

**Chapter - 1**

**Deposit Policy**

**1. Definition of a Customer:**

Broadly, a customer can be defined as a user or a potential user of bank services. So a 'Customer' may be defined as under:

- a person or entity that maintains an account and/or has a business relationship with the bank;
- one on whose behalf the account is maintained (i.e. the beneficial owner);
- beneficiaries of transactions conducted by professional intermediaries, such as Stock Brokers, Chartered Accountants, Solicitors, etc., as permitted under the law, and
- any person or entity connected with a financial transaction which can pose significant reputational or other risks to the bank, say, a wire transfer or issue of a high value demand draft as a single transaction.

**2. Definition of Deposit Accounts:**

While various deposit products offered by the Bank are assigned different names, the deposit products can be defined broadly as under:

- A. "Bulk Deposit"** means a single Rupee term deposit of rupees Two Crore & above which may be accepted by branches with prior permission from HO Treasury Dept. through their Zones. If more than one Fixed Deposit accounts are opened in a single Customer Id (on same date) and the aggregate amount is more than 2 Crore, then entire deposit shall be deemed as Bulk Deposit.
- B. "Term deposit"** means an interest bearing deposit received by the bank for a fixed period and shall include deposits such as Recurring / Cumulative / Annuity /Reinvestment deposits and Cash Certificates.
- C. "Demand deposits"** means a deposit received by the Bank which is withdrawable on demand;

- D. “Savings deposit”** means a form of interest bearing demand deposit which is a deposit account whether designated as “Savings Account”, “Savings Bank Account”, “Savings Deposit Account”, “Basic Savings Bank Deposit Account (BSBDA)” by whatever name this product is called it is subject to restriction on; (a) the number of withdrawals and also (b) the amount withdrawn during specific period.
- E. “Current Account”** means a form of non-interest bearing demand deposit where from withdrawals are allowed 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;
- F. “Notice Deposit”** means a term deposit for a specific period which can be withdrawn prematurely with prior notice of one complete banking day by the depositor to the bank.
- G. “Domestic Rupee Deposits”** mean rupee deposits maintained in India in the form of current account, savings deposits or term deposit.

### **3. Opening of Deposit Account:**

#### **A. General Guidelines:**

- i. The Bank before opening any deposit account or at the time of review of any deposit account shall carry out due diligence as required under "Know Your Customer" (KYC) guidelines issued by RBI, Anti Money laundering rules and regulations and or such other norms or procedures adopted by the Bank and issued by HO KYC Department.
- ii. 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 shall be informed to him / her and the final decision of the Bank will be conveyed to him/her at the earliest. However, Bank shall not entertain any request of opening a bank account with any prior business date.
- iii. The opening of new deposit account will be followed by letter of thanks and a personal visit to the office/residence of the depositor by the concerned Branch Head/ authorized official of the Branch.
- iv. For Opening new Flexi Saving Deposit account, the same procedure shall apply including not entertaining any request of opening a bank account with any prior

business date. However, in case of conversion of Existing General Saving Bank account into Flexi Saving Deposit Account, customers will have to give appropriate mandate to the branch concerned in the prescribed format as per HO P&D Circular No. 3528 dated 04.05.2020.

- v. The regulatory guidelines require bank to categorize customers based on risk perception and prepare profiles of customers for the purpose of transaction monitoring. Inability or unwillingness of a prospective customer to provide necessary information/details would result in the bank not opening an account. KYC Risk Profiling (i.e. Profile based Risk& Transaction based Risk) will be carried out by the branches as per the extant guidelines issued from time to time by HO KYC Dept.
- vi. Wherever, the address on Aadhar differs from the current address of the prospective customer, a suitable self-declaration in this regard from the customer may serve, subject to verification of the current address/satisfaction of the bank.
- vii. The account opening forms and other material would be provided to the prospective depositor by the Bank. The same shall contain details of information to be furnished and documents to be produced for verification and / or for record. The Bank official opening the account shall explain the procedural formalities and provide necessary clarifications sought by the prospective depositor when he / she approaches for opening a deposit account
- viii. The due diligence process, while opening a deposit account or at the time of review of account shall involve satisfying about the identity of the person, verification of address, satisfying about his / her occupation and source of income. Obtaining of introduction is not mandatory. However obtaining of recent photographs of the person(s) for opening / operating the account are part of due diligence process. Non-compliance of necessary requirements shall lead to refusals / closure of account, stoppage of operation in the account.
- ix. In addition to the due diligence requirements, under KYC norms, the Bank is required by law to obtain Permanent Account Number (PAN) or alternatively declarations on Form No. 60 or 61 as specified under the Income Tax Act / Rules.

## **B. Savings/Current account**

- i. **Saving/Current account** shall be opened with zero initial balance or deposit of cash/ Transfer from other Accounts of our bank/Electronic Transfers etc. as per the requirement of any scheme/product. However, Savings / Current / Fixed Deposit Account will not be opened with proceeds of the Cheque / Draft / Pay Order sent in collection in anticipation of receipt of the proceeds of the same.
- ii. **Savings Bank Accounts** can be opened for eligible person / persons (Single or Joint names) and certain organizations / agencies like HUF, Non Corporate Bodies, Clubs, Trusts, Societies, Associations, Schools, Executor(s) / Administrator(s), Government Bodies, Semi – Government Departments, Recognized PF Accounts etc. (as advised by Reserve Bank of India from time to time).
- iii. **Saving Bank Account** can be opened by an individual in his/her own name (status: single Account) or by more than one individuals in their own names (status: Joint Account). Saving Bank Account can also be opened by a minor jointly with legal guardian/ any natural guardian (including mother) as the guardian (Status: known as Minor's Account).
- iv. **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.
- v. Saving accounts cannot be opened for the entity whose activities are of commercial/trading nature and contains explicit/implicit profit making purpose or any other purpose resembling thereof.
- vi. Current Accounts can be opened by individuals/ Sole Proprietors/ Partnership Firms/Private and Public Limited Companies/ HUFs/ Specified Associates/ Societies/ Trusts, Departments of Authority created by Government (Central/State Govt. or Govt's Local body), Limited Liability Partnership etc.
- vii. For Opening Current Accounts, branches are required to fetch I-Scan/CIBIL and declaration from customer about not having any credit facility in the name of the entity in whose name current account to be opened, if yes, customer needs to submit NOC from his/her lender bank.

**C. Term Deposit Accounts:**

- i. Term Deposit Accounts can be opened by individuals /Sole Proprietors / partnership firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies / Trusts, Departments of Authority created by Government (Central or State), Limited Liability Partnership, etc.
- ii. Term Deposit Account can be opened by an individual in his/her own name (status: single account) or by more than one individuals in their own names (status: Joint Account). Term Deposit Account can also be opened by a minor jointly with legal guardian/ any natural guardian (including mother) as the guardian (Status: known as Minor's Account).

**D. Account of Pensioners:**

The opening and conduct of Account of Pensioner (including nomination etc.) shall be dealt in accordance with concerned Central / State Govt. rules / regulations.

**E. Account of Minors:**

- i. A minor can open savings bank account and the same can be operated by the natural guardian or by minor himself/herself, if he/she is above the age of 10 years.
- ii. ATM Card will be provided to minor above the age of 10 years subject to consent by parents/guardian for issuance of ATM/Debit card. ATM cash withdrawal limit & shopping limit (Point-of- sale & e-commerce) of Rs.5000/- per day is permitted.
- iii. Minors account holder will be provided with cheque books and the withdrawal is restricted to self only through cheque book/ withdrawal slips. The cheque book issued to the minor in such cases will be marked as "ONLY SELF WITHDRAWAL PERMITTED".
- iv. Accounting procedure will be the same as that applicable to Savings bank deposit A/c. All other KYC norms should be observed in terms of KYC Policy and account be opened in single name of minor children.
- v. Maximum balance in the a/c should not exceed 50000/- at a time. The total credit during a financial year will not exceed Rs.100000/-.
- vi. NO OVERDRAFT will be allowed in such type of account.

- vii. Savings account opened for minor by natural guardian/guardian can only be operated by such guardian. While withdrawing amount from under guardianship account, the Natural guardian/guardian shall give an undertaking that the amount withdrawn will be utilized for the benefit of the minor.
- viii. Once the minor attain the age of 18 years the account will be converted to regular Savings Deposit account.
- ix. On attaining majority, the erstwhile minor shall 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 shall be obtained and kept on record for all operational purposes.

**F. Account of Illiterate Person:**

The Bank shall at its discretion, open deposit account other than Current Account of an illiterate person only in individual capacity. The account of such person (Illiterate / Blind) shall be opened provided he / she calls on the Bank personally along with a witness who is known to both the depositor and the Bank. Cheque book and ATM facility shall not be provided for such Savings account.

At the time of withdrawal / repayment of deposit amount and / or interest, the account holder would affix his / her thumb impression or mark in the presence of the authorized officer who would verify the identity of the person. The Bank shall explain the need for proper care and safe keeping of the passbook etc. given to the account holder. The Bank official shall explain the terms and conditions governing the account to the illiterate person/ blind person.

**G. Account of Visually Challenged Persons:**

Bank will facilitate opening of Savings account as well as Term Deposit account of persons with visual impairment. Such accounts will be operated by the account holder personally. Cheque book facility will be made available. Such account holders will have to be present before the branch official and affix thumb impression and they will be identified through their photograph to facilitate operations. Bank is also committed in introducing technology banking facilities progressively via ATM & Internet banking in keeping with the availability of supporting technology which will enable visually challenged persons to operate their accounts.

#### **H. Account Of Persons With Autism, Cerebral Palsy, Mental Retardation & Multiple Disabilities:-**

Savings bank/ Term deposit 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, under THE MENTAL HEALTHCARE ACT, 2017 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. Legal guardian, so appointed, shall furnish an indemnity-cum-undertaking bond duly stamped as per the local law in force along with Guardianship Certificate. Such category of customers will be given priority in 'over the counter services', i.e. direct access to counter/no need to be in queue etc. In addition to that, such category of customers will be allowed to avail financial/non-financial services without their presence at the branches through their appointed representative/s, subject to prior necessary consent/agreement made in this context with the bank.

#### **I. Basic Savings Bank Deposit Account (BSBDA):**

The bank is committed to provide basic banking services to disadvantaged section of the society. Banking services shall be offered to them through Basic Saving Bank Deposit Account (BSBDA) and accounts can be opened with relaxed customer acceptance norms as per regulatory guidelines. The Basic Saving Bank Deposit Account (BSBDA) will offer the following minimum facilities to the customers: -

- i. The 'Basic Savings Bank Deposit Account' will be considered a normal banking service available to all.
- ii. This account shall not have the requirement of any minimum balance.
- iii. The services available in the account will include deposit and withdrawal of cash at bank branch as well as ATMs; receipt / credit of money through electronic payment channels or by means of deposit / collection of cheques drawn by Central / State Government agencies and departments.

- iv. While there will be no limit on the number of deposits that can be made in a month, account holders will be allowed a maximum of four withdrawals in a month, including ATM withdrawals.
- v. Facility of ATM card or ATM-cum-Debit Card.
- vi. The above facilities will be provided without any charges. Further, no charge will be levied for non-operation / activation of in-operative 'Basic Savings Bank Deposit Account'.
- vii. The Bank would be free to evolve other requirements including pricing structure for additional value-added services beyond the stipulated basic minimum services on reasonable and transparent basis and applied in a non-discriminatory manner.
- viii. Bank will provide valued added services, however, these valued added services shall attract service charges including issuance of Cheque book to BSBDA account. Free Cheque book shall be issued in BSBDA account up to 30 leaves per year, beyond that applicable charges shall be levied.
- ix. The 'Basic Savings Bank Deposit Account' would be subject to RBI instructions and Bank's guidelines on Know Your Customer (KYC) / Anti-Money Laundering (AML) for opening of bank accounts issued from time to time. If such account is opened on the basis of simplified KYC norms, the account would additionally be treated as a 'Small Account' and would be subject to conditions stipulated by the RBI / Bank from time to time.
- x. Holders of 'Basic Savings Bank Deposit Account' will not be eligible for opening any other savings bank deposit account in the bank. If a customer has any other existing savings bank deposit account in the bank, he / she will be required to close it within 30 days from the date of opening a 'Basic Savings Bank Deposit Account'.
- xi. The existing basic banking 'no-frills' accounts will be converted to 'Basic Savings Bank Deposit Account' as per the instructions contained above.

**J. Bulk Deposit Account:**

“**Bulk Deposit**” means a single Rupee term deposit of rupees Two Crore & Above which may be accepted by branches with prior permission from HO IMD through their Zones. If more than one Fixed Deposit accounts are opened in a single Customer Id



(on same date) and the aggregate amount is more than 2 Crore, then entire deposit shall be deemed as Bulk Deposit and CBS will give alerts to the users accordingly.

Branches shall not accept bulk deposits from third parties/ intermediaries etc. on behalf of corporations/ society/ company/ individuals etc. Branches should contact directly to the customer and verify details of Organization/Corporate and should also verify the signature of all the joint holders as per bank record.

The Bank before opening any Bulk Deposit account will carry out due diligence as required under “Know Your Customer (KYC)” guidelines issued by RBI Anti Money Laundering rules and regulations and / or such other norms or procedures adopted by the Bank. For Bulk deposit of Rs.2 Crore and above, the opening of such deposit will be followed by letter of thanks and a personal visit to the office/residence of the depositor by the concerned Branch Head/ authorized official of the Branch. A confirmatory letter in the form of a ‘thank you’ note shall be sent to the beneficiary of the Bulk Deposit through post as well as SMS wherever mobile number is available, giving necessary details.

Loan against bulk deposit will be sanctioned as per the discretionary power structure after necessary due diligence procedures and disbursement of loans shall be routed through the account in the name of beneficiary of such deposit only. Bank should desist from disbursing funds in third party account.

However, if in any special circumstances, it is decided to disburse funds in third party accounts, the following essential prerequisite must be fulfilled:

- i. A request letter in this regard shall be taken from the beneficiary of the term deposit for disbursing funds in the third party account.
- ii. In the request letter, the beneficiary of the term deposit will mention the account details of the third party to whom, the applicant desires to credit the proceeds of the loans.
- iii. The Beneficiary of the Fixed Deposit will necessarily furnish the identity and address details of the third party account holder and will take all responsibilities on himself/herself on account of any liabilities/losses arising (due to remittance/credit of the loans proceeds into the third party accounts) at the part of himself/herself or at the part of the Bank also.

- iv. At the Branch end, the Branch is to confirm with the account holder/beneficiary of the Fixed Deposit in whose name FDR has been opened by contacting the account holder over the registered telephone number or email id provided to the bank at the time of account opening or later one as and when updated in Bank's record.
- v. If by any chance the telephone number had been changed and request for remitting loan proceeds to third party account, is received, in such situation, branch official shall conduct personal visit to the address available at bank's record and to get confirmation. If the account holder is out of the station, or shifted to other city/place, the nearby branch of Punjab and Sind Bank, be requested to verify the credential and authenticity of the request for crediting the loan proceeds in third party's account. The branch to whom request is made to confirm the authenticity/genuineness of the request (for crediting/remitting the loan proceeds into third party account); shall communicate to the requesting branch on priority basis through appropriate means of communication.
- vi. But in no case, the proceeds of the loan shall be remitted/credited into third party account without having due and proper confirmation through appropriate means of communication.

The Bulk Deposit related transactions shall be continuously monitored/ reviewed by the respective Zonal offices and monitoring mechanism with **HO Treasury Department**. Further at any time due to mismatching/ matching or otherwise if the Bulk Deposit policy requires any type of modification or new modalities to be adopted, it will be done by the **HO Treasury Department** after approval by the Competent Authority/ Board.

**K. Accounts of Transgender Persons:-**

**In case of person claiming to be 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 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.**

**L. Accounts of Prisoners:**

**Under any circumstances where prisoner or jail authorities on behalf of prisoners approach for opening of SB account:**

- i. In the absence of prescribed KYC documents “Small Account” will be opened on production of a self-attested photograph and affixation of signature or thumb impression as the case may be on the account opening form.**
- ii. In case prescribed KYC documents are received, General Saving account will be opened.**
- iii. The signature or thumb impression of a prisoner shall be affixed in presence of the officer in-charge of the jail and the said officer shall certify the same under his signature. The said account shall remain operational on annual submission of certificate of proof of address issued by the officer in-charge of the jail.**

**4. Nomination facility in Deposit Accounts:**

- A. Bank recommends that all the depositors should avail nomination facility. The depositor shall be informed about the advantages of the nomination facility while opening a deposit account.**
- B. Nomination is available in all deposit accounts opened by individuals. Nomination is also available to a sole proprietary concern account.**
- C. Nomination can be made in favour of one individual only.**
- D. Nomination can be made in favour of a minor also.**
- E. Nomination so made can be cancelled or changed with the consent of all account holders any time.**
- F. While making nomination, cancellation or change thereof, signatures of account holders do not require attestation by witnesses. However, thumb impression of the account holder requires attestation by two witnesses.**
- G. The acknowledgement of Nomination shall be given to all the customers irrespective of whether the same is demanded by the customers.**

- H. The nomination facility availed by the depositor(s) shall be indicated on the passbook so that, in case of death of the account holder(s) their relatives can know from the pass book that the nomination facility has been availed of by the deceased depositor(s) and take suitable action.
- I. 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.
- J. In case the person opening an account still does not want to nominate, the bank will ask him to give a specific letter to the effect that he/she does not want to make a nomination. In case the person opening the account declines to give such a letter, the bank shall record the fact on the account opening form and proceed with opening of the account if otherwise found eligible.

#### 5. Service Charges:

- A. For Deposit products like Savings Bank Account and Current Deposit Account, the bank shall 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 shall attract levy of charges as specified by the bank from time to time.
- B. Similarly, the bank may specify charges for issue of cheque books, additional statement of accounts, duplicate passbook, folio charges, cash handling charges, stop payment charges etc.
- C. For Savings Bank Account, the bank may also place restrictions on number of transactions, cash withdrawals, etc., for specified period.
- D. All such details regarding terms and conditions for operation of the account and schedule of charges for various services shall be communicated to the prospective depositor while opening the account.
- E. **The Bank will levy service charges as approved by IBA/RBI/Bank's Board. The applicable Service Charges will be displayed on the Bank's website and a notice of one month will be given in case of any revision in Service Charges.**

## **6. Statement of Account:**

A statement of account shall be provided by the Bank to Savings Bank as well as Current Deposit Account Holders periodically as per terms and conditions of opening of the account. Alternatively, the Bank shall issue a Pass Book to Savings Bank account holders. Bank shall send the statement of account to the eligible customers periodically through E-mail. However, Bank is not obliged to accord the request from any mode of communication i.e. unregistered telephone number/unregistered e-mail etc. for any financial or non-financial transaction.

## **7. Operational Guidelines for Deposit Accounts:**

### **A. Introduction:**

Introduction is not necessary for opening of accounts under PML Act and Rules or Reserve Bank's extant KYC instructions, bank should not insist on introduction for opening bank accounts of customers provided the prospective customer provides documents of identity and address as required under the customer acceptance policy, to the satisfaction of the Bank.

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

### **C. Addition or deletion of the name(s) of Joint Account holders:**

The bank shall 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.

### **D. Transfer of Deposit Accounts:**

The deposit accounts may be transferred to any other branch of the Bank at the request of the depositor(s). In case of joint account, consent of all joint account holders should be obtained. The KYC verification once done by one branch of the bank shall be valid for the transfer of the account within the bank if full KYC verification has been done for the concerned account and is not due for periodic updation. The customers will be allowed to transfer their accounts from one branch to another branch without restrictions, without insisting on fresh proof of address and/or identity and on the basis of a self-declaration from the account holder about his/her current address.

**E. Customer information:**

As the information provided by the customer for KYC compliance while opening an account is confidential, divulging any details thereof for cross selling or any other purpose to outside agencies except those authorized by branch/ bank, would be in breach of customer confidentiality obligations.

Wherever it is desired to collect any information about the customer for a purpose other than KYC requirements, it should not form part of the account opening form. Such information may be collected separately, purely on a voluntary basis, after explaining the objectives to the customer and taking his/her express approval for the specific uses to which such information could be put. Branches should strictly ensure compliance with their obligations to the customer in this regard.

**F. Issuance of Cheque Book in Deposit Accounts:**

- ✓ If customer is eligible for cheque book facility, loose cheque shall not be issued in any circumstances other than illiterate person.
- ✓ For re-issue of cheque book, cheque requisition slip must be produced by the customer/representative of the customer duly authorized by the customer.
- ✓ If customer demands for re-issue of cheque book/loose cheque without requisition slip, then customer must report his/her already issued cheque books as lost/misplaced/stolen to the bank.

**G. Deposits Into Bank Accounts:**

In view of rule 114B of Income Tax Act, cash deposit exceeding Rs.50,000/- in a day can be accepted only along with PAN or Form 60.

**H. Secrecy of customer's accounts:** The Bank shall not disclose details / particulars of the customer's account to a third person or party without the express or implied consent of 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.

## **8. Closure/Repayment of Deposit Accounts:**

Inability of an existing customer to furnish details required by the bank to fulfill statutory obligations would result in closure of the account after due notice(s) is given to the customer.

## **9. Interest Payment:**

- A. The interest rates shall be uniform across all branches and for all customers and there shall be 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 its offices.**
- B. The interest rates offered shall be reasonable, consistent, transparent and available for supervisory review/scrutiny as and when required.**
- C. All transactions, involving payment of interest on deposits shall be rounded off to the nearest rupee for rupee deposits and to two decimal places for FCNR (B) deposits.**

## **D. Interest Rate on domestic Saving Deposits:**

- i. As per RBI guideline, with effect from October 25, 2011, Saving Bank Deposit interest rate are deregulated. Accordingly, Bank is free to determine its Savings Bank Deposit interest rate for resident Indians.**
- ii. Further, since HO RMD is determining the rates of interest on deposits and advances depending on the Asset Liability Matrix of the Bank. HO RMD will also circulate Saving Bank Deposit rates as approved by ALCO Committee of the Bank from time to time as per Bank's ALM matrix.**
- iii. Interest on domestic rupee savings deposits shall be calculated on a daily product basis and credited at quarterly intervals.**
- iv. A uniform interest rate shall be set on balance up to Rupees one lakh, irrespective of the amount in the account within this limit.**
- v. Differential rates of interest may be provided for any end-of-day savings bank balance exceeding Rupees one lakh.**

- vi. Interest on savings bank accounts, including those frozen by the enforcement authorities, shall be credited on regular basis irrespective of the operational status of the account.

**E. Interest rate on domestic Current Account:**

No interest shall be paid on deposits held in current accounts. Provided that balances lying in current account standing in the name of a deceased individual depositor or sole proprietorship concern shall attract interest from the date of death of the depositor till the date of repayment to the claimant/s at the rate of interest applicable to savings deposit as on the date of payment.

**F. Interest on Term Deposits:**

- i. Term deposit interest rates are decided by the bank within the general guidelines issued by the Reserve Bank of India from time to time. In terms of RBI directives Interest is calculated at quarterly intervals on term deposits and paid at the rate decided by the bank depending upon the period of deposits.
- ii. Interest on deposits repayable for less than 3 months or where the terminal quarter is incomplete, interest shall be paid proportionately for the actual number of days reckoning the year at 365 days. In case of monthly deposit scheme, the interest shall be calculated for the quarter and paid monthly at discounted value.
- iii. Deposits maturing on non-business working day:
  - ✓ If a term deposit is maturing for payment on a non-business working day, Bank shall pay interest at the originally contracted rate on the original principal deposit amount for the non-business working day, intervening between the date of the maturity of the specified term of the deposit and the date of payment of the proceeds of the deposit on the succeeding working day.



- ✓ In case of reinvestment deposits and recurring deposits, Bank shall pay interest for the intervening non-business working day on the maturity value.

iv. **Payment of Interest on pre-mature withdrawal:** The interest rates applicable on term deposits withdrawn before the maturity date shall be as under:

- ✓ Interest shall be paid at the rate applicable to the amount and period for which the deposit remained with the bank and not at the contracted rate.
- ✓ No interest shall be paid, where premature withdrawal of deposits takes place before completion of the minimum period specified.

**G.** The rate of interest on deposits shall be prominently displayed in the branch premises. Changes, if any, with regard to the deposit schemes and other related services shall also be communicated upfront and shall be prominently displayed in the branch / placed on the website of the Bank.

**H.** 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, 1961. The Bank shall 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 (Form 15G/15H) at the beginning of every financial year afresh.

**I. Higher Rate of Interest to Senior Citizens:**

The senior Citizens (A person having attained the age of 60 years) are entitled for Higher and Fixed Interest Rate on Domestic Term Deposits as prescribed by Bank from time to time over and above normal Interest Rate applicable on Domestic Term Deposits below Rs.2.00 Crore and for period above 180 days. In case of a term deposit which is standing in the name of HUF, the karta of HUF cannot be offered higher rate of interest, even if he is a senior citizen, as the beneficial owner of the deposit is HUF and not the karta in his individual capacity.

## **10. Operational Guidelines related to Term Deposits:**

### **A. Repayment of Term Deposits:**

- i. If term deposit accounts are opened with operating instructions 'either or survivor', the signatures of both the depositors need not be obtained for payment of the amount of the deposits on maturity. However, the signatures of both the depositors may have to be obtained, in case the deposit is to be paid before maturity.
- ii. If the operating instruction is 'either or survivor' and one of the depositors expires before the maturity, no pre-payment of the term deposit may be allowed without the concurrence of the legal heirs of the deceased joint holder. This, however, would not stand in the way of making payment to the survivor on maturity.
- iii. In case the mandate is 'former or survivor', the 'Former' alone can operate/withdraw the matured amount of the term deposit, when both the depositors are alive. However, the signature of both the depositors shall 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.
- iv. If the joint depositors prefer to allow premature withdrawals of fixed/term deposits also in accordance with the mandate of 'either or survivor' or 'former or survivor', as the case may be, a specific joint mandate from the depositors for the said purpose shall be obtained. In other words, in case of term deposits with "either or survivor" or "former or survivor" mandate, the Bank may allow premature withdrawal of the deposit by the surviving joint depositor on the death of the other, only if, there is a joint mandate from the joint depositors to this effect. All account opening forms of Term Deposit should invariably contain conditions which account holders can specify therein.

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

#### **B. Premature withdrawal of term deposit**

Bank on request from the Depositor shall allow withdrawal of Rupee Term Deposit before completion of the period of the deposit agreed upon at the time of placing the deposit. Bank will have the freedom to determine its own penal interest rate on premature withdrawal of term deposit. Bank has to ensure that depositors are made aware of the applicable penal rate along with deposit rate.

However, Bank will have the discretion to disallow premature withdrawal of term deposit in respect of Bulk Deposit of Rs.2 Crore & above in all depositors including deposits of individuals & HUFs. Bank has to notify such depositors of this policy of disallowing premature withdrawal in advance i.e. at the time of accepting the deposit. The penalty for premature withdrawal of Term Deposits/ Bulk Deposits/ DRI Deposits shall be decided by HO RMD Department from time to time. Except for the deposits placed by other than:

- i. Corporate/Government departments, Institutions and non-profitable organizations, wherein the deposits are placed based on the quotation submitted by the Bank.
- ii. Deposits of staff/ex-staff/ex-staff cum senior citizen, if prematurely withdrawn.
- iii. Splitting of the amount of term deposit at the request from the claimant/s of deceased depositors or joint account holders, where the period and aggregate amount of the deposit does not undergo any change.

#### **C. Premature termination of Term Deposit Account in Deceased Case**

Premature termination of term deposit in the name of deceased depositor(s) shall be allowed to the survivor(s) / nominee / legal heir(s) as permitted to the Bank by the depositor(s) at the time of issuance of such deposit. **Penalty for premature closure of Term deposits will not be levied in case of death of the account holder.**

#### **D. Premature renewal of term deposit**

In case the depositor desires to renew the deposit by seeking premature closure of an existing term deposit account, the bank shall permit the renewal at the applicable rate on the date of renewal. This shall be considered as closure of the term deposit in currency and (premature closure penalty will be levied) creation of term deposit a fresh as per the mandate of customer, i.e. Period of deposit, amount of deposit etc. provided the deposit is renewed for a period longer than the balance period of the original deposit. While prematurely closing a deposit for the purpose of renewal, interest on the deposit for the period it has remained with the bank shall be paid at the rate ruling, on the date of acceptance of the deposit (i.e. the date of contract) for the period for which deposit has actually remained with the Bank or the contracted rate whichever is lower.

#### **E. Auto Renewal of Term Deposits on Due Date**

In case any instructions/mandate is not received from the customer for not renewing the deposits, the deposit will be auto-renewed, excluding deposits like PSB Fixed Deposit Tax Saver Scheme, Capital gain deposit, Bulk Deposit, Inter Bank Deposit for the same period of time as the matured deposit at the prevailing rate of interest. The automatic renewal of such deposits will be restricted up to the maturity value less than Rs.2 Crore.

These guidelines are applicable to only those FDRs which have become overdue on or after 25.01.2017. The FDRs becoming overdue before 25.01.2017 shall be renewed with effect from the date of presentation for a minimum period of 15 days or more as specified by the depositor and the overdue interest will be paid at prevailing Saving Bank rate or the contracted rate of interest on the matured TD, whichever is lower for the overdue period.

**F. Renewal of Overdue Term Deposits (Applicable in the cases where Depositor has opted for Non-Auto Renewal)**

- i. If request for renewal of fixed deposit is received within 14 days from the date of maturity, such overdue fixed deposits will be renewed from its date of maturity at rate of interest applicable on the date of maturity for the period for which FDR is renewed.
- ii. If request for renewal of fixed deposit is received after 14 days from the date of maturity, such overdue fixed deposits will be renewed with effect from the date of presentation for a minimum period of 15 days or more as specified by the depositor beyond the date of presentation and Interest for the overdue period shall be paid on the amount being renewed (equal to or less than the Maturity Value of the Original Deposit) at the rate as applicable for Savings Bank Deposits or the contracted rate of interest on the matured TD, whichever is lower. If such renewed overdue term deposit is tendered for premature encashment, the rate of interest applicable for premature payment will be the rate ruling on the date of acceptance of the deposit (i.e. the date of contract) for the period for which deposit has actually remained with the Bank or the contracted rate whichever is lower less penal interest (if applicable).
- iii. If the term deposit is not renewed but encashed after the date of maturity, the overdue interest will be paid at prevailing Saving Bank rate or the contracted rate of interest on the matured TD, whichever is lower for the overdue period (from the date of maturity till the date of payment).
- iv. In case of Recurring deposit, it will not carry any interest after due date of maturity if it is not claimed by the depositor. However, if the maturity proceeds are to be reinvested in any of the bank's term deposit schemes, the benefit of overdue interest shall be given.

**G. Advances against Deposits:** The Bank may consider request of the depositor(s) for loan / overdraft facility against term deposits duly discharged by the depositor(s) on execution of necessary security documents at applicable rates of interest. The Bank may also consider loan against deposit standing in the name of minor, however, a suitable declaration stating that loan is for the benefit of the minor, is to be furnished by the depositor – applicant / natural / legal guardian.

**H. Interest payable on term deposit in deceased account:**

In the event of death of depositor (s) before or after the date of maturity of the deposit where the 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 overdue interest will be paid at Saving Bank rate or the contracted rate of interest on the matured TD, whichever is lower for the overdue period.

**I. Payment of Interest on Overdue Term Deposits for Exceptional Cases:**

Payment of interest on overdue term deposits is being done through CBS as per the guidelines on overdue term deposits.

However, in some exceptional cases, where customer representation is made related to overdue interest, maturity proceeds, reversal of penal charges etc., such exceptional requests shall be dealt as per the delegation of power mentioned hereunder:

Sanctioning/Rejecting Authority	Overdue Interest/Penal Charges Amount
Zonal Level Committee	Up to Rs.2.5 lakh
General Manager's Committee consisting 3 members namely – GM (P&D), GM (RMD) and GM (L&R).	Above 2.5 lakh and up to Rs.10 lakh
MD & CEO Committee	Above Rs.10 lakh

#### **J. Term Deposits availed through PSB UniC:**

- ✓ No Term Deposit Receipts will be issued by the branch to the customers who have opened Term Deposit accounts using PSB UniC Facility of bank.
- ✓ Such Term Deposit accounts will be auto closed on maturity and the proceeds will be transferred to the linked operative accounts.
- ✓ Premature closure of such Term Deposit deposits is allowed through online mode only.
- ✓ However, the depositor will be allowed to pledge the e-Term Deposits with Bank to avail the Loan against Bank Deposit through online using PSB UniC facility.

#### **11. Settlement of dues in deceased depositor's account**

Death of a person is a turbulent period, both mentally and financially for the members of the bereaved family. Speedy disposal of claim petitions of deceased depositors would be a solace to the legal heirs/nominee/ survivor of all the deceased depositors. For settlement of dues in deceased depositor's account, HO Law & Recovery Department Circulars may be referred. Latest being HO L&R Circular No: 810/2021-22 dated 27.07.2021 and Circulatory Letter No: 115/2021-22 dated 28.01.2021.

#### **12. Insurance Cover for Deposits**

All Bank deposits are covered under the insurance scheme offered by Deposit Insurance and Credit Guarantee Corporation of India (DICGC) subject to certain limits and conditions as under: "The DICGC insures all deposits such as savings, fixed, current, recurring, etc. Each depositor in a Bank is insured up to a maximum of Rs.5,00,000/- (Rupees Five Lakhs only) for including both principal and interest amount held by him in the same right and same capacity as on the date of liquidation/cancellation of Bank's license or the date on which the scheme of amalgamation/ merger/ reconstruction comes into force."

### **13. Stop Payment Facility**

The Bank shall accept stop payment instructions from the depositors in respect of cheques issued by them. However, service charges specified from time to time, if any, will be recovered from the depositor.

### **14. Safe Deposit Locker**

Safe Deposit Locker facility' is one of the subsidiary services provided by the Banks for keeping the valuables in the Safe Deposit Lockers. This provides safety to the belongings of the customers of the Bank against theft / burglary.

This service shall be provided by the Bank at its sole discretion based on potential and commercial considerations. Wherever the facility is offered, allotment of safe deposit shall be subject to availability and compliance of 'KYC' norms with other terms and conditions attached to the service.

The relationship between the Bank and Locker Hirer is in the nature of 'Bailor & Bailee and not 'landlord' & 'tenant'. Bank shall exercise due care and necessary precautions for the safety of lockers provided to the customers like ordinary prudence will do in his case. However, Bank shall not be liable for any damage or loss to lockers or its contents due to any reasons(s) whatsoever.

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 if the locker is operated jointly. 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, the bank shall release the contents of the locker to the survivor(s) / nominee / legal heir(s) of specifically permitted to the Bank by the hirer(s) at the time of allotment of such locker.

### **15. Garnishee Order:**

In case bank receives any Garnishee Order from any competent Court in respect of account(s) of the customer, Bank is duty bound to act as per court order.



## **16. Duplicate Fixed Deposit Receipts:**

### **A. Issuance of Duplicate Fixed Deposit Receipts:**

If the original FDR is misplaced / lost, the duplicate thereof shall be issued by the home branch after carrying out due diligence procedures / proper checking in CBS and obtaining indemnity bonds & undertaking from the customers. The Account shall be frozen in the CBS immediately after FDR is reported lost by the customer and the corresponding entry shall be made in the ledger of the account/AOF. The Job card for the same is available on the Bank's Intranet site.

At the time of the issuance of duplicate FDR, the deposit holders shall be required to execute indemnity Bond(s), which be appropriately stamped under the relevant State Laws. Stamp Duty shall be borne by the depositor concerned. Duplicate FDR shall be issued with an express endorsement on the same that it has been issued in lieu of Original FDR (specify the number /account) after the same was reported lost / misplaced. Where lost / misplaced FDR is held by more than one person jointly, the request for issuance of duplicate FDR shall be made jointly by them, the indemnity bonds shall be executed by each of such joint holders and the proceeds of the FDR, in case of pre-mature encashment, shall be credited to a joint account held by such holders either maintained with Punjab & Sind Bank or any other bank.

Besides an indemnity bond, an undertaking from the beneficiary shall be taken. In the undertaking, the beneficiary shall specifically and in certain terms declare the following:

- i. Date of loss/misplacement of Original FDR;
- ii. Circumstances, in which such loss/misplacement took place;
- iii. All efforts, as are expected from a reasonable and prudent person, to locate the original FDR have been exhausted;
- iv. Matter has been reported to the bank at the earliest possible instance;
- v. The original FDR was misplaced from the possession/control of the beneficiary or that of some third party;
- vi. The original FDR has not been pledged or delivered or handed over to any third party as a primary/collateral security or for any other purpose;
- vii. In case the original FDR is located after the loss has been reported to the bank, the same shall be immediately handed over to the bank;

- viii. This undertaking is in addition to and not in derogation of the indemnity bond executed by the beneficiary;
- ix. The beneficiary understands that the undertaking constitutes a crucial document for the purpose of the bank's decision to issue a duplicate FDR and make payment there under.
- x. The undertaking should be appropriately stamped under the relevant and applicable state laws. Charges thereof shall be borne by the depositor(s).

**B. Premature Payment of Duplicate FDR:**

If the holder of the duplicate FDR insists for premature encashment, the proceeds shall be credited in the account maintained either with Punjab & Sind Bank or any other Bank.

In case, the duplicate FDR has been paid in terms of the bank's policy and appropriate accounting treatment to the same has been given, and subsequently the original FDR is received, then the same shall be immediately cancelled by endorsing the details of the duplicate FDR issued in lieu thereof and payment already made there under by the bank to the beneficiary.

The factum of receipt of original FDR shall be entered into the account books / ledger containing the details of the duplicate FDR so that the accounts remain comprehensive and ascertainable without referring to different sets of record.

**17. Staff/Ex-staff/Executive Accounts:**

Branches have been permitted to allow additional interest on saving and normal domestic term deposits at a rate not exceeding one per cent per annum over and above the stipulated rate of interest to bank's staff/Ex-staff subject to following conditions:

- a) **The benefit of additional interest will be allowed to bank's staff/Ex-staff on deposits maintained either singly or jointly with the family members only when Staff/Ex-staff is the first account holder.**

- b) A “member of the Bank’s staff” means a person employed on a regular basis, whether full-time or part-time, and includes a person recruited on probation or employed on a contract of a specified duration or on deputation and an employee taken over in pursuance of any scheme of amalgamation, but does not include a person employed on casual basis.
- c) “A retired member of Bank’s staff” or a retired employee means an employee retiring on superannuation, voluntary retirement/ resignation with gratuity.
- d) “Family” means and includes the spouse of the member / retired member of the Bank’s staff and the children, parents, brothers and sisters of the member / retired member of the Bank’s staff, who are dependent on such member/ retired member, but does not include legally separated spouse.
- e) In case of Domestic Deposits, resident Indian retired Staff, who are Senior Citizens, will get the benefit of higher interest rates as admissible to Senior Citizens over and above the additional interest of 1% payable to them by virtue of their being retired members of the Bank’s Staff. Thus retired senior citizen staff member will get double benefit.
- f) Interest on deposits of Societies (including Co-operative Housing Societies) and Associations formed exclusively by members of the Bank’s Staff will be paid at the rate applicable to the staff, subject to submission of a declaration by the Society at yearly intervals before 15<sup>th</sup> April each year that funds deposited or which may, from time to time, belong to the members of the Society who are members of the Bank’s Staff.
- g) Family Pensioners of deceased staff/ex-staff are eligible for additional interest till he / she is eligible for Family Pension.
- h) Dependents of deceased staff/ ex-staff are eligible for additional interest till the period of dependency.
- i) In case of employees taken on deputation from another bank, the bank from which they are deputed may allow additional interest in respect of the savings or term deposit account opened with it during the period of deputation.

- j) In case of persons taken on deputation for a fixed duration, or on a contract of a fixed duration, the benefit shall cease on the expiry of the term of deputation or contract as the case may be.
- k) Branches are allowed to pay additional interest rate not exceeding 1% per annum over and above the rate of interest stipulated on deposits accepted / renewed from Executives i.e. Chairman, MD & CEO, Executive Director or such other executive appointed for a fixed tenure. However, they are eligible to get benefit under the staff category only till their tenure in the bank. If any term deposit is accepted from Chairman, MD & CEO and Executive Director during their tenure in the bank then the additional rate of 1% shall continue till maturity / renewal of term deposit.
- l) Executive who retires from our bank after completion of tenor and opt for pension from our bank be considered as ex-staff member of our bank and as such all the benefits as applicable to existing ex-staff for additional rate on deposits be made applicable to them.
- m) Premature Closure Charges will not be applicable in Term deposit/Recurring deposit accounts of staff/Ex-staff of the Bank.

**Kindly note that the additional interest rate of 1 % to banks staff member is not permitted in following categories-**

- i. **NRE / NRO/FCNR Deposit Account:** The benefit of additional interest rate on deposits on account of being bank's own staff or senior citizens shall not be available to NRE/NRO/FCNR deposits.
- ii. **Bulk Deposit (Term Deposit of Rs.2.00 Crore & above):** Additional interest to bank's staff members or retired staff member is not available for Deposits account opened under Bulk Deposit.
- iii. **Employees compulsorily retired/ Dismissed / Removed** from Service in consequence of Disciplinary Action/ Resignation without gratuity who are not entitled for Pension are not eligible for additional interest.
- iv. **Capital Gain Accounts Scheme:** Additional interest to Bank's staff members/ Retired staff members/ Senior Citizens is not available for Deposits account opened under Capital Gain Accounts Scheme.

- v. The benefit of additional interest rate for Staff members cannot be offered on accounts standing in the name of HUF even if the Karta of the HUF falls in the Staff category.

**18. Intimation to Customers on Changes Effected:**

**The Depositors will be informed of a change in the policy by any of the following:**

- **Display on Bank's website.**
- **Display on the notice board at the branch.**
- **Advertisement in newspapers**
- **E-mail to customers, if an e-mail address is registered with the Bank.**
- **SMS to customers, if mobile number is registered**
- **Intimation by means of a letter.**