shall have premature-withdrawal-facility.
- x) The rate of interest offered on Term deposits are uniform across all branches and for all customers and there is no discrimination in the matter of interest paid on the deposits, between one deposit and another of similar amount, accepted on the same date, at any of the Bank branches.
- xi) The schedule of interest applicable is disclosed at all branches at prominent places & also readily available on Bank's website for customer



convenience. The interest paid on deposits are strictly as per the schedule of interest rates disclosed in advance.

- xii) a) Bank's Staff - a person employed on a regular basis, whether full-time or part-time, and includes a person recruited on probation or an employee taken over in pursuance of any scheme of amalgamation, but does not include a person employed on casual basis; In case of a person employed on contract, the benefit of additional interest rate will expire on the cessation of the contract.
- b) Ex-staff - Ex staff means a person/s those who have retired from the bank on retirement date or who have retired under Voluntary Retirement Scheme declared by the bank (Minimum service of at least 10 years) or who have resigned from services of the bank (Minimum service of at least 10 years).
- An employee retired compulsorily or in consequence of disciplinary action should not be treated as Ex-staff.
 - An employee who joins other institution/service should not be offered additional 1% rate of interest.
- c) Family - "Family" in relation to employee, includes members as prescribed in Payment of Gratuity (Central) Rules,1972;

Benefit of additional rate of interest :

Ex Staff	Staff Additional ROI Benefit	Senior Citizen ROI Benefit	Total Benefit of Additional Interest
Upto 60 years of age	+ 1%	--	+ 1%
Above 60 years of age	+ 1%	As Applicable	Applicable rate of interest to Senior Citizen + 1%

(A) Bank has the discretion to allow additional interest of maximum one per cent per annum, over and above the rate of interest mentioned in the schedule of interest rates on savings or term deposits of banks staff and their exclusive Associations as well as on deposits of Managing Director who acts as the Chief Executive of the Bank drawing regular salary from the Bank, 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) 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. Staff or a retired staff of the Bank, 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 Banks staff.

Section 8. 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.

On attaining age of 10 years, minors can operate account and withdraw the money upto Rs. 100/- independently. Daily withdrawal limit of Rs. 1000/- is applicable on attaining the age of 12 years.



Section 9. Account of Illiterate / Blind Person

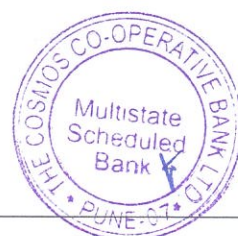
The Bank may at its discretion open deposit accounts other than Current Accounts of illiterate person. The account of such person may be opened provided he/she calls on the Bank personally along with a witness who is known to both the depositor and the Bank. Normally, no cheque book facility is provided 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 10. 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 11. 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 12. 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 13. 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 14. 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. 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 nearest relative; failing which pension will not be credited from next month. Furnishing life certificate / life signature is responsibility of the Pension Accountholder. 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 accountholders not furnishing the life signature / life certificate.

- iii. 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 15. Opening of NRE/NRO accounts

Bank will allow opening banking accounts of Non Resident Indians (NRI) and Person of Indian Origin (PIO) 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: Non Resident (External) Rupee Account.
- NRO Account: Non Resident Ordinary Rupee Account.
- FCNR Account: Foreign Currency Non Resident Deposit Account.

- i) Tenor of deposits-

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

- a. One year and above but less than two years
- b. Two years and above but less than three years



- c. Three years and above but less than four years
- d. Four years and above but less than five years
- e. Five years only

Bank shall not accept or renew FCNR(B) deposits over five years and no recurring deposits shall be accepted under the FCNR(B) Scheme.

ii) Size of deposits

Bank shall, at their discretion, decide the currency-wise minimum quantum with differential rates of interest.

iii) Interest rate on FCNR(B) Deposit-

The interest rates offered for FCNR(B) deposits in the following month will be determined based on the Overnight Alternative Reference Rate and SWAP rates for the respective currency as of the last working day of the preceding month. The interest rates ceiling on FCNR (B) deposit shall be as under.

Period of Deposit	Ceiling Rate upto 6.12.2024	Ceiling Rate from 6.12.2024 to 31.03.2025
1 year to less than 3 years	Overnight Alternative Reference Rate for the respective currency/ Swap plus 250 basis points	Overnight Alternative Reference Rate for the respective currency/ Swap plus 400basis points
3 years and above upto and including 5 years	Overnight Alternative Reference Rate for the respective currency/ Swap plus 350 basis points	Overnight Alternative Reference Rate for the respective currency/ Swap plus 500 basis points

Foreign currency accounts: Bank is opening and maintaining following foreign currency accounts opened by resident individuals, firms and companies.

EEFC: - Exchange Earners Foreign Currency Account

RFC Account : Resident Foreign Currency Account.

RFCD Account: Resident Foreign Currency (Domestic) Account.



Exchange Earners Foreign Currency Account (EEFC)-

All categories of foreign exchange earners are allowed to credit 100% of their foreign exchange earnings to the EEFC account subject to the condition that:

The sum total of the accruals in the account during a calendar month should be converted into Rupees on or before the last day of the succeeding calendar month after adjusting for utilization of the balances for approved purposes or forward commitments.

Section 16. 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 17. Customer Information:

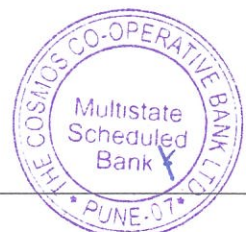
- As per RBI guidelines, the customer information collected from the customers while opening the account will not be used for cross selling other services or products of the Bank. Prior consent of the account holder will be obtained before using the customer information for marketing.
- The Bank shall 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 18. 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,



(a) 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.

(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.

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.

No interest will be paid, where premature withdrawal of deposits takes place before completion of the minimum period defined, which is 7 days at present.

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

Section 19. 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 20. 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 i.e placing the deposit.

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 7 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.

If a Term Deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the Bank will attract rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower.

Section 21. Repayment of Term Deposit And Payment Of Periodic Interest In Cash-

Rules regarding repayment 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 22. 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 23. 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 24. Settlement of Dues in Deceased Deposit Account and settlement of claims in respect of missing persons

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

Section 25. 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 (including interest accrued) 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.

Reserve Bank of India vide Circular No. RBI/2023-24/105 DOR.SOG (LEG).REC/64/09.08.024/2023-24 dated January 1, 2024 has issued extant guidelines on "Depositor Education and Awareness" (DEA) Fund Scheme, 2014 and the said revised instructions shall come into effect.

Section 26. Deposit Mobilization –

Deposit Collection Agents - The Bank will not pay any brokerage on deposits in any form to any individual, firm, company, association, institution or any other person.



The Bank will not employ/engage any outside persons through firms/ companies for collection of deposits including Non-Resident deposits or for selling any other deposit linked products on payment of fees/ commission in any form or manner, except to the extent permitted vide Reserve Bank's Interest Rate Directives.

Section 27. Acceptance of Deposits by Unincorporated Bodies/ Private Ltd Companies with 'Bank Guarantee' –

The Bank will not accept any deposits at the instance of private financiers or unincorporated bodies under any arrangement, wherein the deposit confirmation advice can be issued in favor of the clients of private financiers. The Bank will also not accept/allow authority by power of attorney, nomination otherwise for such clients receiving such deposits at maturity.

Section 28. Deposit Collection Schemes floated by Private Organizations -

The Bank will not be associated directly or indirectly with lottery schemes of organizations of any description as per the Chits and Money Circulation Schemes (Banning) Act, 1978 (No. 43 of 1978).

Section 29. Acceptance of Deposits from other banks by Primary (Urban) Cooperative Banks (UCBs) –

Prohibition on opening of accounts of entities dealing with Virtual Currencies (VCs)– Bank will not open, maintain accounts (deposits / advances) of individuals /entities associated with Virtual Currencies (VCs) or provide any services for facilitating any person or entity in dealing with or settling VCs since virtual currency does not have legal tender status in any jurisdiction. It is a type of unregulated, digital money, which is issued and usually controlled by a set of people, used and accepted among the members of a specific virtual community. Examples of Virtual Currencies are: Bitcoin, Zcash, Dash, Ripple (XRP), Monero (XMR).

Section 30. 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 Government departments / bodies depending upon budgetary allocations for performance of their functions / Municipal Corporations or Municipal Committees / Panchayat Samitis / State Housing Boards / Water and Sewerage / Drainage Boards / State Text Book Publishing Corporations / Societies / Metropolitan Development Authority / State / District Level Housing Cooperative Societies, etc. or any political party or any trading/business or professional concern, whether such concern is a proprietary or a partnership firm or a company or an association and entities other than individuals, Karta of HUF and organisations / agencies listed in Schedule - I.

Explanation For the purposes of this clause, 'political party' means an association



or body of individual citizens of India, which is, or is deemed to be registered with the Election Commission of India as a political party under the Election Symbols (Reservation and Allotment) Order, 1968 as in force for the time being.

(i) Create any fund to be utilized for charitable purposes in consultation with the depositors.

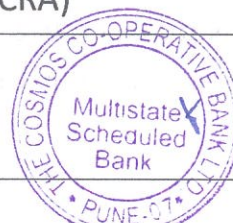
Exemptions

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

- (a) A deposit received by the co-operative bank:
 - a. from the institutions permitted to participate in the Call / Notice / Term Money Market both as lenders and borrowers.
 - b. 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 27(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

Administration.

The Bank has a separate policy on interest Rate of Deposits.

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.

