

Rajasthan Marudhara Gramin Bank

Department of Planning & Development and Risk Management

Head Office Jodhpur

DEPOSITOR EDUCATION AND AWARENESS FUND (DEAF) POLICY



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Rajasthan Marudhara Gramin Bank

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Depositor Education and Awareness Fund

1. Introduction:

Pursuant to the enactment of The Banking Laws (Amendment) Act, 2012, Section 26A has been inserted in the Banking Regulation Act, 1949 which, *inter alia*, empowers the Reserve Bank to establish a Depositor Education and Awareness Fund (DEAF).

DEAF will be credited with the amount to the credit of any account in India with a banking company which has not been operated upon for a period of ten years or any deposit or any amount remaining unclaimed for more than ten years within a period of one month from the expiry of ten years.

DEAF shall be utilized for promotion of depositors' interest and for such other purposes considered necessary for the promotion of depositors' interests as specified by the Reserve Bank from time to time. However, the provisions of Section 26A do not prevent a depositor from claiming his/her depositor operating his/her account or deposit after the expiry of the period of ten years and the banking company should pay the deposit amount and claim refund of such amount from DEAF.

The Reserve Bank of India, in exercise of the powers conferred by sub-sections (1) and (5) of Section 26A of the Banking Regulation Act, 1949 (10 of 1949) and of all the powers enabling it in this behalf, has introduced the scheme called Depositors Education and Awareness Fund (DEAF) vide its notification No. DBOD.No. DEAF Cell.BC.114 / 30.01.002 /2013-14 dated May 27.05.2014.

Any amount lying unclaimed at the branches either in deposit account or nominal accounts for a period of more than 10 years) has to be transferred to the Fund along with interest accrued if any, on monthly basis.

2. Definitions:

In this Scheme, unless the context otherwise requires:

- (i) 'Act' means the Banking Regulation Act, 1949 (10 of 1949);
- (ii) 'Bank' means Rajasthan Marudhara Gramin Bank;
- (iii) 'Fund' means the Depositor Education and Awareness Fund;
- (iv) 'Effective date' means the date on which the Scheme is notified in the Official Gazette;
- (v) 'Principal amount' means the amount, including interest, transferred by a bank to the Fund in terms of Section 26A of the Act;
- (vi) 'Amount due' means any credit balances in any account or any deposit in a bank remaining unclaimed or inoperative for ten years or more;
- (vii) Words and expressions used in this Scheme and not defined herein, but defined in the Act, shall have the meaning respectively assigned to them in the Act.

3. Classification / Identification of Accounts:

Bank shall deposit the credit balance in any deposit account maintained with the bank which have not been operated upon for ten years or more, or any amount remaining unclaimed for ten years or more to the DEA Fund in the specified account maintained with the Reserve Bank, which include: -

- a. savings bank deposit accounts;
- b. fixed or term deposit accounts;
- c. cumulative/recurring deposit accounts;
- d. current deposit accounts;
- e. other deposit accounts in any form or with any name;
- f. cash credit accounts;
- g. loan accounts after due appropriation by the banks;
- h. margin money against issue of Letter of Credit/Guarantee etc., or any security deposit;
- i. outstanding 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.;
- j. undrawn balance amounts remaining in any prepaid card issued by banks but not amounts outstanding against travellers cheques or other similar instruments, which have no maturity period;
- k. rupee proceeds of foreign currency deposits held by banks after conversion of foreign currency to rupees in accordance with extant foreign exchange regulations; and
- l. Such other amounts as may be specified by the Reserve Bank from time to time.
- m. Any amount payable in foreign currency under an instrument or a transaction, that has remained unclaimed for ten years or more, shall at the time of transfer to the Fund be converted into Indian Rupees at the exchange rate prevailing on that date and in the event of a claim, the Fund shall be liable to refund only the Indian Rupees received by the Fund with respect to such instrument or transaction.
- n. Bank shall transfer to the Fund the entire amount 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.
- o. Bank shall calculate the cumulative balances in all such accounts 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.
- p. From the effective date, bank is required to transfer to the Fund the amounts becoming due in each calendar month (i.e. balances remaining unclaimed for ten years or more) and the interest accrued thereon, on the last working day of the subsequent month.

CBS generated list of eligible unclaimed accounts as on last month will be provided by HO to branches through RBO in the starting of the subsequent month.

The Branch Manager is responsible for remitting the eligible amount which is unclaimed for the last 10 years to DEAF.

DEAF remittances register is to be maintained properly duly recording all the particulars and be authenticated by Branch Manager.

4. Remittance of eligible unclaimed accounts – process to be followed by branches:

- a. The Branch Manager is authorized to debit the eligible accounts and transfer the balance to concerned RBO duly narrating complete details in transaction field such as:
 - (i) Type of the account and (ii) name of the depositor
- b. Branch Manager will ensure that the amount be credited to RBO A/c and the amounts transferred from their branch should be one and same.
- c. Branches will submit the details of the amounts remitted to RBO by 25th of every month or by any other date specifically advised by the Planning Department at the Head Office.

5. Reporting structure – branches, ROs and head office

5.1 Reporting by RBOs:

- a. The RBOs will further remit the unclaimed amount to Head Office.
- b. The RBOs also submit the consolidated details through e-mail to the Head office after remitting the amount. Extension may be allowed as exception by planning department, Head office.
- c. Regional Offices will be responsible for monitoring of the DEAF scheme at branches under its control and for timely submission of details and unclaimed amount to Head Office.

5.2 Remittance by Head Office to DEAF (Electronically):

On receipt of amount and details from RBOs, the amounts credited to the Head Office Account, Head Office will reconcile the same and remit to Reserve Bank of India in electronic form to DEAF Account through “**E-Kuber Portal**” of RBI” on the dates specified by RBI. The E-Kuber portal is accessible as notified by the RBI.

6. Procedure for settlement of claims in respect of amounts transferred to DEAF:

Whenever a depositor / customer claims the amount transferred to DEAF, the following procedure will be followed:

Requisites:

- a. Branch will obtain a request letter from the depositor / customer.
- b. Ensure the KYC essentials such as address proof, identity proof including Aadhaar card. (As per the KYC policy of the Bank)
- c. Obtain original pass book / TDR receipt or advice etc. evidencing the ownership of amount held in the account.
- d. The Branch Manager has to satisfy himself regarding the identification of claimant and ensure genuineness of claim and then process the claim.

Branch Role:

- a. Verify and ensure whether the amount that has been remitted under DEAF (verify with DEAF Remittances Register and original deposit account)
- b. The Branch should open a new SB account (in case of closed account) in the name of the claimant using the same CIF (for cross reference) and fulfill KYC norms and seed the Aadhaar Card Number.

- c. Payment of Interest: Interest is to be paid on SB/TD/RD accounts from the date of transfer to the DEAF and till the date of payment, on the amount transferred to DEAF (at the rate prescribed by RBI from time to time).
- d. The claim is to be settled immediately by the Branch Manager.
- e. Payment (with interest if any) will be made to the depositor's account by debit to Branch DEAF BGL Account.
- f. Record the particulars of the claim settled in "DEAF-Claims Settlement Register & submit the details on bank's unclaimed portal.
- g. The Branch Manager is ultimately responsible for settlement of the claim and payment of interest under DEAF Scheme.

Regional Office Role:

RBOs should ensure the reconciliation of DEAF suspense account on monthly basis and report to Head Office if any irregularities found.

Head Office Role:

- a. HO will in turn submit consolidated claims to RBI at monthly intervals before 15th of every month through E-kuber portal.
- b. After submission of the claim on portal, Form II will be generated which will duly be signed by designated authorities and concurrent auditor for submission to RBI.
- c. On receipt of claim amount from RBI, Accounts department will credit the branch wise DEAF BGL account.
- d. If any excess / shortfall happens in receipt of claim amount from RBI, that will be passed on to the customer account concerned.

Authorized Signatories:

As per RBI guidelines, signatories have to be nominated for signing the returns to be submitted to RBI. Approval of Board has to be obtained for nominating any executive as authorized signatories.

Presently the 2 executives are nominated as authorized signatories, which are from the below mentioned departments.

1. Chief Manager Accounts
2. Chief Manager Planning & Development

In case of transfer/superannuation/retirement with any reason of any executive, note is to be put up to the Board for the appointment of new signatories. Whenever there is such a change, specimen signatures of the newly appointed authorized signatories, duly attested by General Manager of the Bank have to be sent to RBI in their prescribed format.

7. Preservation of records:

Bank shall preserve records containing details of accounts and amount transferred to DEA Fund. Bank shall also simultaneously preserve record of the claims made by the customers and payment made to the customers thereon by claiming reimbursement from RBI. Bank 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. In this regard branches shall follow the guidelines circulated

by HO on time to time.

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. As per RBI directive, the amount transferred to the Fund has to be shown in the books of the Bank as contingent liability.

8. Audit :

The accounting year for the Fund shall be from April 1 to March 31 of the subsequent year. The eligible accounts shall be audited by the Concurrent Auditor of the Bank and fill the returns to RBI.

On the date of transferring the amount to the Fund, the bank should maintain customer-wise details verified by the concurrent auditors, including payment of up-to-date interest accrued that has been credited to the deposit account till the date of transfer to the Fund, with respect to interest bearing deposits. With respect to non-interest bearing deposits and other credits transferred to the Fund, customer-wise details, duly audited, should be maintained with the bank. The concurrent auditors should also verify and certify that, as per the banks' books, the returns have been correctly compiled by the bank in the monthly and yearly returns submitted to RBI. The above returns shall also be verified by the statutory auditors at the time of annual audit and an Annual Certificate shall be obtained from statutory auditors and forwarded to RBI, certifying that the returns have been correctly compiled by the bank.

9. Display of inoperative accounts of more than 10 years on bank's

Website/public domain

Keeping in view public interest, it has been decided by RBI that bank should play a more pro-active role in finding the whereabouts of the account holders of unclaimed deposits. Therefore, Bank should display the list of unclaimed deposits which are unclaimed for ten years or more on Bank's websites. The list so displayed on the website must contain only the names of the account holder(s) and his/her address in respect of unclaimed accounts. In case such accounts are not in the name of individuals, the names of individuals authorized to operate the accounts should also be indicated. However, the account number, its type and the name of the branch shall not be disclosed on the bank's website. The list so published by the bank should also provide a "Search" option to enable the public to search the list of accounts by name of the account holder.

10. Grievance Redressal mechanism

All customer grievances shall be resolved as per the bank's customer grievance redressal policy within stipulated timeframe.

11. Returns to be submitted by head office to DEA fund

Bank has to submit 3 returns in which two returns having monthly frequency while the remaining 1 has frequency half yearly. Details of the return are mentioned below.

a. FORM I- Monthly return of unclaimed deposits/credits/accounts/in India which have not been operated upon/remained unclaimed for 10 years or more as on the date of return and transferred to DEA Fund Account. (to be submitted online to the Reserve Bank of India by 15th of the succeeding month)

b. FORM II- Monthly return claiming refund from the DEA Fund. (to be submitted online on or before 10th of the succeeding month to which the claim pertains and original hard copy duly signed by Board Approved authorized signatories and audited by Concurrent Auditor, to be submitted by 25th of the succeeding month to which the claim pertains.

c. FORM III- Certificate of Reconciliation of balances for the half year ended September/March, original hard copy duly signed by 2 executives other than the authorized signatories and audited by the Concurrent Auditor (to be submitted in of the succeeding month).

d. FORM IX- Annual return containing details of unclaimed deposit sent to DEAF, RBI in a calendar year, to be submitted on XBRL portal of RBI by 31st January every year and any other return/information as advised by RBI, time to time.

12. Disclosure in Notes to Accounts

All such unclaimed liabilities (where amount due has been transferred to DEAF) may be reflected as “Contingent Liability – Others, items for which the bank is contingently liable” under Schedule 12 of the annual financial statements. Bank also disclose the amounts transferred to DEAF under the notes to accounts as per the format given below.

(Amounts in Rs. crore)	Current year	Previous year
Opening balance of amounts transferred to DEAF		
Add: Amounts transferred to DEAF during the year		
Less: Amounts reimbursed by DEAF towards claims		
Closing balance of amounts transferred to DEAF		

Amendment/Modification to the policy

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. The policy will be presented to the Board of Directors for review at annual intervals. The current version will remain effective till the expiry of one year from the date of adoption by the Board or the next immediate meeting after the completion of one year, whichever is later.