



**ARYAVART BANK**

HEAD OFFICE

A-2 /46, VIJAY KHAND, GOMTI NAGAR, LUCKNOW

**MODEL POLICY**  
**ON**  
**BANK DEPOSITS**

**FY2024-25**

Reviewed on: 24.06.2024



## INDEX

Para No.	Particulars	Page No.
1	Preamble	3
2	Types of Deposit Accounts	3
3	Account Opening And Operations of Deposit Accounts	4-7
4	Interest Payment	7-8
5	Interest Payments - Mode of Calculation	8
6	Mode of Calculation Of Interest on Short Deposits and Fixed Deposits	8
7	Accounts of Minors	8-9
8	Account of Illiterate	9
9	Addition or Deletion of The Name/S in an Account	9
10	Customer Information	9
11	Secrecy of Customer's Accounts	9
12	Premature Withdrawal /Closure of Term Deposit	10
13	Premature Renewal of Term Deposit	10
14	Renewal of Overdue Term Deposits	10
15	Automatic Renewal of Term Deposits on Due Date	11
16	Deposit maturing on Sunday/holiday/non-business working day	11
17	Advances Against Deposits	11
18	Premature Repayment of Term Deposits in Banks With "Either or Survivor" or "Former or Survivor" Mandate.	11
19	Settlement of Dues In Deceased Deposit Account	11-12
20	Interest Payable on Term Deposit in Deceased Account	12
21	Insurance Cover for Deposits	12
22	Stop Payment Facility	12
23	Doorstep Banking Services for Senior Citizens and Differently Abled Persons	12
24	Dormant/Inoperative Accounts	12
25	Settlement of Claims In Respect of Missing Persons	13
26	Redressal of Complaints And Grievances	13
27	Term Deposits Over Ten Years (Court Order):	13-14
28	Account of Visually Challenged Persons	14
29	Account of Persons With Autism, Cerebral Palsy, Mental Retardation & Multiple Disabilities:	14
30	Accounts of Transgender Persons	14
31	Role of ALCO & P&MIS Department	14
32	Incentives/Lottery/Extra Benefit offers for Deposits	14-15
33	Additional Rate of Interest	15-16
34	Review of Policy	16



## MODEL POLICY ON BANK DEPOSITS

### 1. 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 on deposits and other aspects regarding conduct of deposit accounts from time to time. Banks are now free to formulate deposit products within the broad guidelines issued by RBI.

This policy document on deposits outlines the guiding principles in respect of formulation of various deposit products offered by the Bank and the terms and conditions governing the conduct of the Account. The document recognizes the rights of depositors and aims at dissemination of information with regards to various aspects of acceptances of deposits from the members of the public, conduct and operations of various deposit accounts, payment of interest on various deposit accounts, closure of deposit accounts, method of disposal of deposits of deceased depositors, etc., for the benefit of customers. 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 outlined in the Bankers' Fair Practices Code of Indian Bank's Association. This document is a broad framework under which the rights of common depositors are recognized. Detailed operational instructions on various deposit schemes and related services will be issued from time to time.

### 2. TYPES OF DEPOSIT ACCOUNTS:

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

Definition of major deposit schemes are as under:

- i. "Demand Deposit" means a deposit received by the Bank, which is withdrawable on demand.
- ii. "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.
- iii. "Current Account" means a form of Demand Deposit wherefrom withdrawals are allowed any number of times depending upon the balances 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.
- iv. "Term Deposit" means a deposit received by the Bank for a fixed period-withdrawable only after the expiry of the fixed period; subject to terms & conditions stipulated by the Bank, from time to time and include deposits such as Recurring/Double Benefit Deposit/Short Deposit/Fixed Deposit/CD Plus, SB Plus etc.
- v. "Notice Deposit" means term deposit for specific period but withdrawable on giving at least one complete banking days' notice



### 3. ACCOUNT OPENING AND OPERATIONS OF DEPOSIT ACCOUNTS

- A. (i) 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 the customer and the final decision of the Bank will be conveyed at the earliest to the customer.
- (ii) Likewise the bank shall undertake the exercise of re-KYC in the accounts as per the extant regulatory guidelines from time to time.
- B. The bank is committed to provide basic banking services to disadvantaged section of the society. Banking services will be offered to them through Basic Saving Bank Deposit Account (BSBDA) and small saving account will be opened with relaxed customer acceptance norms as per regulatory guidelines.
- C. The account opening forms and other material would be provided to the prospective depositor by the Bank for a change. 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 clarification sought by the prospective depositor when he approaches for opening a deposit account.
- D. Customer also can avail other banking product and/or services offered by bank from time to time like -
- i. **Debit card:** Bank may issue Debit Card to customer having Saving Bank/Current account. Bank may charge on debit card transactions within stipulated benchmark as per regulatory guidelines. Bank has fixed the Merchant Discount Rate keeping it competitive in the market.
- E. The regulatory guidelines require bank to categorize customers based on risk perception and prepare profile of customers for the purpose of transaction monitoring. Inability or unwillingness of a prospective customer to provide necessary information/details will result in the bank not opening an account.
- F. Inability of an existing customer to furnish details required by the bank to fulfil statutory obligations subsequently will result in closure of the account after due notice(s) to the customers.
- G. For deposit products like Saving Bank (SB) Account and Current Deposit (CD) Account, the Bank will normally stipulate certain minimum balance/minimum Average Quarterly Balance (AQB) to be maintained as part of the terms and conditions governing operations of such accounts which will be displayed on the branch notice board/Website. Failure to maintain minimum balance/ minimum Average Quarterly Balance (AQB) in the account will attract levy of charges as specified by the Bank from time to time.
- H. For SB Account, 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. Statement of Account is sent through email on customer's request, also it is made available through internet banking and Mini statement through ATM. All such details, regarding terms and conditions for operation of the accounts and schedule of charges for various services provided is available on Bank's website and are subject to revision from time to time.
- I. **Savings Bank Accounts** can be opened for eligible person/persons and certain organizations/agencies (as advised by RBI, from time to time)
- J. **Current Accounts** can be opened by Individuals/Partnership Firms/Private & Public Limited Companies/HUFs/Specified Associates/Societies/Trusts, etc.

However, as per RBI guidelines vide Cir. ref. RBI/2020-21/20 DOR.No.BP.BC/7/ 21.04.048/2020-21 dtd. August 6, 2020 "No bank shall open current accounts for customers who have availed credit facilities in the form of cash credit (CC)/ overdraft (OD) from the banking system and all transactions shall be routed through the CC/OD account".



Therefore, compliance of RBI guidelines must be taken care of while opening of new current accounts as well as allowing operations in existing current accounts. Thus, a monitoring mechanism at regular interval should be developed at Branch level so that any avancements of CC/OD from the banking system by our existing current account holders may be tracked.

K. **Term Deposits** Account can be opened by Individuals/Partnership Firms/Private & Public Limited Companies/HUFs/Specified Associates/Societies/Trusts, Departments of Authority created by Government (Central or State), Limited Liability Partnership etc.

The Term Deposits are classified into two categories viz. Retail Term Deposits and Bulk Deposit. The limits for the same is defined by RBI from time to time. Currently for RRBs single Rupee term deposit of below **Rupees One Crore** is defined as Retail and that of **Rupees One Crore** and above is defined as Bulk.

The general information on various Deposits & Interest rates offered by our Bank will be displayed on Bank's website [www.aryavart-rrb.com](http://www.aryavart-rrb.com).

L. 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, 2002 and the rules made there under by the Government, as well as guidelines issued by Reserve Bank of India (RBI) on KYC, obtaining identification documents for every customer is mandatory and introduction by a 3<sup>rd</sup> party is neither required nor a substitute for KYC documentation. The 'Basic Savings Bank Deposit Account' would be subject to RBI instructions 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 BSBDA 'Small Account' and would be subject to conditions stipulated for such accounts as indicated in paragraph Master Direction - Know Your Customer (KYC), Direction, 2021 last updated 04-01-2024.

M. In addition to the due diligence requirements under KYC norms, the Bank is required by law to obtain the Permanent Account Number (PAN) or General Index Register (GIR) Number or alternately a declaration in Form No. 60 or 61 as specified under the Income Tax Act/Rules and PMLA Rules amended vide notification dated 1<sup>st</sup> June 2017 and subsequent amendments.

N. Deposit Accounts can be opened by an individual in his own name (status: known as Account in single name) or by more than one individual in their own names (status: known as Joint Account). The mandate for operating the Account can be modified with the consent of all Account Holders. SB Account/Fixed/Recurring Bank deposit can also be opened by a minor, jointly with Natural Guardian or with Mother or legally appointed guardian, as the Guardian (status: known as Minor's Account). Minors of the age of 10 years & above who can also sign will also be allowed to open and operate SB Account, independently.

O. Operation in Joint Account - The Joint Account opened by more than one individual can be operated by any single individual or by more than one individual, jointly. The mandate for operating the Account can be modified with the written consent of all Account Holders. The SB Account opened by a minor, jointly with natural guardian/guardian can be operated by natural guardian only till the minor attains the majority. On attaining the majority, the erstwhile minor shall be asked to sign balance confirmation certificate with the consent of the guardian to be kept on record and thereafter the account shall be allowed to be operated by the erstwhile minor only.

However, Minors above the age of 10 will also be allowed to open and operate Savings Bank Account independently provided the minor should be able to read and write.

P. The Joint Account Holders can give any of the following mandated for the disposal of balances in the above accounts:

a) **"Either or Survivor"** : If the account is held by two individuals, say A & B, the final balance along with interest, if applicable, will be paid to **either of account holder i.e. A or B, on date of maturity or In case of**



premature closure signatures of both the individual would be required or to the survivor/s on death of anyone of the Account Holders.

b) **"Former or Survivor"** : The instructions "Former or Survivors" convey that the Account will be operated upon by the "Former" "A" alone, as long as he/she is alive and after his/her death by the "Survivor" "B". "B" cannot operate the Account during the lifetime of "A". "B" can operate the Account only after the death of "A". If "B" dies first the Account is to be operated upon solely by "A". The legal representative of "B" will have no right to the balance in the Account or to operate the Account. Only the legal representatives of the last/surviving Account Holder after his/her death are entitled to the balance in the Account.

c) **"Anyone or Survivor/s"** : If the Account is held by more than two individuals, say A, B, and C, the final balance along with Interest, if applicable, will be paid to any one if all of them are alive or to the survivor/s on the death of any of the account holders.

On the death of any one of account holder say A, the final balance along with interest if applicable, will be paid to any two of the surviving account holders jointly i.e. B or C. On the death of any two of account holders say A and B, the final balance along with interest if applicable, will be paid to surviving accountholder i.e. C.

d) **"Operated Jointly"**: Accounts which has operational instructions "operated jointly", the operations and all the instructions in this account shall be accepted under joint signatures of all account holders.

The above mandates will be applicable to or become operational only on or after the date of maturity in case of term deposits. This mandate can be modified only by the written consent of all the Account Holders.

- Q. Now if the joint depositors prefer premature withdrawal of deposits in accordance with the mandate of 'Either or Survivor', 'Anyone or Survivor' or 'Former or Survivor', bank may allow premature withdrawal of term deposits to the surviving depositor/s without seeking concurrence of legal heirs of the deceased deposit holder, provided all the depositors have given a specific joint mandate for the said purpose at the time of opening the account or any time subsequently during the tenure of the deposit.
- R. At the request of the depositors, the Bank may permit & register the mandate/power of attorney given by him/her, authorizing another person to operate the Account on his/her behalf.
- S. The Term Deposit Account holders at the time of placing their deposits can give instructions with regards to closure of the Deposit Account or renewal of deposit for a further period on the date of maturity. In absence of any such instructions, there will be automatic renewal of the deposits for the same period as was for the last deposit at the prevalent rate of interest on date of renewal.
- T. Nomination facility is available on all deposit accounts opened by the individuals. Nomination is also available to a sole Proprietary Concern Account. Nomination is not permitted in favour of Company, Firm, Trust, HUF, etc. Nomination can be made in favour of one individual only. Nomination so made can be cancelled or changed by the Account Holder/s at any time. Nomination can be made in favour of a minor also. The depositor (s) while making the nomination should appoint another individual not being a minor to receive the amount of deposit on behalf of minor nominee in the event of death of depositor(s) during the minority of the nominee. In case of Joint Accounts, nomination or variation of nomination should be made by all depositors, jointly. Bank recommends that all depositors avail the nomination facility. The nominee, in the event of death of the depositor/s, would receive the balance outstanding in the Account of the deceased as a Trustee of Legal Heirs. The depositor will be informed of the advantages of the nomination facility while opening a Deposit Account. The depositor has the discretion of putting nominee's name on passbook/term deposit receipt.
- U. In general Pass book will be provided by the Bank to depositors for SB Account and statement of Account to CD Account holders periodically as per terms and conditions of opening the Account.
- V. The Deposit Accounts may be transferred to any other branch of the Bank at the request of the Account Holders.



- W. Specific charges for issue of cheque books, additional/duplicate statement of account, passbook, copies of paid cheques, folio charges, ATM/Debit Card charges, verification of signatures, return of cheques, change in mandate or style of account, etc. will be recovered from time to time as applicable.
- X. Under financial inclusion, "BSBDA" Accounts should be opened either with "NIL" or very low minimum balances. The nature and number of transactions in such accounts may be restricted which will be made known to the customers at the time of opening of accounts in a transparent manner. "NO FRILLS" accounts are governed by RBI rules.
- Y. The term deposit receipt renewed under "Automatic Renewal Scheme" will not be handed over to the customer "unless" he submits the Original (Matured) Term Deposit Receipt to be kept on banks record.
- Z. The Bank will accept cheques written in Hindi, English or in the concerned Regional Language (i.e. Hindi in our case).

#### 4. INTEREST PAYMENT:

- i. Interest shall be paid on Savings Account at the rate specified by Bank which will be calculated on daily product basis and will be credited quarterly in the months of March, June, September and December, respectively or at the time of closing of account.
- ii. 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 advised by the Indian Banks' Association.
- iii. 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 regards to the deposit schemes and other related services shall be communicated upfront and shall be prominently displayed.
- iv. The rate of interest on Term Deposits is decided by Asset Liability Management Committee (ALCO). Bank doesn't discriminate in the matter of interest paid on deposits, between one deposit and another, accepted on the same date and for the same maturity, whether such deposits are accepted at the same office or at different offices of the bank.
- v. 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 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.

Note: Interest paid on Term Deposits (Fixed as well as recurring) will attract TDS provisions. TDS will be deducted on the interest earned on the total amount of deposits held by a customer in the Bank as a whole, and not on individual deposits held by him branch wise including Recurring Deposits (as per amendments in Finance Act 2015)

#### 5. INTEREST PAYMENTS - MODE OF CALCULATION

##### A. SAVINGS BANK ACCOUNTS:

Interest shall be paid on SB Account at the rate decided by the Bank from time to time, calculated on daily product basis and will be credited in the SB Account in the months of March, June, September and December, respectively every year or at the time of closing of the SB Account. Interest will be credited if it is Minimum Re.1/. Invariably, interest shall be credited on regular basis in SB account irrespective of the operational status



of the account. Any change/ revision in interest rate on Savings Bank Deposits shall be notified to the customers through Bank's website i.e. [www.aryavart-rrb.com](http://www.aryavart-rrb.com).

**B. TERM DEPOSIT ACCOUNTS:**

Interest on Term Deposits shall be as applicable on the date of issue/renewal of the Term Deposit Receipts. Interest would be calculated at Quarterly or larger intervals (**and not monthly**). In the case of Monthly Income Certificate (MIC) Scheme, the Interest is paid monthly at discounted value of the interest for one month. Interest on overdue term deposits will be payable at the savings deposit rate.

**6. MODE OF CALCULATION OF INTEREST ON SHORT DEPOSITS AND FIXED DEPOSITS:**

- i. **SHORT DEPOSITS** (Repayable within six months): Interest would be paid for the actual numbers of days on the basis of 365 days in a year.
- ii. **FIXED DEPOSITS** (Repayable six months and above): Interest would be paid for the actual numbers of days on the basis of 365 days in a year.

NOTE: In respect of any "Special Deposit Scheme" announced by the Bank, it will have different interest calculation method as per the scheme offer.

**7. ACCOUNTS OF MINORS:**

- a) A Savings Bank account of a minor may be opened to be operated upon by the natural guardian of the minor or by the guardian appointed by the Court.
- b) A Savings Bank Account may also be opened in :
  - (i) the single name of a minor aged 10 years or more who can sign to be operated upon by the minor.
  - (ii) the joint names of two minors who have completed the age of 10 years, to be operated upon by them jointly.
  - (iii) the joint names of two or more minors to be operated upon by a person who is the natural guardian of both or all the minors.
  - (iv) The minor accounts shall have additional banking facilities like debit card and cheque book upon request, subject to the safeguard that minor accounts are not allowed to be overdrawn and that these always remain in credit.

When a minor attains majority, the guardian ceases to be guardian and the Account ceases to be that of a minor. The payment from the account will be made to the erstwhile minor, provided the branch is satisfied about his identity.

When a minor whose account is operated by the guardian on his behalf attains majority, a Balance Confirmation Letter, duly signed by the erstwhile minor with his signature duly verified by the guardian shall be obtained. Having done this, it is not necessary to close the existing account and to open a new account, but the note made in the system (Master Data) and the account opening form/card to indicate that it is a minor's account, will be cancelled and a new account opening form will be obtained. Thereafter, the accounts will be operated upon only by the erstwhile minor who had attained majority.

**8. ACCOUNT OF ILLITERATE:**

The Bank may at its discretion open deposit Accounts other than CD Accounts of illiterate persons. The Account of such a person may be opened provided he/she calls on the Bank personally along with a witness who is known to both the depositor and the Bank. Normally, no cheque book facility is provided for such SB Accounts. At the time of withdrawal, repayment of deposit amount and/or interest, the Account holder should affix his/her thumb impression or mark in the presence of the authorized officer of the branch 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 in the language known to the customer.





## **9. ADDITION OR DELETION OF THE NAME/S IN AN ACCOUNT**

In Joint Account, the Bank may at the request of the Joint Account holders allow addition or deletion of name/s of Joint Account Holders if the circumstances so warrant. In case of individual Account, Bank may allow an individual depositor to add the name of another individual as a Joint Account Holder. However, in no case, the amount or duration of the original deposit undergo a change in any manner in case the deposit is a term deposit.

## **10. CUSTOMER INFORMATION:**

The customer information collected from the customers shall not be used for cross selling of services or products by the Bank, their subsidiaries and affiliates. If the Bank proposes to use such information, it would be strictly with the consent of the Account Holder.

## **11. 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 from the customer. However, there are some exceptions, viz. disclosure of information as required by any law or by an order of the Court, Regulatory Authority or Govt. Agency and where interest of the Bank requires disclosure or larger public interest warrants such disclosure of information.

## **12. PREMATURE WITHDRAWAL /CLOSURE OF TERM DEPOSIT:**

The Bank, on request from the depositor, shall allow withdrawal of a term deposit before completion of the contracted period agreed upon at the time of making deposit. While prematurely withdrawing/ closing a deposit, "the applicable rate of interest on the date of acceptance of deposit for the actual period which the deposit has remained with the bank or contracted rate of interest whichever is LOWER minus penalty if applicable shall be paid".

In addition, the Bank can levy penalty on premature withdrawal of Term Deposit, as applicable from time to time. The change in this regard shall be notified to the customers and general public through Bank's website i.e. [www.aryavart-rrb.com](http://www.aryavart-rrb.com). Further, the Bank may disallow premature withdrawal of large Rupee term deposit of **Rs. One Crore and above of all depositors**, including deposits of individual and HUFs. Renewal of deposits before the date of its maturity shall not be regarded as involving premature repayment provided the deposits is held with the bank after the date of renewal for a period longer than the remaining period of the original contract. Penalty is also not applicable on settlement of claims in the deceased depositor's accounts in the case of a term deposit standing in the name of deceased individual depositor and two or more joint depositors where one of the depositor has died. For payment before maturity, in case the deposit receipt is in joint names, all the joint account holders (Except F or S) have to discharge the Term Deposit Receipt.

No interest will be paid for premature withdrawal within 7 days in case of term Deposits (within 15 days for term deposit less than 1 Lakh), within 3 months in case of Recurring Deposits and within 12 months in case of NRE Term Deposit. Premature withdrawal/closure of Term Deposit is not allowed in Non-Callable Term Deposits.

## **13. PREMATURE RENEWAL OF TERM DEPOSIT:**

In case the depositor desires to renew the deposit by seeking premature closure of an existing Term Deposits Account, the Bank will permit the renewal at the applicable rate on the date of renewal, 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 broken period will be paid at the rate applicable to



the period for which the deposit remained with the Bank or contracted rate of interest whichever is lower and not the contracted rate.

#### **14. RENEWAL OF OVERDUE TERM DEPOSITS:**

When a Term deposit is renewed on maturity, interest rate as applicable on the date of maturity would be applied on the renewed deposit for the period specified by the depositor.

If depositor is not interested in renewing the Overdue Term Deposit then interest on TDR (for Overdue Period) shall be as under:

If a Term deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as applicable to saving account or the contract rate of interest on the matured TD, whichever is lower.

The depositor wants to renew the deposit for a period more than the already lapsed period (overdue period), may be renewed as per the extant guidelines of the Bank.

#### **15. AUTOMATIC RENEWAL OF TERM DEPOSITS ON DUE DATE:**

Unless there are specific instructions to the contrary, term deposits will be renewed for the same tenure as was for the matured Term Deposit and rate of interest would be as prevailing on due date. The TDR renewed under ARS would be given to the customer upon submission of e-mail advice/original TDR duly discharged.

**However, renewal of TDRs related to KYC/Re-KYC due account will not be renewed and will be dealt with as per extant guidelines. A report of such accounts where Re-KYC is pending will be made available through finacle to the Branches at least six months before the maturity of TDR by KYC/AML division of the Bank. The report will be revised on monthly basis.**

#### **16. Deposit maturing on Sunday/holiday/non-business working day**

- i) If a Term deposit maturing for payment on a Sunday or a holiday or a non-business working day, bank shall pay interest at the originally contracted rate on the original principal deposit amount for the Sunday/holiday/ 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.
- ii) In case of reinvestment deposits and recurring deposits, banks should pay interest for the intervening Sunday/holiday/non-business working day on the maturity value.

#### **17. ADVANCES AGAINST DEPOSITS:**

The Bank may consider a request from the depositor/s for loan/overdraft facility against Bank's own Term Deposit/s duly discharged by the depositor/s on execution of necessary security documents. The Bank may also consider loan against deposit standing in the name of minor, however, a suitable declaration from Guardian stating that loan is for the benefit of the minor, is to be furnished by the depositor-applicant.

#### **18. PREMATURE REPAYMENT OF TERM DEPOSITS IN BANK WITH "EITHER OR SURVIVOR" OR "FORMER OR SURVIVOR" MANDATE**

In case of term deposits with "Either or Survivor" or "Former or Survivor" mandate (Refer Annexure) banks are permitted to 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.

Accordingly, the joint deposit holders may be permitted to give the mandate either at the time of placing fixed deposit or anytime subsequently during the term/tenure of the deposit. If such a mandate is obtained, banks can allow premature withdrawal of term/ fixed deposits to the surviving depositor without seeking the concurrence



of the legal heirs of the deceased joint deposit holder. It is also reiterated that such premature withdrawal would not attract any penal charge.

#### **19. SETTLEMENT OF DUES IN DECEASED DEPOSIT ACCOUNT:**

- i. If the Depositor has registered nomination with the Bank; - the balance outstanding in the Account of the deceased depositor will be transferred to the Account of / paid to the nominee when valid claim on prescribed format is received and the Bank is satisfied about the identity of the nominee.
- ii. The above procedure will be followed even in respect of a joint Account where nomination is registered with the Bank.
- iii. In Joint Deposit Accounts under operational instructions "operated jointly" where no nomination is made when one of the Joint Account Holders dies, the Bank is required to make payment jointly to the legal heirs of the deceased person and the surviving depositor(s). However, if the Joint Account holders had given mandate for disposal of the balance in the Account in the forms such as "either or survivors" or "Former or Survivor", the payment will be made as per the mandate to avoid delays on production of legal documents by the heirs of the deceased.
- iv. In the absence of nomination and when there are no disputes among the claimants, the Bank will pay the amount outstanding in the Account of deceased person against joint application and indemnity by all legal heirs or the person mandated by all legal heirs to receive the payment on their behalf without insisting on legal documents upto the limit approved by the Bank's Board. This is to facilitate that the common depositors are not put to hardship on account of delays in completing legal formalities.

The claims shall be settled as per the guidelines issued vide Policy on Operational Procedure for Settlement of Claims in Deceased/Missing Depositors' Accounts adopted by the Bank.

#### **20. INTEREST PAYABLE ON TERM DEPOSIT IN DECEASED ACCOUNT**

In the event of death of the depositor before the date of maturity of the deposit and amount of the deposit is claimed after 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.

If the amount of deposit is claimed before the date of maturity, interest at the rate applicable to the period for which the deposit has remained with the bank will be paid without charging penalty.

However, in the case of death of the depositor after the date of maturity of the Deposit and where the deposits is not renewed automatically, 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.

#### **21. 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 on Bank's website.

#### **22. 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.



### **23. Doorstep Banking Services for Senior Citizens and Differently Abled Persons**

The Bank is also committed to extend basic banking facilities through Door Step Banking such as pick up of cash and instruments against receipt, delivery of cash against withdrawal from account, delivery of demand drafts, submission of Know Your Customer (KYC) documents, Life certificate etc. at the premises/residence of such customers (as per the RBI Guidelines. RBI/2019-20/203 DOR.CO.Leg.BC.No.59/09.07.005/2019-20 dated 31.03.2020)

### **24. DORMANT/INOPERATIVE ACCOUNTS:**

Savings Bank Accounts as well as Current Accounts would be treated as dormant/inoperative accounts if there are no transactions in the account for a period over two years. For classifying an account as inoperative, both the types of transactions, i.e., debit as well as credit transactions induced at the instance of customers as well as third parties would be considered.

An annual review shall be made for accounts in which there are no operations (i.e. no credit or no debit other than crediting of periodic interest or debiting of service charges) for more than one year and efforts would be made to trace out the customers/legal heirs. Record of follow up with the customers/legal heirs would be maintained.

The depositors will be informed through SMS on their registered mobile number with the Bank, three months before the account is classified as Dormant/Inoperative and the consequences thereof and

- a. In the Joint account only the First holder will be notified through SMS on his/her registered mobile number with the Bank, before the account is classified as dormant
- b. The procedure to be followed for activating the account will be intimated and
- c. Activation of such account will not be charged.

\* The Depositor can request the Bank to activate the account for operating it.

### **25. SETTLEMENT OF CLAIMS IN RESPECT OF MISSING PERSONS:**

The nominee/legal heirs of the missing depositor have to raise an express presumption of death of the depositor after a lapse of seven years from the date of his/her being reported missing under Section 107/108 of the Indian Evidence Act before a competent Court of Law. The claim in respect of such missing person will be settled by the Bank if the Court presumes that he/she is dead.

The claims shall be settled as per the guidelines issued vide Policy on Operational Procedure for Settlement of Claims in Deceased/Missing Depositors' Accounts adopted by the Bank.

### **26. REDRESSAL OF COMPLAINTS AND GRIEVANCES:**

Depositor 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 customer's complaints/grievances. The Bank has in place customer's grievance redressal policy to assist the Depositors. Accordingly, Depositor not satisfied with the service 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: aryavart-rrb.com. The Branch officials shall provide all required information regarding procedure for lodging the complaints. In case the Depositor does not get response from the Bank with 30 days from the date of complaints



or he/she is not satisfied with the response received from the Bank, he/she has the right to approach Banking Ombudsman appointed by RBI.

**27. TERM DEPOSITS OVER TEN YEARS (COURT ORDER):**

The Domestic & NRO Rupee Term Deposits can be opened for minimum period of 7 days (Minimum deposit Rs.1 Lac) and maximum up to 10 Years. For NRE Term Deposits, minimum period is 1 Year and maximum up to 10 Years. However, Depositors are allowed for Domestic Rupee Term Deposits to be opened for more than permissible period, i.e. 10 Years, in case of Court Order issued in favour of the depositor for the specific period as per the court order. The Rate of Interest eligible for these Term Deposit Accounts shall be the Rate of Interest applicable for the Domestic NRO & NRE Rupee Term Deposits of Ten Years on the account open effective date.

**28. ACCOUNT OF VISUALLY CHALLENGED PERSONS:**

Bank will facilitate opening of Saving Bank Account as well as Term Deposit accounts of persons with visual impairment. The account may be opened in his/her sole name or jointly with other person(s). 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.

Bank is committed in providing technology enabled banking facilities like ATM etc. which will enable the visually challenged persons to operate his/her own account. The Bank official shall explain the terms and conditions governing the account to the visually challenged persons in the language known to the customer. All the banking facilities such as cheque book facility including third party cheques, ATM facility, Locker facility, Retail Loan etc., may invariably be offered to the visually challenged without any discrimination.

For ease of operations, the facilities provided to Sick, Old and Incapacitated Persons (regarding operations of accounts through identification of thumb/toe impression/mark by two independent witnesses and authorizing a person who would withdraw the amount on behalf of such customers) shall also be extended to customers with visual impairment.

**29. ACCOUNT OF PERSONS WITH AUTISM, CEREBRAL PALSY, MENTAL RETARDATION & MULTIPLE DISABILITIES:**

Saving bank and term deposits can also be opened in the name of persons with autism, cerebral palsy, mental retardation and multiple disabilities by the legal guardian appointed by the District Court under Mental Health Act, 1987 or by the local Level Committees set up under the National Trust for welfare of persons with autism, cerebral palsy, mental retardation and multiple disabilities under Disabilities Act, 1999. Legal guardian, so appointed, will furnish an indemnity-cum-undertaking bond duly stamped as per the local law in force along with Guardianship Certificate.

**30. ACCOUNTS OF TRANSGENDER PERSONS:**

- a. In case of a person claiming to be transgender and needs to open account or to do any banking transactions, the person will be recognized as "Third Gender" and the details shall be accepted in the AOFs/ or other applicable forms as such.
- b. The salutation of such person shall be "Mx"
- c. All transgender customers shall be treated equally to other male/female customers without any discrimination.



### **31. ROLE OF ALCO & P&MIS Department:**

For any change in the rate of interest of deposit products decision shall be taken by the ALCO on recommendation of the P&MIS Department with thorough discussion on cost benefit analysis and fund requirement to take care of asset liability management.

### **32. INCENTIVES/LOTTERY/EXTRA BENEFIT OFFERS FOR DEPOSITS:**

Bank shall not offer any banking products, including online remittance schemes etc. with prizes/lottery/free trips (in India and/or abroad) etc. or any other incentives having an element of chance, except inexpensive gifts costing not more than Rupee Two Hundred Fifty, as such products involve non-transparency in the pricing mechanism and therefore go against the spirit of the guidelines.

### **33. ADDITIONAL RATE OF INTEREST:**

Additional rate of interest over and above rates applicable to general public to certain allowed group of customers, including value & tenure of deposit on which such additional ROI is to be provided, will be decided by ALCO from time to time or will be as directed by regulatory guidelines.

A. The eligibility of additional Rate of Interest on and above card rates for the Rupee Term Deposits is as below

-

#### **1. Additional Rate of interest to staff members:**

- 1% additional Rate of Interest (except for staff terminated, removed or dismissed)-
- Staff/Ex Staff Member, wherein the First account holder is Staff/Ex Staff and the employee id is entered in the customer id linked to Term Deposit account
- Spouse of deceased Staff (Spouse of deceased Staff should be First account holder)
- Retired Staff who have taken VRS.
- An association or a fund of Staff members (not of Ex-staff members)
- The additional interest rate cannot exceeds one percent.

#### **2. Additional Rate of interest to resident Indian Senior Citizens:**

0.50% additional Rate of Interest to Individual Depositor (First Account holder only), whose age is 60 Years & above at the time of placing the deposit with Bank, for their deposits where minimum amount is Rs.5000/- (in case of Term Deposits) and Rs. 100/- in case of Normal RD accounts, Rs. 1000/- in case of Flexi RD accounts) up to Rs.1 cr. for the period 6 months and above to 10 Years.

#### **3. Additional Rate of interest to resident Senior Citizens Staff/ Retired Staff Members:**

1.50% additional Rate of Interest - Ex Staff member (First Account holder only), whose age is 60 years & above, for their deposits up to Rs.1 Cr and for the period 6 months and above up to 10 years.

Note: Deposit under Capital Gain Account Scheme, NR Deposits and accounts of HUF are not eligible for additional rate of interest.

#### **4. Mid term senior citizen rates during currency of TDRs:**

To align with the market practice, Senior Citizen interest rate benefit will be given to customers who are turning senior citizen during the currency of deposits. For example, if a deposit is made for 5 years at the age of 58 by a customer, this deposit will last upto the age when customer turn 63 years of age. Benefit of additional ROI for Senior Citizen need to be given to such customer when they turn 60 years of age.

Hence concept of Mid-term Senior Citizen ROI is applied where additional ROI of Senior citizen will be inbuilt in the deposit at the time when he turn 60 years of age during the currency of deposit.

The Provision of Mid-term Senior Citizen rates is to be provided with following conditions:



i) Fully KYC complied: -

- If KYC complied before maturity date, additional interest rate benefit will be given.
- If KYC complied on and after maturity date, no additional interest rate benefit will be given. A report of such accounts where Re-KYC is pending will be made available through finacle to branches at least 6 months before the maturity of TDR by KYC/AML dept of the Bank. The report will be revised on monthly basis.

ii) The Provision for Mid-Term Senior Citizen ROI will be applicable on deposits as per Tenor deposit run after attaining the age of Senior citizen. The said Tenor is described as under: -

Left out Tenor of Deposit after attaining age of 60 years	Additional Interest benefit to be given
Less than 6 Months	Nil
Above 6 Months	50 bps of additional interest rate

iii) In case of death of the customer before attaining 60 years, no additional interest benefit will be given. Additional Interest rate in SB deposit will also be provided to eligible Staff/Ex-staff members as per eligibility defined under para 26.A.1.

5. The benefit of concessional rate of interest on deposit of erstwhile staff accounts of the following categories should be withdrawn and normal interest should be made applicable:

a). those who have resigned from the Bank's services,

b). whose service has been terminated by the Bank,

c). those who were taken up in the Bank on deputation but have reverted back to the original place of their service,

d). those employees who have retired compulsorily.

(In case of resignation/termination /compulsory retirement, existing Term Deposits of staff members, normal rates of interest would be applicable from the date of resignation/termination/ compulsory retirement whereas in case of end of deputation the normal interest will be applicable from date of renewal).

34. REVIEW OF POLICY:

The policy may be reviewed comprehensively at least once in a year.

(Amit Kumar Chaudhary)  
Chief Manager, P&MIS Deptt.

(Jitendra Prasad)  
General Manager



Executive Summary of Changes

Existing	Proposed*
<p><b><u>Point - 15: AUTOMATIC RENEWAL OF TERM DEPOSITS ON DUE DATE:</u></b></p> <p>Unless there are specific instructions to the contrary, term deposits will be renewed for the same tenure as was for the matured Term Deposit and rate of interest would be as prevailing on due date. The TDR renewed under ARS would be given to the customer upon submission of e-mail advice/original TDR duly discharged.</p>	<p><b><u>Point - 15: AUTOMATIC RENEWAL OF TERM DEPOSITS ON DUE DATE:</u></b></p> <p>Unless there are specific instructions to the contrary, term deposits will be renewed for the same tenure as was for the matured Term Deposit and rate of interest would be as prevailing on due date. The TDR renewed under ARS would be given to the customer upon submission of e-mail advice/original TDR duly discharged.</p> <p>However, renewal of TDRs related to KYC/Re-KYC due account will not be renewed and will be dealt with as per extent guidelines. A report of accounts where Re-KYC is pending will be made available through file to the Branches at least six months before the maturity of Term Deposits to the KYC/AML division of the Bank. The report will be revised on monthly basis.</p>
<p><b><u>To be Proposed</u></b> <b><u>(New Para Added)</u></b></p>	<p><b><u>Point - 16: Deposit maturing on Sunday /holiday/non-business working day</u></b></p> <p>If a Term deposit maturing for payment on a Sunday or a holiday or a non-business working day, bank shall pay interest at the originally contracted rate on the original principal deposit amount for the Sunday/ holiday/ non-business working day, intervening between the date of the maturity of the specific term of the deposit and the date of payment of the proceeds of the deposit on the succeeding working day.</p> <p>In case of reinvestment deposits and recurring deposits, banks should also pay interest for the intervening Sunday/holiday/non-business working day at the maturity value.</p>





**6. Point – 33 (1): Additional Rate of interest to staff members:**

- 1% additional Rate of Interest (except for staff terminated, removed or dismissed)-
- Staff/Ex Staff Member, wherein the First account holder is Staff/Ex Staff and the employee id is entered in the customer id linked to Term Deposit account
- Spouse of deceased Staff (Spouse of deceased Staff should be First account holder)
- Retired Staff who have taken VRS.
- An association or a fund of Staff members (not of Ex-staff members)

**6 Point – 33 (1): Additional Rate of interest to staff members:**  
**(New Point added)**

- 1% additional Rate of Interest (except for staff terminated, removed or dismissed)-
- Staff/Ex Staff Member, wherein the First account holder is Staff/Ex Staff and the employee id is entered in the customer id linked to Term Deposit account
- Spouse of deceased Staff (Spouse of deceased Staff should be First account holder)
- Retired Staff who have taken VRS.
- An association or a fund of Staff members (not of Ex-staff members)
- **The additional interest rate cannot exceeds one percent.**

**To be Proposed**  
**(New Para Added)**

**7. Point – 33 (4): Mid term senior citizen rates during currency of TDRs:**

To align with the market practice, Senior Citizen interest rate benefit will be given to customers who are turning senior citizen during the currency of deposits. For example, if a deposit is made for 5 years at the age of 58 by a customer, this deposit will last upto the age when customer turn 63 years of age. Benefit of additional ROI for Senior Citizen need to be given to such customer when they turn 60 years of age.

Hence concept of Mid-term Senior Citizen ROI is applied where additional ROI of Senior citizen will be inbuilt in the deposit at the time when he turn 60 years of age during the currency of deposit.

The Provision of Mid-term Senior Citizen rates is to be provided with following conditions:

- Fully KYC complied: -**
  - If KYC complied before maturity date, additional interest rate benefit will be given.
  - If KYC complied on and after maturity date, no additional interest rate benefit will be given. A report of such accounts where Re-KYC is pending will be made available through finacle to branches at least 6 months before the maturity of TDR by KYC/AML dept of the Bank. The report will be revised on monthly basis.
- The Provision for Mid-Term Senior Citizen ROI will be applicable on deposits as per Tenor deposit run after attaining the age of Senior citizen. The said Tenor is described as under: -**



Left out Tenor of Deposit after attaining the age of 60 years	Additional Interest benefit to be given
Less than 6 Months	Nil
Above 6 Months	50 bps of additional interest rate

iii) In case of death of the customer before attaining 60 years, no additional interest benefit will be given.

- Proposed changes are based on Bank of India Deposit Policy



(Amit Kumar)  
Chief Manager, P&MIS Deptt.



(Jitendra Prasad)  
General Manager

