

Rajasthan Marudhara Gramin Bank

Department of Planning & Development and Risk Management
Head Office Jodhpur

COMPREHENSIVE DEPOSIT POLICY



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Rajasthan Marudhara Gramin Bank Comprehensive Deposit Policy



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PREAMBLE

One of the important functions of the Bank is to accept deposits from the public for the purpose of lending. In fact, depositors are the major stakeholders of the Banking System. The depositors and their interests form the key area of the regulatory framework for banking in India and this has been enshrined in the Banking Regulation Act, 1949. The Reserve Bank of India is empowered to issue directives/advices on Interest Rates. Banks are now free to formulate deposit products within the broad guidelines issued by RBI/NABARD.

This policy document on deposits outlines the guiding principles in respect of formulation of various deposit products offered by the Bank and the terms and conditions governing the conduct of the Account. The document recognizes the rights of depositors and aims at dissemination of information with regard to various aspects of acceptance of deposits from the members of the public, conduct and operations of various deposit accounts, method of disposal of deposits of the deceased etc., for the benefit of customers. It is expected that this document will impart greater transparency in dealing with the individual customers and create awareness of their rights. The ultimate objective is that the customers will get services they are rightfully entitled to receive without demand.

While adopting this policy, the bank reiterates its commitment to individual customers. This document is a broad framework under which the rights of common depositors are recognized. Detailed operational instructions on various deposit schemes and related services will be issued from time to time.

TYPES OF DEPOSIT ACCOUNTS

While various deposit products offered by the Bank are assigned different names, the deposit products can be categorized broadly into the following types:

- a) **"Demand Deposit"** means a deposit received by the Bank, which is withdrawable on demand.
- **"Savings Deposit"** 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 specific period.
 - **"Current Account"** means a form of Demand Deposit wherefrom withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount and will also include other deposit accounts which are neither Savings Deposits nor Term Deposits.
 - **"Basic Savings Bank Deposit Account" (BSBDA)** The 'Basic Savings Bank Deposit Account' should be considered a normal Banking service available to all. This account shall not have the requirement of any minimum balance. 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. While there will be no limit on the number of deposits that can be made in a month. Facility of ATM card or ATM-cum-Debit Card will be provided without any charges. No charges will be levied for nonoperation/activation of in-operative 'Basic Savings Bank Deposit Account.'
 - **Small account** is a simplified KYC account in which restrictions are placed as under:
 - Weekly withdrawal / Transfer limit of Rs.10000/-
 - At any point of time balance in account should not exceed Rs.50000/-



- Total Credits in a financial year should not exceed Rs.100000/-

Such accounts can be operated for initial period of 12 months and thereafter for further period of 12 months, thereafter it must comply with KYC norms.

- b) **"Time Deposit"** means a deposit received by the Bank for a fixed period with drawable only after the expiry of the fixed period and includes deposits such as Recurring Deposits/Term Deposits / Special Term Deposits / Saving Plus Deposit Scheme etc.
- **"Recurring Deposits"** means a form of deposit, which stipulates remittance of regular installments for a pre-fixed period at pre-fixed intervals by the customer. It forms part of term deposits.

WITHDRAWALS

Withdrawals in account can be by way of Cheques, Withdrawal forms, through the use of ATM's, POS machines, by giving Standing Instructions to the Bank, ECS Instructions or through Internet Banking and Mobile Banking. Cash withdrawal should be in round rupees.

ACCOUNT OPENING AND OPERATIONS OF DEPOSIT ACCOUNTS

- a) The Bank, before opening any deposit account, will carry out due diligence as required under "Know Your Customer" (KYC) guidelines issued by RBI and or such other norms or procedures adopted by the Bank. If the decision to open an account of a prospective depositor requires clearance at a higher level, reasons for any delay in opening of the account will be informed to him/her and the final decision of the Bank will be conveyed at the earliest to him/her.
- b) The account opening forms and other material would be provided to the prospective depositor by the Bank. The same will contain details of information to be furnished and documents to be produced for verification and or for record. It is expected of the Bank Official opening the account, to explain the procedural formalities and provide necessary clarifications sought by the prospective depositor when he approaches for opening a deposit account.
- c) For deposit products like Saving Bank (SB) A/c and Current Deposit (CD) A/c, the Bank will normally stipulate certain minimum balance to be maintained as per RBI/NABARD guidelines as part of the terms and conditions governing operations of such accounts which will be displayed on the branch notice board. Failure to maintain minimum balance in the account will attract levy of charges as specified by the Bank from time to time. For SB A/c the Bank may also place restrictions on the number of transactions, cash withdrawals, etc., for a given period. Similarly, the Bank may specify charges for issue of cheque books, additional statements of accounts, duplicate pass book, folio charges, etc. All such details, regarding terms and conditions for operation of the accounts and schedule of charges for various services provided will be communicated to the prospective depositor while opening the account.
- d) Savings Bank Accounts can be opened for eligible person/persons and certain organizations/agencies (as advised by RBI, from time to time). Current Accounts can be opened by Individuals/ Partnership Firms/ Private & Public Limited Companies/ HUFs/ Specified Associates/ Societies/Trusts, etc. Term Deposits, general information on various Deposits & Interest rates offered by our Bank is available on Bank's website www.rmgb.in
- e) The due diligence process, while opening a Deposit Account will involve satisfying about the identity of the person, verification of address, satisfying about his/her occupation and source of income and obtaining recent photograph of the person/s opening/operating the account, as a part of the due diligence process. As per the provisions of the Prevention of Money Laundering Act, 2005, the Bank is required to obtain a recent photograph of the person/s opening/operating the account, as a part of the due diligence process. As per the provisions of the Prevention of Money Laundering Act, 2005, the Bank is required to obtain a recent photograph of the person/s opening/operating the account, as a part of the due diligence process.



restricted which will be made known to the customers at the time of opening of accounts in a transparent manner. BSBDA accounts are governed by RBI rules.

NOMINATION FACILITY

- a) Nomination facility is available on all deposit accounts opened by the individuals in their individual capacity. This is not available in the name of an institution or society or in any representative capacity as the holder of an office or otherwise. e.g. M.D. of a company, Secretary of an Association, partner of a firm, karta of a HUF etc. However, the facility of nomination is available in respect of deposits held in the name of a sole proprietary concern also. Nomination can be made in favor of one individual only. Nomination so made can be cancelled or changed by the account holder/(s) any time. Witness not required in case of literate person.
- b) In case of depositors putting his/her thumb impressions on the prescribed Forms for making nomination, cancellation or change thereof, the form is required to be attested by two witnesses. Nomination can be made in favor of a minor also, in that case appointee is required to be appointed.
- c) Nomination facility is available for joint deposit accounts with operating instructions as 'E' or 'S' also. In the case of joint accounts, the nominee's right arises only after the death of all the depositors. Bank recommends that all depositors avail of the nomination facility for smooth settlement of claim by the legal heirs in unforeseen circumstances. 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.
- d) Bank recommends that all depositors avail Nomination facility. If depositors do not want to give nomination, they will give in writing that they do not want nomination in the account. The depositor will be informed of the advantages of the nomination facility while opening a deposit account.
- e) An acknowledgment of Nomination details will be issued to the depositor/s

INTEREST PAYMENT

- a) Interest shall be paid on Savings Bank/Term Deposit accounts of residents Indians at the rate decided by the Bank within the general guidelines issued by the RBI/NABARD from time to time. Interest on Saving Bank Deposit is calculated on daily product basis.
- b) In terms of RBI 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 as approved by RBI/NABARD/Bank's Board.
- c) The rate of Interest on Deposits will be prominently displayed in the branch premises/on Bank's Website from time to time. Changes in rates, if any, with regard to the deposit schemes and other related services shall also be communicated upfront and shall be prominently displayed.
- d) The Bank has statutory obligations to deduct income tax at source if the total interest paid/payable on all Term Deposits held by a person during a financial year exceeds the amount specified under the Income Tax Act. The customer may give instructions to deduct TDS payable on the deposit, from operative account linked to the Term Deposit account; otherwise the amount of tax would be deducted from interest payable on term deposits and the maturity proceeds of the deposits will be less than that mentioned on Term Deposit. The Bank will issue a Tax Deduction Certificate (TDS) for the amount of tax deducted. The depositor, if entitled for exemption from TDS can submit declaration in the



prescribed format i.e. Form 15G/15H at the beginning of every financial year. DEPOSITORS must furnish their PAN Number along with 15G /15H. Failure to furnish PAN will result in deduction of TDS at the prevailing rate advised by Income Tax department.

INTEREST PAYMENTS – MODE OF CALCULATION

- a) **SAVINGS BANK ACCOUNTS:** Interest shall be paid on SB Account at the rate as specified by the Bank from time to time. Interest will be calculated on daily product basis and will be credited in the SB A/c in the months of June, September, December and March every year or at the time of closing of the SB A/c, **whichever is earlier.**
- b) **TERM DEPOSIT ACCOUNTS:** Interest on Term Deposits shall be as applicable on the date of issue/renewal of the Term Deposit Receipt. Interest would be calculated at Quarterly or larger intervals (and not monthly).

MODE OF CALCULATION OF INTEREST ON SHORT DEPOSITS AND FIXED DEPOSITS

Interest would be paid for the actual number of days on the basis of 365 days in a year. Interest is payable only if Fixed Deposit remain with the Bank for minimum period of 7 days. This guideline is subject to revision time to time as per Bank/RBI/NABARD Direction.

ACCOUNTS OF MINORS

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

ACCOUNTS OF MIGRATORY WORKER, TRANSFERRED EMPLOYEE ETC

- a) Customers may submit only one documentary proof of address (either Current or permanent) while opening a bank account or while undergoing periodic updating. In case the address mentioned as per 'proof of address' undergoes a change, fresh proof of address may be submitted to the branch within a period of Six months.
- b) In case the proof of address furnished by the customer is not the local address or Address where the customer is currently residing, the Branch may take a Declaration of the local address on which all correspondence will be made by the bank with the customer. No proof is required to be submitted for such Address for correspondence / local address. This address may be verified by the bank through 'positive confirmation' such as acknowledgment of receipt of (i) letter, cheque books, ATM cards; (ii) telephonic conversation; (iii) visits; etc. In the event of change in this address due to relocation or any other reason, Customers may intimate the new address for correspondence to the Branch within two weeks of such a change.

ACCOUNTS OF ILLITERATE PERSON

An illiterate person may open a Savings Bank account in his sole name or jointly with other person(s). The Bank may open deposit accounts **other than Current Accounts** of illiterate person. At the time of withdrawal/ repayment of deposit amount and/or interest, the account holder should affix his / her thumb impression or mark in the presence of the authorized officer.



who should verify the identity of the person. The Bank will explain the need for proper care and safe keeping of the passbook etc. given to the account holder. The Bank official shall explain the terms and conditions governing the account to the illiterate person.

ACCOUNTS OF PHYSICALLY IMPAIRED PERSON

A physically impaired person may open an account in his sole name or jointly with other person(s). The Bank may at its discretion open deposit accounts other than Current Accounts. 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.

ACCOUNTS OF VISUALLY IMPAIRED PERSON

A visually impaired person may open Savings Bank account in his sole name or jointly with other person(s). The Bank may at its discretion open deposit accounts other than Current Accounts of visually impaired 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.

ACCOUNTS OF DISABLED PERSONS WITH AUTISM, CEREBRAL PALSY, MENTAL RETARDATION AND MULTIPLE DISABILITIES

Guardianship certificate issued either by the District Court under Mental Health Act, 1987 or by the Local Level committees under the National Trust for the welfare of persons with Autism, Cerebral Palsy, Mental retardation and Multiple Disabilities Act, 1999 is required for the purpose of opening / operating accounts of such disabled persons. Branches give proper guidance to the guardians/managers of the disabled persons with autism, cerebral palsy, mental retardation and multiple disabilities so that they do not face any difficulties in opening of an account.

ADDITION OR DELETION OF THE NAME/S IN AN ACCOUNT

In Joint A/c, the Bank may at the request of all the Joint A/c holders allow addition or deletion of name/s of Joint A/c Holders, if the circumstances so warrant. In case of individual A/c, the Bank may allow an individual depositor to add the name of another person as a Joint A/c Holder.

TRANSFER OF ACCOUNTS

The deposit accounts may be transferred to any other branch of the Bank at the request of the depositor. After the accounts are transferred, the account holder has to provide local address proof or submit a declaration to provide the new address proof within six months at the transferee branch, if the transfer is at a different center.

CLOSURE OF ACCOUNTS

- a) Accounts can be closed on written request of the depositor. Request for closure of account should state the reason for closure. The pass book, unused cheque leaves and ATM cum Debit card (after cutting into two pieces across the magnetic strip) must accompany such request. Joint accounts can be closed only at the request of all such joint signatories.
- b) Under normal circumstances, we will not close depositors account without giving prior notice of 30 days indicating the reasons for such closure.

SECURITY OF CUSTOMER'S ACCOUNTS



- c) In Joint Deposit A/cs under operational instructions "operated jointly", where no nomination is made when one of the Joint A/c Holders dies, the Bank is required to make payment jointly to the legal heirs of the deceased person and the surviving depositor(s). However, if the Joint A/c holders had given mandate for disposal of the balance in the A/c in the forms such as "either or survivor", etc., the payment will be made as per the mandate to avoid delays on production of legal documents by the heirs of the deceased.
- d) Bank may call for succession certificates from the legal heirs of deceased depositors in cases a) where there are disputes and all the legal heirs do not join in indemnifying the Bank and b) in certain other exceptional cases where the Bank has a reasonable doubt about the genuineness of the claimant(s) being the only legal heir(s) of the depositor.

INTEREST PAYABLE ON TERM DEPOSIT IN DECEASED ACCOUNT

- a) In the event of death of the depositor before the date of maturity of the deposit and amount of the deposit is claimed after the date of maturity, the Bank shall pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment, the Bank shall pay simple interest at the applicable rate prevailing on the date of maturity, for the period for which the deposit remained with the Bank, beyond the date of maturity as per the Bank's policy in this regard.
- b) However, in the case of death of the depositor after the date of maturity of the Deposit, the Bank shall pay Interest at Savings Deposit rate prevailing on the date of maturity, from the date of maturity till the date of payment.

INSURANCE COVER FOR DEPOSITS

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

STOP PAYMENT FACILITY

The Bank will accept Stop Payment instructions from the depositors in respect of Cheques issued/reported lost and not paid till receipt of stop payment instructions. Charges, as specified, will be recovered.

DORMANT/INOPERATIVE ACCOUNTS

Accounts which are not operated for a period of two years will be marked as a dormant / inoperative account status in the interest of the depositor as well as the Bank. The depositor will be informed of charges, if any, which the Bank will levy on dormant / inoperative accounts. The depositor can request the Bank to activate the account for operating it after submitting fresh KYC. At present Savings Bank and Current accounts are treated as „inoperative/dormant“ if there are no debit as well as credit transactions induced at the instance of customers in the account for a period of over two years. Customer mandated transactions are treated as customer induced transactions and the accounts are treated as operative. The list of Unclaimed/inoperative accounts for more than 10 years is displayed on Bank's website for the notice to the public. Claimants can approach the branch with full details of the account for claiming the amount as per the Bank's policy. The depositor can request the Bank to activate the account for operating it. The procedure to be followed for activating the account will be intimated and activation of such accounts will not be charged.



DEAF OPERATIONS

Establishment of the Fund and Credits therein:

- a) Reserve Bank has established a Fund to be called the Depositor Education and Awareness Fund referred in Section 26A of the Act.
- b) The amounts to be credited to the Fund by banks is deposited in the specified account maintained with the Reserve Bank.
- c) The amounts to be credited to the Fund shall be the credit balance in any deposit account maintained with banks which have not been operated upon for ten years or more, or any amount remaining unclaimed for ten years or more, which includes: -
 - Savings bank deposit accounts;
 - Fixed or term deposit accounts;
 - Cumulative/recurring deposit accounts;
 - Current deposit accounts;
 - Other deposit accounts in any form or with any name;
 - Credit balance in cash credit accounts;
 - Loan accounts after due appropriation by the banks;
 - Margin money against issue of letter of credit/guarantee etc., or any security deposit;
 - Outstanding telegraphic transfers, mail transfers, demand drafts, pay orders, bankers Cheques, sundry deposit accounts, Vostro accounts, inter-bank clearing adjustments, unadjusted national electronic funds transfer (NEFT) credit balances and other such transitory accounts, unreconciled credit balances on account of automated teller machine (ATM) transactions, etc.;
 - Undrawn balance amounts remaining in any prepaid card issued by banks but not amounts outstanding against travelers cheques or other similar instruments, which have no maturity period;
- d) A bank shall transfer to the Fund the entire amount as specified in sub-paragraph (c), including the accrued interest that the bank would have been required to pay to the customer/ depositor as on the date of transfer to the Fund.
- e) A bank shall calculate the cumulative balances in all such accounts as specified in sub-paragraphs (c) and (d), as on the day prior to the effective date and transfer the amount to the Fund on the last working day of subsequent month along with the interest accrued as specified in sub-paragraph (e).
- f) From the effective date, banks are required to transfer to the Fund the amounts becoming due in each calendar month (i.e. balances remaining unclaimed for ten years or more) as specified in sub-paragraphs (c) and (d) and the interest accrued thereon as specified in sub-paragraph (e), on the last working day of the subsequent month.
- g) Notwithstanding anything contained in the Banking Companies (Period of Preservation of Records) Rules, 1985, or Co-operative Banks (Period of Preservation of Records) Rules, 1985, banks shall preserve records/documents containing details of all accounts and transactions, including deposit accounts in respect of which amounts are required to be credited to the Fund permanently; and where refund has been claimed from the Fund, banks shall preserve records/documents in respect of such accounts and transactions, for a period of at least five years from the date of refund from the Fund.
- h) Reserve Bank may call for all relevant information in respect of an account or deposit or transaction for which a claim for refund has been submitted by a bank.

REFUNDS AND INTEREST

- a) In case of demand from a customer/ depositor whose unclaimed amount/deposit had been transferred to Fund, banks shall repay the customer/depositor, along with interest



- applicable, and lodge a claim for refund from the Fund for an equivalent amount paid to the customer/depositor.
- b) The interest payable, if any, from the Fund on a claim shall accrue only from the date on which the balance in an account was transferred to the Fund to the date of payment to the customer/depositor. No interest shall be payable in respect of amounts refunded from the Fund, in respect of which no interest was payable by the bank to its customer/depositor.
 - c) Rate of interest, if any, payable on the principal amount transferred to the Fund shall be specified by Reserve Bank from time to time.
 - d) In case of any claim for refund of part amount by the depositor whose unclaimed amount/inoperative deposit had been transferred to the Fund, the account will be revived and will become operative. The bank shall claim the entire amount transferred to the Fund in respect of such depositor along with interest payable, if any, from the Fund.
 - e) Refunds made by a bank in each calendar month should be claimed for reimbursement from the Fund on the last working day of the subsequent month.

REDRESSAL OF COMPLAINTS AND GRIEVANCES

Depositors having any complaints/grievances with regard to services rendered by the bank have a right to approach authority (ies) designated by the Bank for handling customers' complaints/grievances. The Bank has in place customers' grievance redressal policy to assist depositors. Accordingly, depositors not satisfied with the services of the Bank may approach nodal officer for redressal of their complaints. Details of nodal officers are displayed at every branch/Regional Office of the bank and are also available on bank's website www.rmgb.in. The branch officials shall provide all required information regarding procedure for lodging the complaint. In case the depositor does not get response from the Bank within 30 days from the date of complaint received by the Bank or he/she is not satisfied with the response received from the Bank, he/she has the right to approach Banking Ombudsman appointed by the Reserve Bank of India.

SERVICE CHARGES

The Bank will levy service charges as approved by RBI/NABARD/Bank's Board. The applicable Service Charges will be available for the knowledge of customer on the website of our Bank.

- **Printed material in bilingual form**

In order to ensure that banking facilities percolate to the vast sections of the population, banks should make available all printed material used by retail customers including account opening forms, pay-in-slips, passbooks, etc., in trilingual form i.e., English and Hindi.

POLICY REVISION

The Bank reserves the right to amend/modify this Policy, as and when deemed fit and proper, at its sole discretion. Bank shall also endeavor, to review the Policy at annual intervals.

INTIMATION TO CUSTOMERS ON CHANGES EFFECTED

The depositors will be informed of a change in the policy by either of the following, which bank consider appropriate.

- a) Advertisement in the newspapers
- b) SMS to the customers, if mobile number is registered
- c) Display on the notice board at the branch
- d) Display on Bank's website at www.rmgb.in
- e) Intimation by means of a letter.

