

# Deposit Policy 2021-22

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## POLICY GUIDELINES ON DEPOSITS- 2021-22

### 1. KNOW YOUR CUSTOMER (KYC) GUIDELINES OF RBI

Know Your Customer [KYC] is the platform on which Banking system operates to avoid the pitfalls of operational, legal and reputational risks and consequential losses by scrupulously adhering to the various procedures laid down for opening and conduct of account.

The Bank shall adopt appropriate Know Your Customer Policies, procedures and internal controls reasonably designed to:

- 1.0 Determine and document the true identity and address of the customers who establish relationships, open accounts or conduct significant business transactions and obtain basic background information on customers.
- 1.1 Obtain and document any additional customer information, commensurate with assessment of the money laundering risks posed by customers' expected use of Bank's products and services.
- 1.2 Avoid doing business with any individual or entity whose identity cannot be determined or who refuses to provide information or who have provided information that contains significant inconsistencies which cannot be resolved after due investigation.

The regulatory guidelines require Bank to categorize customers based on risk perception and prepare profiles of customers for the purpose of transaction monitoring. 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 and the final decision will be conveyed at the earliest.

### 2. TYPES OF DEPOSIT ACCOUNTS

The Deposit Products offered by the Bank are broadly categorized in the following types:

1. Savings Bank Account
2. Current Account
3. Term Deposits

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

#### 3.0 SAVINGS BANK ACCOUNT:

Savings Bank account, as the very name suggests, is intended for savings for the future. There are no restrictions on the number and amount of deposit that can be

made on any day. Minimum amount of withdrawal/deposit is Rs.10/-. Balance in the account earns interest at rates decided by the Bank, from time to time. The facility of withdrawal by cheque is also allowed subject to certain restrictions.

***Bank shall not open saving deposit account in the name of entities other than individuals, Karta of HUF and organizations/agencies listed as under:***

- (1) Primary Co-operative Credit Society which is being financed by the Bank.
- (2) Khadi and Village Industries Boards.
- (3) Agriculture Produce Market Committees.
- (4) Societies registered under the Societies Registration Act, 1860 or any other corresponding law in force in a State or a Union Territory except societies registered under the State Co-operative Societies Acts and specific state enactment creating Land Mortgage Banks.
- (5) Companies licensed by the Central Government under Section 8 of Companies Act, 2013 or Section 25 of Companies Act, 1956 or under the corresponding provision in the Indian Companies Act, 1913 and permitted not to add to their names the word '**Limited**' or the words 'Private Limited'.
- (6) Institutions other than those mentioned above as ineligible to open Savings Bank accounts and whose entire income is exempt from payment of Income-tax under the Income-Tax Act, 1961.
- (7) Government departments / bodies / agencies in respect of grants / subsidies released for implementation of various programs / Schemes sponsored by Central Government / State Governments subject to production of an authorization from the respective Central / State Government departments to open savings bank account.
- (8) Development of Women and Children in Rural Areas (DWCRA).
- (9) Self-help Groups (SHGs), registered or unregistered, which are engaged in promoting savings habits among their members.
- (10) Farmers' Clubs - Vikas Volunteer Vahini - VVV.

As required by Law, while opening the account, Bank will satisfy itself about the identity, including verification of address of a person/s seeking to open an account, satisfying about his occupation and source of income, to assist in protecting the prospective customers, members of the public and the Bank against fraud and other misuse of the Banking system duly observing the Know Your Customer [KYC] guidelines of RBI.

Bank will not open savings deposit account in the name of entities belonging to the category of bodies/institutions/ organizations prohibited to open Savings Bank Deposit.

**3.0.0 Introduction** : Introduction from an existing customer is not mandatory for opening accounts, including those of legal entities. After passing of Prevention of Money Laundering Act (PML Act) and introduction of document based verification of identity/address of the proposed account holders, the accounts opened with

proper documents are considered as acting in good faith and without negligence by the banks.

An account will be considered fully KYC compliant if documents of KYC, i.e., Proof of identity and Proof of address are submitted by the proposed account holder.

3.0.1 The Bank is required to obtain 2 recent photographs of the person/s opening the account. In case of illiterate persons, 3 photographs have to be obtained.

3.0.2 **The Officially Valid Documents are as under:**

- 1) Passport
- 2) Driving License
- 3) Proof of possession of Aadhaar number\*
- 4) Voter Identity Card issued by Election Commission of India
- 5) Job card issued by NREGA duly signed by an officer of the State Government
- 6) Letter issued by the National Population Register containing details of name and address.

[\*Where the client submits his proof of possession of Aadhaar number as an officially valid document, he may submit it in such form as are issued by the Unique Identification Authority of India (UIDAI)].

Only the documents mentioned above would be accepted for opening accounts of individuals. Branches should not accept any other document for this purpose. (For details refer Annexure I).

***Customer Due Diligence (CDD) means identifying and verifying the customer and the beneficial owner.***

For undertaking Customer Due Diligence (CDD), Bank shall obtain the following from an individual while establishing an account-based relationship or while dealing with the individual who is a beneficial owner, authorized signatory or the power of attorney holder related to any legal entity:

**(A)** The Aadhaar number where,

(i) he is desirous of receiving any benefit or subsidy under any scheme notified under section 7 of the Aadhaar (Targeted Delivery of Financial and Other subsidies, Benefits and Services) Act, 2016 (18 of 2016); or

(ii) he decides to submit his Aadhaar number voluntarily to a bank; or

**(B)** The proof of possession of Aadhaar number where offline verification can be carried out; or

**(C)** The proof of possession of Aadhaar number where offline verification cannot be carried out or any OVD or the equivalent e-document thereof containing the details of his identity and address; and

- (D) The Permanent Account Number or the equivalent e-document thereof or Form No. 60 as defined in Income-tax Rules, 1962; and
- (E) Such other documents including in respect of the nature of business and financial status of the customer, or the equivalent e-documents thereof as may be required by the bank.

Provided that where the customer has submitted,

i) Aadhaar number under clause (A) above to a bank, such bank shall carry out authentication of the customer's Aadhaar number using e-KYC authentication facility provided by the Unique Identification Authority of India.

Further, in such a case, if customer wants to provide a current address, different from the address as per the identity information available in the Central Identities Data Repository, he may give a self-declaration to that effect to the Bank.

ii) Proof of possession of Aadhaar under clause (B) above where offline verification can be carried out, the bank shall carry out offline verification.

iii) An equivalent e-document of any OVD, the bank shall verify the digital signature as per the provisions of the Information Technology Act, 2000 (21 of 2000) and any rules issues thereunder and take a live photo.

iv) Any OVD or proof of possession of Aadhaar number under clause (C) above where offline verification cannot be carried out, the bank shall carry out verification through digital KYC.

Provided that for a period not beyond such date as may be notified by the Government for a class of Regulated entities, instead of carrying out digital KYC, the Regulated entity pertaining to such class may obtain a certified copy of the proof of possession of Aadhaar number or the OVD and a recent photograph where an equivalent e-document is not submitted.

Note:

- ▶▶ **“Obtaining a certified copy”** shall mean comparing the copy of the proof of possession of Aadhaar number where offline verification cannot be carried out or officially valid document so produced by the customer with the original and recording the same on the copy by the authorized officer of the bank)
- ▶▶ **“Digital KYC”** means the capturing live photo of the customer and Officially Valid Document or the proof of possession of Aadhaar, where offline verification cannot be carried out, along with the latitude and longitude of the location where such live photo is being taken by an authorized officer of the bank.
- ▶▶ **“Equivalent e-document”** means an electronic equivalent of a document, issued by the issuing authority of such document with its valid digital signature including documents issued to the digital locker account of the customer as per

rule 9 of the Information Technology (Preservation and Retention of Information by Intermediaries Providing Digital Locker Facilities) Rules, 2016.

3.0.3 In case, Officially Valid Documents (OVDs) furnished by the customer does not contain updated address, the following documents or the equivalent e-documents thereof shall be deemed to the OVDs for the limited purpose of proof of address:-

- i) Utility bill which is not more than two months old of any service provider (electricity, telephone, post-paid mobile phone, piped gas, water bill);
- ii) Property or Municipal tax receipt;
- iii) Pension or family pension payment orders (PPOs) issued to retired employees by Government Department or Public Sector Undertakings, if they contain the address;
- iv) Letter of allotment of accommodation from employer issued by State Government or Central Government Departments, statutory or regulatory bodies, public sector undertakings, scheduled commercial banks, financial institutions and listed companies and leave and license agreements with such employers allotting official accommodation.

(The Client shall submit updated Officially Valid Document with current address within a **period of three months** of submitting the above document).

3.0.4 The account holder is required to maintain minimum average balance in the account, as specified by the Bank from time to time, separately for branches of different population group. Non-compliance of this would attract services charges. Bank has discretion to change the above norms and levy charges for non-compliance of the same. However, adequate notice will be given duly informing the change/s.

3.0.5 The interest on Savings Deposit is calculated on daily product basis and credited to the customers' accounts on quarterly intervals, on 1<sup>st</sup> of February, 1<sup>st</sup> of May, 1<sup>st</sup> of August and 1<sup>st</sup> of November every year.

3.0.6 Service charges will be collected if the number of withdrawals exceeds 50 for every half year period of February - July and August- January.

3.0.7 For existing accounts, Issue of cheque book is subject to satisfactory operation in the account. Issue of multiple cheque books is at the discretion of the Branch Manager.

3.0.8 Cheques, Dividend Warrants drawn in the name of account holder/s only will be collected through the account.

3.0.9 An instrument having date as per Saka Samvat calendar is a valid instrument. A Date Conversion inquiry facility is provided in CBS. Bank shall ascertain the Gregorian calendar date corresponding to the National Saka calendar in order to avoid payment of stale cheques.

3.0.10 Pass book is provided to customer and updated periodically.

### **3.1 Canara Basic Savings Bank Deposit Accounts:**

As per RBI guidelines, the Basic Savings Bank Deposit Account should be considered a normal banking service available to all. The following basic minimum facilities in the Canara Basic Saving Bank Deposit Account (BSBDA), are to be offered free of charge, without any requirement of minimum balance.

3.1.0 The deposit of cash at bank branch as well as ATMs/CDMs

3.1.1 Receipt/Credit of money through electronic payment channels or by means of deposit/ collection of cheques drawn by Central/ State Government agencies and departments.

3.1.2 No limit on the number and value of deposits that can be made in a month

3.1.3 Four withdrawals in a month, including ATM withdrawals

3.1.4 ATM card or ATM-cum-Debit Card.

The above facilities will be provided without any charges. Further, no charge will be levied for non-operation/ activation of inoperative “Basic Savings Bank Deposit Account”.

Provide additional value-added services, including issue of cheque book, beyond the above minimum facilities, which may/may not be priced (in non-discriminatory manner) subject to extant guidelines of the bank in this regard. The availment of such additional services, branches shall not require the customer to maintain a minimum balance.

Offering additional services will not make a BSBD account a non-BSBD account, so long as the prescribed minimum services (mentioned above) are provided free of charge.

The Basic Savings Bank deposit Account is subject to RBI instructions on Know Your Customer (KYC)/ Anti-Money laundering (AML) for opening of bank accounts issued from time to time.

Holders of Basic Savings Bank Deposit Account will not be eligible for opening any other savings bank deposit account in the bank. If a customer has any other existing savings bank deposit account in the bank, he/she will be required to close such existing accounts within 30 days from the date of opening of “Canara Basic Savings Bank Deposit Account”.

While opening a Canara BSBD account, a declaration is to be obtained from the customer that he/she is not having a BSBD account in any other bank.

### **3.2 Accounts under Relaxed KYC Guidelines (Small Accounts)- “Canara Small Savings Bank Deposit” account.**

Although flexibility in the requirements of documents of identity and proof of address has been provided in the KYC guidelines, it has been observed that a large number of persons, especially, those belonging to low income group both in urban and rural areas are not able to produce such documents to satisfy the bank about their identity and address. This would lead to their inability to access the banking services and result in their financial exclusion. In such cases, if a person who wants to open an account and is not able to produce documents mentioned in Annexure I, Bank shall open an account with Relaxed KYC guidelines.



The accounts with “Relaxed KYC guidelines” can be opened under “Canara Small Savings Bank Deposit Account”. The features of the above account and restrictions stipulated by RBI/Govt. of India are as under:

- Accounts where aggregate of all credits in a financial year does not exceed Rs.1.00 lac;
- The aggregate of all withdrawals and transfers in a month does not exceed Rs.10,000/- and
- Where the balance at any point of time does not exceed Rs.50,000/-.

Any violation of the stipulations mentioned above will result in restraining the operations in the account after giving due notice to the account holder.

Canara Small Savings Bank Deposit account can be opened on production of a self-attested photograph and affixation of signature or thumb impression as the case may be, on the form for opening the account, provided that the bank official while opening the account certifies under his signature that the person opening the account has affixed his signature or thumb impression as the case may be, in his presence.

A Canara Small Savings Bank Deposit Account shall remain operational initially for a period of twelve months and thereafter for a further period of twelve months if the holder of such an account provides evidence before the Bank of having applied for any of the officially valid documents within twelve months of the opening of the said account. The entire relaxation provisions are to be reviewed in respect of the said account after twenty four months.

Holders of Canara Small Savings Bank Deposit Account will not be eligible for opening any other savings bank deposit account in the Bank. If a customer has any other existing savings bank deposit account in the Bank, he/she will be required to close such existing accounts within 30 days from the date of opening of “Canara Small Savings Bank Deposit Account”.

Once the account holder keeps a balance of more than Rs.50,000/- in the account opened under the scheme and in any other deposits accounts put together, or if the total credit in one year in all the deposit accounts including the account opened under the scheme exceeds Rs.1 lakh or if the total withdrawal and transfers in a month exceeds Rs.10,000/-, the account holder should necessarily undergo full KYC procedure. In case, the account holder fails to undergo full KYC procedure, further transactions in his/her Canara Small Savings Bank Deposit Account shall not be permitted.

In respect of “Small Accounts”, the prescribed limits/conditions should not be breached and compliance therewith should be strictly monitored.

A Canara Small Savings Bank Deposit Account shall be monitored and when there is suspicion of money laundering or financing of terrorism or other high risk scenarios, the identity of customer shall be established through the production of officially valid documents.

Foreign remittances shall not be allowed to be credited into a Canara Small Savings Bank Deposit Account unless the identity of the customer is fully established through the production of officially valid documents.

### **3.3 Documents required by a foreign student to open a Bank account :**

- (1) Proof of Identity: Passport, Valid Visa with photograph.
- (2) Proof of Admission: A letter from the University or College.
- (3) Address Proof: A letter from the College or Hostel, certificate from the Embassy of the country of origin or any appropriate Legal Authority certified local address in India/rent agreement/certification of registration issued by Foreigner Registration Regional Office (FRRO).

Branches may open NRO Account on the basis of the passport (with appropriate visa & immigration endorsement) which contains proof of identity and address in the home country along with a photograph and a letter offering admission from the educational institution.

Within a period of 30 days of opening the account, the foreign student should submit valid proof of current address.

Conditions apply for operations in the account during the 30 days period, pending verification of address.

On submission of proof of current address, the account would be treated as a normal NRO Account.

Students with Pakistani nationality will need prior approval of RBI for opening the account.

Accounts can be opened with zero balance with ATM facilities.

RBI has clarified that in terms of Section 2(V) of FEMA 1999 definition of a person resident in India does not include a person who has come to stay in India for any purpose which would indicate his stay for a definite period. Accordingly a foreign student coming to India would be considered as “Non-resident” and a resident account cannot be opened for him.

## **4. CURRENT ACCOUNT:**

Current Accounts are designed to meet the needs of such sections of the public who operate their account regularly and frequently. i.e., Traders, Businessmen, Corporate bodies or the like, who receive money and make payments very often. Current accounts are suitable to such category of customers as there are no restrictions on the number of withdrawal or deposit. Current accounts can be opened by individuals, proprietary concerns, partnership firms, Private & Public Ltd Co., HUFs/Specified associations, Societies, Trusts, Limited Liability Partnerships, Departments of Authority created by Government (Central or State) etc.

As required by law, while opening the account, the Bank will satisfy itself about the identity, satisfying about his occupation and source of income, including verification of address of the person/s seeking to open an account to assist in protecting the prospective customers, public and the Bank against fraud and other misuse of the Banking system duly observing the KYC guidelines of RBI.

Introduction from an existing customer is not mandatory for opening accounts, including those of legal entities. An account will be considered fully KYC compliant if documents of KYC, i.e., Proof of identity and Proof of address are submitted by the proposed account holder (For details refer Annexure I).

Only the Officially Valid Documents mentioned in Annexure I would be accepted for opening accounts of individuals/entities. Branches should not accept any other document for this purpose. (For details refer Annexure I)

- 4.0 The Bank is required to obtain 2 photographs of all the person/s who are opening and operating the account.
- 4.1 The Bank is required to obtain Permanent Account Number [PAN] or alternatively obtain declaration in Form No.60 as per the Income Tax Act from the person/s opening the account [i.e., including partners or registered/unregistered partnership as also registered/corporate bodies/companies etc.].
- 4.2 The Bank will provide to the prospective customers details of the documents required for identification of the person/s opening the account. Minimum Balance as stipulated from time to time is required to be maintained by the customers.
- 4.3 No interest is paid on credit balance kept in Current Account.
- 4.4 Service charges are levied for :
  - Ledger folio used
  - Cheque books issued
  - Non-maintenance of minimum balance
  - Return of cheques, etc.
- 4.5 Current Accounts for Executors, Administrators, Trustees, liquidators, etc., can also be opened.
- 4.6 Statement of account is provided to the account holder monthly or at periodic intervals, as per the choice of the account holder.
- 4.7 For Proprietary concerns, Customer Due Diligence of the individual (proprietor) are to be carried out and any two of the following documents or the equivalent e-documents in the name of the proprietary concern should be submitted:
  - a) Registration Certificate
  - b) Certificate/licence issued by the Municipal authorities under Shop & Establishment Act.
  - c) Sales and income tax returns.
  - d) CST/VAT/GST certificate (Provisional/Final),
  - e) Certificate / registration document issued by Sales Tax / Service Tax / Professional Tax authorities.
  - f) The complete Income Tax return (not just the acknowledgement) in the name of the sole Proprietor where the firm's income is reflected, duly authenticated/acknowledged by the Income Tax Authorities.
  - g) Utility bills such as electricity, water and landline telephone bills.

- h) IEC (Importer Exporter Code) issued to the proprietary concern by the office of DGFT / Licence/certificate of practice issued in the name of the proprietary concern by any professional body incorporated under a statute.

Though the default rule is that any two documents mentioned above should be provided as activity proof by a Proprietary concern, in cases where the branches are satisfied that it is not possible to furnish two such documents, they would have the discretion to accept only one of those documents as activity proof. In such cases, the branches, however, would have to undertake contact point verification, collect such information as would be required to establish the existence of such firm, confirm, clarify and satisfy them that the business activity has been verified from the address of the proprietary concern.

#### **4.8 The guideline for opening of current account is as under:**

**4.8.1 No branch shall open current account for customers who have availed credit facilities in the form of Cash Credit (CC) / Overdraft (OD) from any banking system and all transactions shall be routed through the CC/ OD account.**

**4.8.2 In case, customers who have not availed CC/OD facility from any bank, branches may open current account as under:**

- (a) **If prospective customer is having credit exposure of Rs.50 Crore or more (except CC/OD limit) in banking system, branches shall be required to put in place an escrow mechanism. Accordingly, current accounts of such borrowers can only be opened / maintained by the escrow managing bank. However, there is no restriction on opening of 'collection accounts' by lending banks subject to the condition that funds will be remitted from these accounts to the said escrow account at the frequency agreed between the bank and the borrower. Further, the balances in such accounts shall not be used as margin for availing any non-fund based credit facilities. While there is no prohibition on amount or number of credits in 'collection accounts', debits in these accounts shall be limited to the purpose of remitting the proceeds to the said escrow account. Non-lending banks shall not open any current account for such borrowers.**
- (b) **If prospective customer is having credit exposure of Rs.5 Crore or more but less than Rs.50 Crore (except CC/OD limit) in banking system, there is no restriction on opening of current accounts by the lending banks. However, non-lending banks may open only collection accounts as defined in point no.4.9.2 (a) above.**
- (c) **If prospective customer is having exposure of less than Rs.5 Crore (except CC/OD limit), branch may open current accounts subject to obtaining an undertaking from such customers to the effect that customers shall inform, if and when the credit facilities availed by them from the banking system becomes Rs.5 Crore and above. The current account of such customers, as and when the exposure of the banking system becomes Rs.5 Crore or more and Rs.50 Crore or more, will be governed by the provisions of point 4.9.2 (b) and (a) respectively**

**4.8.3 Branches should not route drawal from term loans through current accounts. Since term loans are meant for specific purposes, the funds should be remitted directly**

*to the supplier of goods and services. Expenses incurred by the borrower for day to day operations should be routed through CC/OD account, if the borrower has a CC/OD account, else through a current account.*

**4.9** *However, RBI has further permitted to open specific accounts which are stipulated under various statutes and instructions of other regulators/ regulatory departments, without any restrictions placed in terms of the above-mentioned guidelines. An indicative list of such accounts is furnished as under:*

**4.9.1** *Accounts for real estate projects mandated under Section 4 (2) I (D) of the Real Estate (Regulation and Development) Act, 2016 for the purpose of maintaining 70% of advance payments collected from the home buyers.*

**4.9.2** *Nodal or escrow accounts of payment aggregators/prepaid payment instrument issuers for specific activities as permitted by Department of Payments and Settlement Systems (DPSS), Reserve Bank of India under Payment and Settlement Systems Act, 2007.*

**4.9.3** *Accounts for settlement of dues related to debit card/ATM card/credit card issuers/acquirers.*

**4.9.4** *Accounts permitted under FEMA, 1999.*

**4.9.5** *Accounts for the purpose of IPO / NFO /FPO/ share buyback /dividend payment / issuance of commercial papers/allotment of debentures/gratuity, etc. which are mandated by respective statutes or regulators and are meant for specific/limited transactions only.*

**4.9.6** *Accounts for payment of taxes, duties, statutory dues, etc. opened with banks authorized to collect the same, for borrowers of such banks which are not authorized to collect such taxes, duties, statutory dues, etc.*

**4.9.7** *Accounts of White Label ATM Operators and their agents for sourcing of currency.*

*The above permission is subject to the condition that the banks shall ensure that these accounts are used for permitted/specified transactions only. Further, banks shall flag these accounts in the CBS for easy monitoring. Lenders to such borrowers may also enter into agreements/arrangements with the borrowers for monitoring of cash flows/periodic transfer of funds (if permissible) in these current accounts.*

*Banks shall monitor all current accounts and CC/ODs regularly, at least on a half-yearly basis, specifically with respect to the exposure of the banking system to the borrower, to ensure compliance with these instructions.*

## **5. TERM DEPOSIT ACCOUNT:**

Term deposits are deposits received by the Bank for a fixed period, withdrawable after the expiry of the fixed period and include deposits such as Recurring/Fixed/Kamadhenu/New Nitya Nidhi Deposit etc. Bank has tailored various

term deposit schemes to suit the needs and expectation of the investing people from all walks of life. Term deposits can be opened by individuals, partnership firms, Private/Public Ltd Companies, HUFs, Institutions, Societies, Trusts, Limited Liability Partnership, Departments of Authority created by Government (Central or State) etc.

The Minimum period for placing deposit under Fixed deposits (FD) Scheme is 7 days (for deposits of Rs.5 lakh and above) otherwise the minimum period is 15 days. The minimum period under reinvestment scheme- Kamadhenu Deposit (KD) is 5 months and 6 months under Recurring deposit (RD). The maximum period for deposits under Fixed deposits (FD), Kamadhenu Deposit (KD) and Recurring deposit (RD) is 10 years. However, deposits in the name of minors and deposits under court orders are accepted for more than 10 years period.

As required by law, while opening of the term deposit account, the Bank will satisfy itself about the identity, satisfying about his occupation and source of income, including verification of address of the person/s seeking to open an account to assist in protecting the prospective customers, public and the Bank itself against fraud and other misuse of the Banking system duly observing the KYC guidelines of RBI.

Introduction from an existing customer is not mandatory for opening accounts, including those of legal entities. An account will be considered fully KYC compliant if documents of KYC, i.e., P roof of identity and /Proof of address are submitted by the proposed account holder (For details refer Annexure I).

Only the 'Officially Valid Documents' mentioned in Annexure I would be accepted for opening accounts of individuals/entities. Branches should not accept any other document for this purpose. (For details refer Annexure I)

- 5.0 The Branch is required to obtain 2 photographs of all the person/s who are opening and operating the account. Photograph will not be insisted from depositors already having their SB/ Current Account with photographs.
- 5.1 The Branch is required to obtain Permanent Account Number [PAN] or alternatively obtain declaration in Form No.60 as per the Income Tax Act from the person/s opening the account. The Bank will provide to the prospective customers details of the documents required for identification and Address Proof of the person/s opening the account. Persons & entities already having operative accounts such as Savings Bank, Current account etc., need not provide the above documents for opening of the Term Deposit accounts.
- 5.2 The rate of interest for Term Deposits is decided by the Asset Liability Committee of the Bank, who has been delegated with such powers by the Board of the Bank. This interest rate is uniformly applied to all customers without any negotiation or discrimination. Hitherto Bank has been paying an additional interest of 1.28% above the prevailing rates for Army/Navy/Airforce Insurance Groups. But as per RBI Circular dated 06.08.2015, the same has been withdrawn.
- 5.3 Premature withdrawals are allowed.
  - (a) A penalty of 1.00% shall be levied for premature closure/part withdrawal/premature extension of Domestic/NRO term deposits of less than Rs.2 Crore that are accepted /renewed on or after 12.03.2019.

(b) A penalty of 1.00% is waived in case of premature closure/part withdrawal/premature extension of Domestic/NRO CALLABLE term deposit of Rs. 2 Crore & above that are accepted/renewed on or after 12.03.2019. Such prematurely closed/part withdrawn/prematurely extended deposits will earn interest at the rate as applicable for the amount slab of Rs.2 Crore & above as ruling on the date of deposit and as applicable for the period run OR the rate at which the deposit has been accepted, whichever is lower. However, a penalty of 1.00% shall be levied for premature closure/part withdrawal/premature extension of Domestic/NRO term deposits of Rs.1 Crore & above that are accepted /renewed from 04.02.2011 to 12.10.2012. A penalty of 1.00% is applicable on Term Deposits under Capital Gains Account Scheme-1988, which are prematurely converted/withdrawn/closed, irrespective of the size of the deposit amount

No interest will be payable on Domestic/NRO term deposits prematurely closed/prematurely extended before completion of 7<sup>th</sup> day. (Including for Sweep in- Sweep out deposits).

- 5.4 Generally loans/overdrafts against deposits are allowed. Such loans are sanctioned by charging interest at rates announced from time to time by the Bank. The Bank may also consider loan against deposit standing in the name of minor. However, a suitable declaration stating that loan is for the benefit of the minor is to be submitted by the guardian.
- 5.5 Deposits shall be automatically renewed by the Bank on due dates for similar periods as per the mandate of the depositor in the original application except in case of encumbered deposits, CGA deposits, Canara Tax Saver deposits, Non-callable deposits and in case of deposits where alternate instructions are available. The rate of interest prevailing on the date of maturity shall be the rate applicable for the renewed deposit. All other terms and conditions stated in the application will remain valid. The Bank intimates the depositor in advance regarding the date of maturity of the term deposit.
- 5.6 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. Interest on Fixed Deposit is payable either monthly at discounted value or quarterly or half yearly or yearly or on maturity. The interest on Term deposits is calculated by the Bank in accordance with the formulae and conventions advised by Indian Banks' Association. The interest rates for term deposits are decided by the Asset Liability Committee of the Bank (ALCO) and shall be as applicable on the date of issue/renewal of the Term Deposit.
- 5.7 Premature extension/renewal of term deposit: In case the depositor desires to renew the deposit by seeking premature closure of an existing term deposit, the Bank will permit the renewal at the applicable rate on the date of renewal, provided the deposit has run for a minimum period of 7 days (for deposits of Rs.5 lakh and above) and the deposit is renewed for a period longer than the balance period of the original deposit. While prematurely closing a deposit for the purpose of renewal, interest on the deposit for the period it has remained with the Bank will

be paid at the rate applicable to the period the deposit has remained with the Bank, subject to penalty (if any) and not at the contracted rate.

- 5.8 Renewal of overdue Term Deposit: When a domestic/ Ordinary Non-Resident (NRO) term deposit is renewed on maturity, the interest rate ruling on the date of maturity for the period specified by the depositor would be extended. Facility of Automatic renewal of domestic/NRO term deposits is available for depositors who exercise their option for auto renewal except CGA deposits, Canara Tax Saver deposits and Non-callable deposits.
- 5.9 An overdue deposit will be paid interest at prevailing Savings Bank Rate for the overdue period. If such deposit is continued (entire amount or in part), the same will be treated as a fresh term deposit from the date of presentation, at the rate prevailing on the date of presentation for the period of fresh term deposit.
- 5.10 However, if the deposit is not renewed on maturity but encashed thereafter, interest at Savings Bank rate as applicable from time to time during the overdue period, is payable.

#### 5.11 **BULK DEPOSITS:**

As per RBI Master Direction on Interest Rates on Deposits, "Bulk Deposit" is defined as "Single Rupee term deposit of ₹2 Crore and above" w.e.f 12.03.2019

The rate of interest for Bulk Deposits is decided by the Asset Liability Committee of the Bank, who has been delegated with such powers by the Board of the Bank. This interest rate is uniformly applied to all customers without any negotiation or discrimination.

Presently, there is no penalty for premature closure/part withdrawal/ premature extension of Domestic/NRO term deposit of Rs.2 Crore & above.

For accepting Bulk term deposits of Rs.2 Crore & above, Circle Head will designate certain branches, depending on potential for accepting such bulk term deposits, preferably at the place of business of the depositors.

***The rationalized upper limit for accepting single term deposits at branch level has been fixed to less than Rs.10 Cr with effect from 01.04.2020 at the card rate, without referring to Development Section, SP&D Wing, HO. However, if branches are desirous of quoting deposits with validity period/ preferential rate, then permission has to be taken from Development Section, SP&D Wing, Head Office through their respective Circle offices.***

In case of all Bulk Deposits of Rs.2 Crore & above, a confirmatory letter in the form of a "Thanks giving" letter will be sent by the Bank to the beneficiary by Registered Post/Reputed Courier as well as e-mail and SMS wherever email ID and mobile number are available, giving necessary details.

KYC guidelines shall be complied with scrupulously while accepting bulk term deposits. Proper application, documents and resolution of the Board/Governing



Body (wherever applicable), etc. have to be obtained and verified for its genuineness.

In respect of bulk term deposits, opening of term deposit account and printing of Deposit Receipt shall be done on the same day of accepting/ clearance of the proceeds.

A Power of Attorney holder from the branch accepting the bulk term deposit/ upcountry branch/Circle (where the depositor is located) shall pay a personal visit to the office of the beneficiary after opening the bulk term deposit. This visit may coincide with the handing over of the Deposit Receipt against due acknowledgement from the depositor/ depositor's authorized representative.

The visit of the Bank Official and handing over of the deposit receipt shall be properly recorded. Such record shall be kept in a separate file which may be verified and commented upon by the Overseeing Executive during the interface with the branch/ branch visit. The branch-in-charge shall be responsible for getting the same verified by the Overseeing Executive. Compliance of this aspect shall be ensured by the Inspecting Officers during the regular inspection of the branch.

In case of loan/overdraft facility of Rs.1 Crore and above against the Bulk Deposit, necessary due diligence shall be ensured by the branches and offsite monitoring should be done at the BS&IC Section, Circle Office (Loans of less than Rs.10 Crore sanctioned against a bulk term deposit) and OTM Cell, Inspection Wing, Head Office (Loans Rs.10 Crore & above).

Branches should not credit the proceeds of loan to third party accounts in case of loans/advances granted on Bulk Term Deposits. The loan proceeds should be credited to the account of the depositor/s only.

Before disbursing the loan proceeds against bulk term deposits, independent confirmation regarding request for loans to be obtained from the depositor, in addition to loan application.

The extant guidelines on delegation of powers shall be strictly adhered to while sanctioning any Loans/Overdrafts against bulk deposits.

Reports to be generated from CBS on a day to day basis for large value transactions of Rs.1 Crore & above in respect of Bulk Term Deposits and Loans/Overdrafts granted against Bulk Term Deposits and BS&IC Section of the respective Circle Office should monitor these transactions every day.

Staffs are advised to ensure strict compliance of all the cited guidelines and staff accountability shall be fixed for any lapse on part of the staff in following the laid down guidelines either in processing a proposal or sanction/disbursement, or monitoring. BS&IC Section of the respective Circle Office should monitor the same. The statutory/ concurrent auditors may also be assigned in their TOR to monitor this aspect more closely.

Review of all Bulk Deposit Transactions of Rs.2 Crore & above should be done by the respective MIPD&PP Section of Circle Office regularly. Review of loans against Bulk Term Deposits should be done by the respective Credit Review Section of Circle Office regularly.

Domestic/NRO/NRE Term Deposits of Rs.2 Crore & above can be either callable or non-callable, w.e.f.11.02.2015.

A Callable deposit (premature withdrawal permissible) can be closed before maturity at any point of time without penalty and the rate of interest will be payable at the rate prevailing on the date of opening, for the period that the deposit has run.

A Non-callable deposit (premature withdrawal NOT permissible) (for a period of 46 days and above -other than Individual and HUF) cannot be closed before maturity and the Bank will offer additional interest rate above the rate as applicable to General Public for callable deposits.

Non-callable deposits will not have auto renewal, part withdrawal and sweep in & sweep out facilities.

Option letter has to be obtained from the depositor for Callable or Non-callable deposit.

#### **5.12 Tax on Interest on Bank Deposits:**

*The Bank has statutory obligation to deduct tax at source if the total interest paid/payable on all term deposits held by a person exceeds the amount specified under the Income Tax Act. In case where PAN no. is not submitted by the customer TDS will be deducted at higher prescribed rate or 20% whichever is higher. The Bank will issue a tax deduction certificate (TDS Certificate) for the amount of tax deducted. The depositor, if entitled to exemption from TDS can submit declaration in the prescribed format at the beginning of every financial year. TDS on interest of deposit shall be deducted if applicable, at the time of compounding of accrued interest on quarterly basis (anniversary quarter).*

#### **5.13 Payment of Interest on the domestic Term Deposit of a deceased depositor:**

- 5.13.0 In respect of the deposit of the deceased closed before maturity and repaid to the legal heirs/ representatives of the deceased depositor, interest is payable at the rate applicable for the period for which the deposit actually remained with the bank without penal cut.
- 5.13.1 In the event of the death of the depositor before the date of the maturity of the deposit and the amount of the deposit is claimed after the date of maturity, the bank shall pay interest at the contracted rate till the date of maturity. From the date of maturity till the date of payment, the bank shall pay simple interest at the applicable Savings bank rate prevailing on the date of maturity, for the period for which the deposit remained with the bank beyond the date of maturity.

- 5.13.2 In the case of death of the depositor after the date of maturity the bank shall pay interest at Savings Bank rate prevailing on the date of maturity, from the date of maturity till the date of payment.

#### **5.14 Payment of interest on Death Claim settlement in respect of auto renewed deposits:**

- 5.14.0 Payment of interest in the event of the death of the depositor before the date of maturity of the original deposit and the deposit is auto renewed on the date of maturity and the amount of deposit is claimed before or after the subsequent maturity date:

- The bank shall pay interest at contracted rate till the date of maturity of the original deposit and thereafter Savings Bank deposit rate operative on the date of maturity of the original deposit from the date of maturity of the original deposit till the date of payment.

- 5.14.1 Payment of interest in the event of the death of the depositor after the date of maturity of the original deposit and the deposit is auto renewed on the date of maturity and the amount of deposit is claimed during the pendency of the auto renewed deposit (i.e. premature closure of the auto-renewed deposit):

- From the date of auto renewal of the deposit till the date of payment, interest rate applicable for the period run prevailing on the date of auto renewal of the deposit without penal cut.

The above is applicable for the first renewal cycle of auto renewal.

- 5.14.2 Payment of interest in the event of the death of the depositor after the date of maturity of the original deposit and the deposit is auto renewed on the date of maturity of the original deposit and the amount of deposit is claimed after the maturity date of the auto renewed deposit :

- (i) If the death of the depositor occurs after the date of maturity of the original deposit, but before the maturity of auto renewed deposit (i.e., first auto renewal) and the amount of deposit is claimed after the maturity of the auto renewed deposit:

- At the contracted rate till the date of maturity of auto-renewed deposit (i.e., first auto renewal).
- At Savings Bank deposit rate operative on the date of maturity of auto-renewed deposit from the date of maturity of the auto-renewed deposit till the date of payment.

- (ii) If the auto renewal happens for more than once and the death of the depositor occurs during one of these auto renewal cycles, contracted rate shall be payable till the maturity date of the renewal cycle in which the death has occurred. Savings Bank rate shall be payable thereafter till the date of payment.

## 5.15 Term Deposits of Senior Citizens :

Additional interest of 0.50% is available to Senior Citizen deposits only in case of Retail Term Deposit (RTD- Less than Rs.2.00 Crore) with tenor of 180 days and above under Domestic term deposits except CGA deposits, NRO/NRE term deposits. Senior Citizen Deposit can be opened by persons who have completed the age of 60 years and above, individually or jointly with other senior citizen or with other persons below the age of 60 years subject to the condition that the Senior Citizen is No. 1 Depositor. The Bank will satisfy about the age through verification of applicable documents and a copy of the same will be obtained along with the application. As per RBI direction, the system will automatically enable preferential ROI (i.e. 0.5 % over and above existing deposit rate) to all existing Domestic Term Deposits and RD deposits with effect from the date of customer becoming Senior Citizen.

***For Ex-employee Senior Citizens (60 years and above) additional 1.50% over and above the rate offered for General public is to be extended for all deposit periods (except for term deposits under NRO, and Capital Gains Deposit scheme), irrespective of the size of the deposit. However, under Canara Tax Saver Scheme, the additional interest rate offered to Ex-employee Senior Citizens over and above the rate offered for General Public is 1% only.***

## 5.16 NRE TERM DEPOSITS :

Minimum period of NRE deposit is one year and maximum period is 10 years. There is no stipulation on minimum/maximum deposit amount. The period of NRE term deposits can be extended during the tenure of the deposit for a period longer than the balance period (i.e., remaining period of the deposit). The period of the extended deposit shall be minimum of one year and a maximum of 10 years effective from the date of extension. ***At the time of extension, penalty need not be imposed.*** The depositor should continue to be non-resident at the time of extension of deposit.

Guidelines related to premature closure and renewal of NRE deposit will also be applicable in case of extension of deposit.

### 5.16.0 Renewal of overdue NRE Term Deposit :

- a. The overdue NRE term deposit will be paid interest at prevailing NRE Savings Bank Rate for the overdue period. ***Renewal of overdue terms deposit from the date of maturity is prohibited.*** If such deposit is continued (entire amount or in part), the same will be treated as a fresh term deposit from the date of presentation, at the rate prevailing on the date of presentation for the period of fresh term deposit.
- b. The entire amount of overdue deposit or a portion can be placed as fresh NRE Term Deposit from the date of presentation. The interest payable for fresh deposit is the rate prevailing as on the day of the fresh deposit, provided the period of the fresh deposit is not less than 1 year from the date of making such fresh deposit.
- c. NRE term Deposit shall be automatically renewed only once by the Bank on due date for an identical period at the applicable rate of interest ruling on the date of maturity based on the mandate of the depositor in the original application form, unless instruction to the contrary is received from the depositor by the Bank. The renewal will be in accordance with

the provisions of the relevant RBI scheme in force at the time of renewal. The depositor should continue to be non-resident at the time of renewal deposit.

#### 5.16.1 Premature withdrawal of NRE term deposits

- 1) A penalty of 1.00% shall be levied for premature closure/premature extension of NRE term deposit of less than Rs.2 Crore that are accepted /renewed on or after 12.03.2019.
- 2) The penalty of 1.00% is waived in case of premature closure/premature extension of NRE CALLABLE term deposit of Rs. 2 Crore & above that are accepted/renewed on or after 12.03.2019. Such prematurely closed/prematurely extended deposits will earn interest at the rate as applicable for the amount slab of Rs.2 Crore & above as ruling on the date of deposit and as applicable for the period run OR the rate at which the deposit has been accepted, whichever is lower. However, a penalty of 1.00% shall be levied for premature closure/premature extension of NRE term deposits of Rs.1 Crore & above that are accepted /renewed from 29.12.2011 to 12.10.2012.
  - a. However, no penalty will be charged for premature closure/extension of NRO term deposits that are placed in NRE term deposits.
  - b. NRO deposits can be placed in NRE deposits subject to:
    - Such transfer is within the overall limit of USD 1.00 million or its equivalent in other currencies during a financial year and
    - Customer submitting Form 15CA and 15CB
  - c. Where NRE deposit is to be closed before maturity before completion of one year from the effective date of deposit, no interest shall be payable on such premature closure.
  - d. In the case of premature withdrawal of NRE term deposit, for conversion into Resident Foreign Currency [RFC] account, the Bank may not levy any penalty for premature withdrawal. If such a deposit has not run for a minimum period of 1 year, the Bank may, at its discretion, pay interest at a rate not exceeding the rate payable on NRE Savings Bank Deposit, provided request for such a conversion is made by NRE account holder, immediately on return to India.
  - e. Where the NRE deposit is closed before maturity on or after completion of one year from the effective date of deposit, the interest payable on such premature closure shall be as per the prevailing Bank guidelines.
  - f. Conversion of NRE deposit into Foreign Currency Non-Resident [B] deposit and vice-versa before maturity will be subject to the provision relating to premature withdrawal.

#### 5.16.2 Payment of Interest on the NRE Term Deposit of a deceased depositor:

In the case of NRE deposit where the claimant/s are residents, the deposit on maturity will be treated as domestic deposit and interest will be paid for the

subsequent period at a rate applicable to the domestic deposit of a similar maturity.

## 5.17 DEPOSITS HELD IN FCNR [BANKS] ACCOUNTS:

### 5.17.1 Definition of the term “Deposit”

The deposits under the scheme mean “term deposits” received for a fixed period and withdrawable only after the expiry of the said fixed period and shall also include Reinvestment Deposits and Cash Certificates or other deposits of similar nature.

### 5.17.2 Other important features of the Scheme :

- a) The scheme covers deposits in US Dollar (USD), Great Britain Pound (GBP), Euro(EUR), Canadian Dollars(CAD) and Australian Dollars(AUD) from non-resident individuals of Indian nationality or origin [NRIs].
- b) Repatriation of funds in foreign currencies is permitted.
- c) Presently the deposits are accepted under the Scheme for the following maturity periods:

**Fixed Deposits:**For a minimum period of one year and Maximum of 5 years.

**Re-investment Scheme:** For a minimum period of "One year and one day" and Maximum of 5 years.

No Recurring Deposits shall be accepted under FCNR (B) Scheme.

- d) Transfer of funds from the existing NRE accounts to FCNR(B) accounts and vice versa, of the same account holder, is permissible.

Currency	USD	GBP	EUR	CAD	AUD
Minimum Amount	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>

There is no maximum limit.

### 5.17.3 Manner of payment of interest :

- As per RBI Guidelines, the interest on FCNR Deposits is linked to London Inter-Bank Offer Rate (LIBOR)/ Swap rate, as advised by Foreign Exchange Dealers Association of India (FEDAI) on last working day of the month. Accordingly, interest on FCNR (B) Deposits is intimated on a Monthly basis by Integrated Treasury Wing, Mumbai.
- Employees/Ex-employees/Ex-employees Senior Citizen and Senior Citizens are not eligible for preferential interest.

Interest on FCNR (B) deposits shall be calculated and paid in the manner indicated below:

- (a) In case of FCNR [B] FDRs accepted for a period of exactly one year, simple interest is payable only on the date of maturity. In other words, in case of such FCNR [B] FDRs accepted for a period of one year, interest for the entire year [365 or 366 days, as the case may be] should be computed without any compounding effect and no payment of interest should be made before completion of one year from the date of investment.
- (b) In case of FCNR [B] Fixed Deposits accepted for more than one year, simple interest can be paid at intervals of 180 days each and thereafter for remaining number of days. Hence depositors intending to draw interest at half yearly rests [i.e. at intervals of 180 days] by way of credit to NRE / FCNR[B] / other accounts or remittance abroad, should be advised to keep the deposit in FCNR [B] FDR at least for a minimum period of 1 year + 1 day.
- (c) In the case of FCNR (B) Fixed Deposits where the depositor wishes to get monthly / quarterly interest, the same should be paid at discounted value basis as per the existing norms.
- (d) In case of FCNR (B) KDR accounts, interest will be paid on maturity with compounding effect at the interval of 180 days.

#### 5.17.4 Payment of interest on overdue FCNR (B) Deposits:

<i>Overdue period (from the date of maturity till the date of renewal, both days inclusive)</i>	<i>FCNR (B) Deposit</i>
<i>Less than 14 days</i>	<i>Branches may renew an overdue deposit or a portion thereof from the date of maturity. The rate of interest payable on the amount of the deposit so renewed shall be the appropriate rate of interest for the period of renewal as prevailing on the date of maturity or on the date of renewal, whichever is lower.</i>
<i>More than 14 days to less than one year*</i>	<i>Simple interest at par with RFC SB rate prevailing on the date of maturity of earlier deposit or on the date of renewal, whichever is lower.</i>
<i>More than one year*</i>	<i>Simple interest at one year FEDAI reference rate (Benchmark rate for FCNR (B) Deposits) for the respective currency prevailing on the date of maturity or on the date of renewal whichever is lower.</i>

**\*Where deposit is overdue for more than 14 days, renewal from date of maturity is not permitted. If customer requests the Bank for renewal of such overdue deposit, the same shall be acceded to by treating it as a fresh term deposit at the interest rate prevailing on the date of renewal for the period of fresh term deposit.**

### 5.17.5 Interest payable on the deposit of a deceased depositor (FCNR-B Deposit):

A. Where the amount of deposit is claimed before maturity by premature closure:

(i) Where the claimant is non-resident:

a) Where the deposit has not completed the minimum period of deposit, i.e 1 year, no interest is payable.

b) Where the deposit has completed the minimum period of deposit, interest is payable at the rate of interest applicable for the period run as prevailing on the effective date of deposit, WITHOUT PENAL CUT.

(ii) Where the claimant is resident:

As in (i) above.

B. Where the amount of deposit is claimed during the tenure of the deposit, but settlement is made after the maturity date :

(i) Where the claimant is non-resident:

Interest is payable at the contracted rate till the date of maturity. For the period from the date of maturity till the date of payment, simple interest is payable at the applicable interest rate for FCNR(B) deposits as prevailing on the date of maturity for the period for which the deposit remained with the bank beyond the date of maturity.

(ii) Where the claimant is resident:

Bank will convert the maturity proceeds into Indian Rupees on the maturity date. Interest on such Rupee amount is payable for the subsequent period from the date of maturity till the date of payment at a rate as applicable to domestic deposit of similar maturity.

C. Where the amount of deposit is claimed after maturity date.

- Where the claimant is non-resident:

As in 5 A (i)(b) above

- Where the claimant is resident:

The foreign currency deposit proceeds will be first notionally converted into Rupees as on the date of maturity and on such Rupee amount, interest is payable for the subsequent period from the date of maturity till the date of payment at a rate as applicable to domestic deposit of similar maturity.

5.17.6 While opening NRE/NRO/FCNR account, NRI customer has to submit proof of his NRI status by submitting any of the following documents or any other suitable document to establish the status of NRI, in addition to Identity & Address proof:

a) Copy of Valid Work/Study Visa

b) Copy of Appointment Letter



- c) Copy of Job Card
- d) I-20 (student admission letter) etc.

Note: The above list is illustrative and not exhaustive.

While converting existing Domestic Saving Bank A/c into NRO A/c, NRI customer should submit NRI status proof as mentioned above.

Further, in all cases of renewal of existing NRE/NRO/FCNR Term deposits, necessary proof as mentioned above should be obtained to establish the fact that customer continues to hold NRI status.

The verification of status of NRI to be done to ensure that the customer continues to hold NRI status and eligible to maintain NRI account.

#### **5.17.7 Joint accounts:**

a. NRE SB, NRE Term Deposits and FCNR Accounts can be opened in Joint Name with Resident Close Relative (as defined U/S 2(77) of Indian Companies Act, 2013) on “Former or Survivor” basis. Money belonging to Resident Joint Account Holder cannot be credited into such Joint Account. Resident Joint Account Holder should not operate the account, unless authorized through a Letter of Authority or Power of Attorney.

#### **b. NRI OPENING JOINT ACCOUNT:**

✓ NRI can open joint account with other NRIs or Resident Indian Close relative as defined under Section 2 (77) of Indian Companies Act, 2013).

#### **c. RESIDENT INDIAN OPENING JOINT ACCOUNT:**

✓ Resident Indian can open account with Non Resident Indian close relative, as defined in Section U/S 2(77) of Indian Companies Act, 2013. Operation condition is either or Survivor.

✓ In such Joint account funds belonging to Non Resident Indian should not be credited.

✓ Such account shall be treated as Resident Account for all purposes.

#### **d. Addition/Deletion**

Subject to complying with the FEMA regulations noted in **b) and c)** above, addition and deletion can be permitted, subject to condition that total number of Joint Account Holders does not exceed 4 (four).

#### **5.18 RESIDENT FOREIGN CURRENCY ACCOUNTS (RFC):**

Returning Indians, i.e. those Indians, who were non-residents earlier and are returning now for permanent stay, are permitted to open, hold and maintain with an Authorised Dealer in India a Foreign Currency Account, to be known as a Resident Foreign Currency (RFC) Account, out of permitted credits as per norms.

Branches should verify the original passport and certify on the application that the details mentioned therein are correct after being satisfied that the applicant is eligible to open RFC account and that the funds being credited to the account represents eligible remittance/ proceeds.

**DESIGNATED CURRENCIES:**

RFC Accounts will be maintained in US Dollars [USD], Sterling Pounds [GBP], Euro [EUR], Canadian Dollars [CAD] and Australian Dollars [AUD].

Minimum Amount for Opening RFC Term Deposit Account:

Currency	USD	GBP	EUR	CAD	AUD
Minimum Amount	<b>500</b>	<b>250</b>	<b>500</b>	<b>500</b>	<b>500</b>

There is no maximum limit.

**5.18.01 TYPES OF RFC ACCOUNTS:**

RFC Accounts can be maintained in the form of Current/Savings Bank [without cheque book facility] and Term Deposits other than Recurring Deposit accounts. Savings Bank accounts cannot be opened for trade and commercial purposes. The RFC Fixed Deposit can be opened for a minimum period of one month and a maximum period of three years. In exceptional cases, where deposit is for a minimum amount of USD 250,000 or its equivalent in other currencies, RFC FDR may also be accepted for short period of one week to less than one month.

**RATE OF INTEREST:**

Interests on RFC SB, RFC Term Deposits from 1 week to less than 1 year are linked to London Inter-Bank Bid (LIBID) Rate. Interests on RFC Term Deposits for 1 year and above upto 3 years only are same as applicable to FCNR Deposits. The rate of interest is subject to change at periodical intervals from time to time (at present on a monthly basis).

Employees/Ex-employees/EX-employees senior citizen of the bank and Senior Citizens are not eligible for preferential rate of interest of 1% on RFC deposits.

*The guidelines for calculation and payment of interest for the overdue period on RFC term deposits are as under:*

<b><i>Overdue period (from the date of maturity till the date of renewal, both days inclusive)</i></b>	<b><i>RFC Term Deposit</i></b>
<b><i>Less than 14 days</i></b>	<ul style="list-style-type: none"> <li><b><i>Overdue RFC Term Deposit can be renewed from the date of maturity at the interest rate prevailing on the date of maturity, provided the deposit is renewed to fall due after a period of not less than one month</i></b></li> </ul>

<b>Overdue period (from the date of maturity till the date of renewal, both days inclusive)</b>	<b>RFC Term Deposit</b>
	<p><i>from the date of renewal.</i></p> <ul style="list-style-type: none"> <li>• <i>In case of renewal of individual RFC Term Deposits of value USD 250,000 and above or equivalent in other currencies, minimum period of renewal can be one week beyond date of renewal.</i></li> <li>• <i>Wherever the depositor opts to renew the deposit from the date of presentation to take advantage of enhanced interest rate prevailing on the date of presentation, same can be acceded to without payment of interest for the overdue period.</i></li> </ul>
<b>More than 14 days to less than one year*</b>	<b>Simple interest at par with RFC SB rate prevailing on the date of maturity of earlier deposit or on the date of renewal, whichever is lower.</b>
<b>More than one year*</b>	<b>Simple interest at one year FEDAI reference rate (Benchmark rate for FCNR (B) Deposits) for the respective currency prevailing on the date of maturity or on the date of renewal whichever is lower.</b>

**\*Where deposit is overdue for more than 14 days, renewal from date of maturity is not permitted. If customer requests the Bank for renewal of such overdue deposit, the same shall be acceded to by treating it as a fresh term deposit at the interest rate prevailing on the date of renewal for the period of fresh term deposit.**

#### **5.19 RESIDENT FOREIGN CURRENCY (DOMESTIC) ACCOUNT [RFCD]:**

A person Resident in India is permitted to open, hold and maintain a RFC - Domestic (RFCD) account, out of foreign exchange acquired in the form of currency notes, bank notes and travelers cheques subject to the conditions like acquired while on visit to any place outside India by way of payment for services not arising from any business in or anything done in India etc., as permitted under extant FEMA guidelines.

As per extant FEMA guidelines, balances received in RFCD Current Account during a calendar month shall be converted into INR on the last working day of next month after adjusting for utilization of the balances for approved **purposes or forward commitments.**

**TYPE OF ACCOUNT:**

Current Account only. Operation by authority letter and no cheque book shall be issued.

While accepting Foreign Currency Notes for the credit to RFC/RFCD, Bank shall collect from the Customer the difference between the rupee equivalent of the foreign currency amount of the FC notes at FC Note Buying rate and TT selling Rate.

RFC Accounts can be held singly or jointly in the names of eligible persons. However, resident Indian close relative/s (as defined U/S 2(77) of Indian Companies Act, 2013) is/are now being made eligible to become joint holder/s in RFC bank accounts on 'former or survivor' basis. Such accounts shall attain the status of an ordinary resident account if the resident close relative becomes the sole account holder at a later date

**5.20 TREATMENT OF OVERDUE FCNR (B)/RFC TERM DEPOSIT**

- a. If FCNR/RFC term deposits remain overdue for a period of three years from the date of maturity of the deposit, at the end of the third year, branches shall convert the balances lying in the foreign currency into Indian Rupee at the exchange rate (TT Buying) prevailing as on that date and place the converted amount in overdue INR deposit.
- b. Thereafter, depositor shall be entitled to claim either the said overdue deposit proceeds in INR along with interest thereon, or the foreign currency equivalent (calculated at the rate prevalent (TT Selling) as on the date of payment) of the Indian Rupee proceeds of the original deposit along with interest.
- c. In respect of foreign currency denominated deposits like RFC-SB, RFC-CA, or any other FC deposit with no fixed maturity period, if the deposit remains inoperative for a period of three years (debit of bank charges not to be reckoned as operation), branches shall give three months notice to the depositor at his last known address and convert the deposit from the foreign currency into Indian Rupees, at the end of the notice period at the prevailing exchange rate.
- d. Thereafter, depositor shall be entitled to claim either the said deposit proceeds in INR along with interest thereon, or the foreign currency equivalent (calculated at the rate prevalent (TT Selling) as on the date of payment) of the Indian Rupee proceeds of the original deposit along with interest. (As stated in item b above).

**5.21 OPENING OF ACCOUNTS BY BANK'S UNITS ABROAD (BRANCHES ABROAD AND EXCHANGE COMPANIES MANAGED BY OUR BANK AND REPRESENTATIVE OFFICE:**

- a) *Applications for opening of NRE accounts are accepted in our Bank's branches abroad and three Exchange Companies viz. Al Razouki International Exchange Company, Eastern Exchange Est. and Musandam Exchange"*

- b) After scrutiny of AOF including KYC documents and satisfying that the AOF is complete in all aspects and NRE SB/NRO SB account can be opened, the Official (who should be an Officer of the Canara Bank not less than Scale II on deputation to the Exchange Company, Branch/Representative Office abroad) should sign in full “Accepted to open the Account” column in the AOF; duly mentioning his/her Signing Power Number.
- c) Account opening forms can be downloaded from our Bank’s Website.

## **5.22 ACCOUNT OPENING FORM FOR ALL NRE ACCOUNTS**

For opening of NRE SB accounts, our Branches abroad and Exchange Companies abroad can also be approached. The required application, KYC/AML documents, Identity/Address proof and photo are to be submitted and on satisfactory processing of the application and enclosures, a Welcome Kit shall be issued to the customer containing Cheque Book and Non Personalised ATM/Debit Card.

## **5.23 SPECIAL NON RESIDENT RUPEE (SNRR) ACCOUNT:-**

- a) Any person resident outside India, having a business interest in India, may open an SNRR account in Indian Rupee with Authorized Dealers for the purpose of putting through bonafide transactions in rupees, subject to the conditions specified in Schedule 4 of the Deposit Regulations.
- b) The business interest, apart from generic business interest, shall include the following INR transactions, namely:-
  - i. Investments made in India in accordance with Foreign Exchange Management (Non-debt Instruments) Rules, 2019 dated October 17, 2019 and Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified vide notification no. FEMA 396/2019-RB dated October 17, 2019, as applicable, as amended from time to time;
  - ii. Import of goods and services in accordance with Section 5 of the Foreign Exchange Management Act 1999 (42 of 1999), read with Notification No. G.S.R. 381(E) dated May 3, 2000, viz., Foreign Exchange Management (Current Account Transaction) Rules, 2000, as amended from time to time;
  - iii. Export of goods and services in accordance with Section 7 of the Foreign Exchange Management Act 1999 (42 of 1999), read with Notification No. G.S.R. 381(E) dated May 3, 2000, viz., Foreign Exchange Management (Current Account Transactions) Rules, 2000, as amended from time to time, and further read with FEMA Notification No.23(R)/2015-RB dated January 12, 2016, as amended from time to time;
  - iv. Trade credit transactions and lending under External Commercial Borrowings (ECB) framework in accordance with Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended from time to time; and
  - v. Business related transactions outside International Financial Service Centre (IFSC) by IFSC units at GIFT city like administrative expenses in INR outside IFSC, INR

amount from sale of scrap, government incentives in INR, etc. The account will be maintained with bank in India (outside IFSC).

- c) The SNRR account shall carry the nomenclature of the specific business for which it is opened and shall not earn any interest.
- d) The operations in the SNRR account shall not result in the account holder making available foreign exchange to any person resident in India against reimbursement in rupees or in any other manner.
- e) The debits/ credits and the balances in the account shall be incidental and commensurate with the business operations of the account holder.
- f) All the operations in the SNRR account should be in accordance with the provisions of the Act, rules and regulations made there-under.
- g) The tenure of the SNRR account shall be concurrent to the tenure of the contract / period of operation / the business of the account holder and in no case shall exceed seven years without prior approval of the Reserve Bank of India except in cases, where SNRR account is opened for the purposes stated at sub-paragraphs i to v of paragraph b) mentioned above.
- h) The balances in the SNRR account shall be eligible for repatriation.
- i) Transfers from any NRO account to the SNRR account are prohibited.
- j) All transactions in the SNRR account will be subject to payment of applicable taxes in India.
- k) SNRR account may be designated as resident rupee account on the account holder becoming a resident.
- l) Opening of account by individual/ entities of Pakistan/ Bangladesh nationality/ownership will require prior approval of the Reserve Bank of India.

## 6. GENERAL GUIDELINES

### 6.0 JOINT ACCOUNTS:

Deposit accounts can be opened by an individual in his own name or by more than one individual in their joint names. ***There is no restriction in number of persons to open joint account.*** Any person competent to contract /who need not necessarily be the parent of the minor may deposit the money belonging to him in his name jointly with a minor. However, the minor in such cases should be duly represented by his/her natural guardian or in the absence, a guardian appointed by a competent court only.

### 6.1 OPERATIONS OF JOINT ACCOUNT:

The mandate for operating the account can be modified with the consent of all the joint account holders. In case of SB account opened by minor jointly with the natural guardian, the operations are allowed by the natural guardian only.

## **6.2 TRANSFER OF ACCOUNTS:**

Current Account, SB, Term Deposits may be transferred from one branch to another branch within the Bank at the request of the account holders subject to certain conditions.

KYC once done by one branch of a Bank is valid for transfer of the account within the Bank as long as full KYC has been complied for the concerned account. The Customer is allowed to transfer his/her account from one branch to another branch without restrictions. Along with the fresh address proof, the customer is required to submit 2 latest photographs (for accounts opened prior to 01.01.1994) to the transferee branch.

A customer is required to submit only one Officially Valid Document (OVD) for both proof of identity and for proof of address as part of KYC procedure. If the OVD submitted for proof of identity does not have the proof of address (for e.g., PAN Card), then the customer is required to submit another OVD for proof of address.

In case, Officially Valid Documents (OVDs) furnished by the customer does not contain updated address, the documents (mentioned in point no.3.0.3 shall be deemed to the OVDs for the limited purpose of proof of address.

The updated Officially Valid Document with current address is to be submitted within a period of three months of submitting the above document.

## **6.3 ADDITION OF NAMES:**

The Bank may at the request of the depositor/s allow addition of name/s in Savings Bank, Current Account & Term deposits. Deletion in name/s of depositor/s is also permitted, subject to the condition that one of the original depositors should continue to be a depositor.

## **6.4 CHANGE IN RATE OF INTEREST:**

The rate of interest on deposits will be prominently displayed in the branch premises apart from placing the same on our Bank's website.

The changes, if any, with regard to the deposit schemes and other related services shall also be communicated upfront and shall be prominently displayed. The same may also be published in newspaper.

## **6.5 WITHDRAWAL OF CASH :**

Payment of cash upto Rs.50,000/- per occasion in Savings Bank and Current Account is to be extended only to the drawer against self cheques, at all host branches (i.e. other than the base branch). Cash payment to third parties will be extended at base branch only.

**6.6 VALIDITY OF CHEQUES/DRAFTS/PAY ORDERS/BANKER’S CHEQUES:**

As per RBI guidelines, w.e.f. April 1, 2012, Banks should not make payment of Cheques/Drafts/Pay Orders/Banker’s Cheques bearing that date or any subsequent date, if they are presented beyond the period of three months from the date of such instrument.

**6.7 PROHIBITION IN ALTERATIONS/CORRECTIONS ON CHEQUES:**

As per RBI guidelines, no changes/corrections should be carried out on the cheques (other than for date validation purposes, if required). For any change in the payee’s name, courtesy amount (amount in figures), or legal amount (amount in words) etc., fresh cheque forms should be used by the customers.

**6.8 PAYMENT OF DIVIDEND WARRANTS/INTEREST WARRANTS :**

Signature of the payee on the reverse of the Dividend warrant/Interest Warrant is not needed where such instruments have special crossing “Not Negotiable/Not Transferable/Account Payee/Beneficiary Banks’ name and the Account Number” etc.

**6.9 CUSTOMER INFORMATION:**

The customer information collected from the customers shall not be used for cross selling of services/products by the Bank, subsidiaries & affiliates. If the Bank proposes to use such information, it shall be with the consent of the account holder/s.

**6.10 SECRECY OF THE CUSTOMER ACCOUNTS:**

The Bank shall not disclose details/ particulars of the customer’s accounts to a third person or party without the expressed or implied consent from the customer. However, there are some exceptions viz. Disclosure of information under compulsion of law, where there is a duty towards the public to disclose and where interest of the Bank requires disclosure.

**6.11 INOPERATIVE ACCOUNTS:**

Accounts which are not operated for a period of two years will be transferred to 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 depositors can request the Bank to activate the account for operating it after complying with the conditions as per KYC norms.

A Savings as well as Current account will be treated as 'inoperative'/ dormant if there are no transactions in the account for a period over two years. For the purpose of classifying an account as 'inoperative', only transactions that are induced at the instance of customers as well as third party will be considered. However, the service charges levied by the Bank or interest credited by the Bank will not be considered.

All credits are permissible in inoperative/dormant accounts without changing the account status. However while allowing withdrawals due diligence should be ensured by the branches by ensuring the genuineness of transactions, verification of signature and identity etc. While allowing withdrawals branches are required to obtain request letter from the account holders and ensure KYC



compliance etc. as per extant guidelines. In case the balance is less than Rs 20/-, account will be closed if there is no account revival from the depositor to the notice sent by the Bank.

In case of Operative Accounts, an account shall be classified as “Unclaimed Deposits” if the same is not operated (other than interest credits and service charge debits) for 10 years and more from the date of last operation. In case of term deposit account, it shall be classified as unclaimed deposit if the same is not renewed/withdrawn after 10 years or more from the date of maturity.

Pursuant to the amendment of the Banking Regulation Act, 1949, section 26A has been inserted in the Act, empowering Reserve Bank to establish The Depositor Education and Awareness Fund (DEAF Fund). Under the provisions of this section the amount to the credit of any account in India with any bank which has not been operated upon for a period of ten years or any deposit or any amount remaining unclaimed for more than ten years shall be credited to the fund, with in a period of three months from the expiry of the said period of ten years.

#### **6.12 STOP PAYMENT FACILITY:**

The Bank will accept stop payment instructions from the depositors in respect of cheques issued by them. Charges as specified will be recovered.

#### **6.13 MANDATE / POWER OF ATTORNEY**

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

#### **6.14 DISHONOUR OF CHEQUES**

Cheques drawn on a branch is passed if everything is in order and there are sufficient funds. Payment of cheques drawn on a branch is refused in the following Circumstances:

- 6.14.1 A cheque is presented for payment before its ostensible date.
- 6.14.2 Cheque which is drawn in irregular or ambiguous manner or in a form of doubtful legality.
- 6.14.3 If the amount standing in credit is not sufficient to cover the whole amount of the cheque or if the overdraft limit is exceeded.
- 6.14.4 Cheques are drawn beyond the arranged limit.
- 6.14.5 If the funds of the customer are not properly applicable to the payment of the cheque.
- 6.14.6 Where there is a legal bar on payment.
- 6.14.7 Where payment of cheque has been stopped by the drawer.
- 6.14.8 Where there is notice of customer's death.
- 6.14.9 Where a customer becomes insolvent and an order of adjudication is made.
- 6.14.10 A cheque presented through post by an unknown payee other than bank.

- 6.14.11 If the cheque is not duly presented i.e., has not been presented within banking hours.
- 6.14.12 If the cheque is not presented within the validity period of the cheque.
- 6.14.13 If the Bank has not been given reasonable time to have the funds placed into the credit of the customer's account before they can be drawn against.
- 6.14.14 Where endorsements are not in order in the case of 'Order' cheques.
- 6.14.15 Where there is no endorsement of the payee in an Order Cheque, or the collecting Banker's confirmation.
- 6.14.16 When the signature of the drawer differs from the specimen lodged.
- 6.14.17 Where the drawer signs on behalf of a firm or a company and the name of the company is not mentioned.
- 6.14.18 Where the cheque form used is not from among the cheque leaves issued to the party.
- 6.14.19 When a crossed cheque is presented by a party other than a banker.
- 6.14.20 Where there are material alterations in the cheque unauthorized by the drawer. RBI has directed that the drawer can authorize material alteration only for the date of the cheque.
- 6.14.21 Where the cheque contains extraneous matter.
- 6.14.22 Any other reason for which Bank deem fit to refuse the payment.

## **7. NOMINATION**

- 7.1 Nomination facility is available for all deposits held by individuals in their own capacity, singly or jointly.
- 7.2 Nomination facility is also available to a sole proprietorship account.
- 7.3 Nomination can be made in favour of one individual only.
- 7.4 Nomination so made can be cancelled or changed by the account holder/s anytime during which the deposit is held by the Bank to the credit of the depositor.
- 7.5 Fresh nomination shall not be asked if the fixed deposits are renewed.
- 7.6 Nomination can be made in favour of minor also, for which date of birth of the minor and full details of the guardian is to be furnished.
- 7.7 Bank recommends that all the depositors avail nomination facility. The nominee in the event of death of the depositor/s could receive the balance outstanding in the account as a trustee of legal heirs.
- 7.8 Our Bank has introduced e-sign facility for updation of nominee online. Individuals having Aadhaar seeded with bank can utilize this facility.
- 7.9 Nomination through Internet Banking is available for Saving Bank accounts, Recurring and Term deposits.

In order to serve the purpose of the bereaved family members, who are forced to go through long drawn proceedings in the court for claiming the amount, which lawfully belongs to them, RBI has directed the Banks generally to insist that the person opening a deposit account makes a nomination.

In case the person opening an account declines to nominate any other persons, the branch shall explain the advantages of nomination facility. If the person opening the account still does not want to nominate, the branch shall obtain a specific letter to the effect that he/she does not want to make a nomination. In case the depositor declines to give such a letter, the branch shall record the fact on the account opening form and proceed with opening of the account if otherwise the depositor satisfies all other eligibility criteria.

## **8. INSURANCE COVER FOR DEPOSITS**

All bank deposits are covered under the Insurance Scheme of Deposit 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.

## **9. SPECIAL TYPES OF ACCOUNTS**

### **9.0 MINOR ACCOUNTS:**

Minor account represented by guardian may be opened in the name of a minor by the guardian. The account may be opened by natural guardian or with mother as the guardian.

According to the Indian majority act, a minor is one who has not completed 18 years of age. In terms of Indian contract Act, the contracting parties should be necessarily major, for the validity of the contracts. Hence, any contract with the minor is void ab-initio. Since the opening of the account forms contractual obligation between banker & customer, savings bank account in the individual capacity of the minor will not be opened. However, there are exceptions to this rule.

Cheques issued by the guardian prior to the date on which the minor attains majority, but presented after the above date, are to be treated as invalid.

### **9.1 ACCOUNTS IN THE NAME OF MINOR WHO IS ABOVE THE AGE OF 10 YEARS:**

SB account can be opened in the name of a minor who is above the age of 10 years. A declaration-cum-no objection letter is to be given by the natural guardian of the minor to the effect that the minor has acquired sufficient knowledge about opening/operating the Bank account. Such accounts are to be opened for a reasonable amount and the Minor has to come in person for withdrawal. No cheque book will be issued in such accounts and no overdrawings will be allowed.

On attaining majority, fresh set of application form with the specimen signature card and photograph of the erstwhile minor, duly countersigned by the guardian, would be obtained as in the case of new accounts.

### **9.2 ACCOUNTS OF ILLITERATE PERSONS:**

The Bank shall open accounts of illiterate persons, after observing formalities for opening such accounts. No cheque book facility is provided for such accounts. 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.

### **9.3 ACCOUNTS OF BLIND PERSONS:**

The Bank shall open deposit account in the name of blind person after observing all the formalities of the Bank for opening and operation of such accounts.

Branches are advised to offer all the banking facilities such as cheque book facility including cheques to third party/ies, to the visually challenged persons without any discrimination. Branches are also advised to render all possible assistance to the visually challenged persons for availing the various banking facilities.

In case a visually impaired customer makes cash withdrawals at the Bank then the payment must be made in the presence of another bank employee/ officer. No outside witnesses are required unless the visually impaired customer requests that such witnesses be present.

### **9.4 ACCOUNTS OF PRISONERS:**

The Bank shall open bank account of prisoners under Canara Small Saving Bank Deposit Account under (Product code 127) in the absence of document for identity and residential proof.

The signature or thumb impression shall be affixed in presence of the officer in charge of the jail and the said officer shall certify the same under his signature.

The account shall remain operational on annual submission of certificate of proof of address issued by the officer-in-charge of the jail.

### **9.5 HINDU JOINT FAMILY (HINDU UNDIVIDED FAMILY-HUF) :**

A Bank account may be opened in the name of a Hindu Joint Family (i.e., Hindu Undivided Family-HUF) provided the HUF is not engaged in trading/business activity. The operation of the account of HUF must be by Kartha only as he alone has the capacity in law to enter into contracts etc., on behalf of HUF.

### **9.6 ACCOUNTS OF MENTALLY ILL/RETARDED PERSONS:**

The Mental Health Act 1987 accords that “mentally ill person” mean a person who is in need of treatment by reason of any mental disorder other than mental retardation. Sections 53 & 54 of this Act provide for the appointment of guardians and in certain cases, Managers in respect of the property. The prescribed appointing authorities are the District Courts and Collectors of Districts under the Mental Health Act 1987.

The National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 provides for a law relating to certain specified disabilities. Clause (j) of Section 2 of that Act defines a “person with disability” to mean a person suffering from any of the conditions relating to autism, cerebral palsy, mental retardation or a combination of any two or more of such conditions and includes a person suffering from severe multiple disabilities.

This Act empowers a Local Level Committee to appoint a guardian, to a person with disabilities, who shall have the care of the person and property of the disabled person.

Branches are advised to take note of the legal position stated above and may rely on and be guided by the orders/certificates issued by the competent authority, under the respective Acts, appointing guardians/managers for the purposes of opening/operating bank accounts.

## **10. REPAYMENT UNDER JOINT DEPOSITS:**

The joint account holder can give any of the following mandates for disposal of balance in the account.

- 1) Either or survivor
- 2) No. 1 or survivor
- 3) Jointly

**10.0 Either or Survivor:** When all depositors are alive, Bank will be making payment to any one or more of the depositors presenting the deposit receipt. The Bank will be making payment of the maturity proceeds to the surviving depositor who presents the deposit receipt and furnishes the proper discharge without reference to the other depositor as well as to the legal heirs of the deceased depositor. Example:- if the account is in the name of two individuals say, A & B, the final balance along with interest, if applicable, will be paid to either of account holders i.e. A or B, on date of maturity or to the survivor on death of any one of the account holders.

**10.1 No. 1 or survivor:** If the specified depositor is alive, payment will be made on request of the specified depositor. If the specified depositor is not alive on the date of maturity, the bank will be making payment to the survivor without reference to the legal heirs of the specified depositor. If specified depositor dies on or after maturity, the claim will be settled in favour of the survivor subject to production of a notarized indemnity for indemnifying the Bank in case of the claim from legal heirs of the specified depositor.

The above mandates will be applicable to or become operational only on or after the date of maturity of term deposits. This mandate can be modified by the consent of all the account holders. In case of premature repayment of term deposits by one of the joint depositors on the death of the other with operation/repayment clause “Either or survivor” and Former or Survivor/s / No.1 or survivor/s”, the surviving joint depositor may be permitted premature withdrawal of the term deposit, only if there is joint mandate from the joint depositors to this effect.

This mandate is provided as a “Declaration” in the term deposit account opening form of the Bank.

**10.2 Payable jointly:** When all depositors are alive, the deposit receipt should be discharged by all depositors for receiving payment. If one or more of the depositor dies on or after maturity, the amount will be paid jointly to the surviving depositors along with the legal heirs of the deceased depositor.

## **11. SETTLEMENT OF DUES IN THE DECEASED DEPOSITOR'S ACCOUNT**

- 11.0 If the depositor has registered nomination with the Bank, the balance outstanding in the account of the deceased depositor will be settled in favour of the nominee after the Bank is satisfied about the identity of the nominee.
- 11.1 In the absence of nomination and where there are no disputes among the claimants, the Bank will settle the claim in respect of the deceased person to his/her legal heirs after observing all the formalities. The settlement of claims will be as per the delegated powers conferred from time to time.
- 11.2 The Bank may not insist on succession certificate from the Legal heirs irrespective of the amount involved. However, the Bank may adopt such safeguards in considering settlement of claims as appropriate including obtention of indemnity.
- 11.3 If the survivorship clause as available in the Account opening form is opted while opening a joint account, then in the event of death of any of the joint depositor(s) prior to the maturity of the deposit, the Bank will at the written request of the surviving depositor(s) be at liberty though not bound and its absolute discretion to pay interest till the date of settlement, to repay the deposit before maturity or to grant any advance against the security thereof to any one or more of the surviving depositor/s with the consent of other surviving depositor/s, on such terms as the Bank may decide and to add/delete/substitute any names therein. The discharge given by such surviving depositor(s) / any of the surviving depositor(s) shall give the Bank a valid discharge.

## **12. SAFE DEPOSIT LOCKERS**

The facility available at select branches and wherever it is available, allotment of safe deposit locker will be subject to availability and compliance with other terms & conditions attached to the services. Compliance to KYC guidelines will be ensured before the lockers are hired out. Safe deposit lockers may be hired by an individual (singly or jointly with another individual/s), HUFs, Firms, Ltd. Co., Associates, Societies, Trusts etc. Safe Deposit Locker can be opened by the minor individually duly represented by the natural guardian or jointly with natural guardian. Nomination facility is available to individual/s holding the locker singly or jointly. Joint locker holders can give mandate for access to the locker in the event of death of one of the holders as similar to those for deposit accounts. In the absence of nomination or mandate for disposal of contents of lockers, with a view to avoid hardship to common persons, the Bank will release the contents of locker to the legal heirs against indemnity on the lines as applicable to deposit accounts.

## **13. REDRESSAL OF COMPLAINTS**

To enable the customers to voice their grievances or offer suggestions for improvement in customer service, "Customer Day" is observed at all the offices of the Bank, across the organization, covering branches, Regional Offices, Circle Offices and Head Office, on 15<sup>th</sup> of every month (next working day, if 15<sup>th</sup> is a holiday ). During specified hours on this day any customer can meet senior/ top executives of the Bank including Managing Director & Chief Executive Officer without prior appointment.

In case of any complaint, the matter may be first brought to the notice of concerned Branch Manager for immediate redressal. If the complaint is not redressed to the satisfaction of the customer, the matter may be taken up with the concerned Executive-in Charge of the Regional Office/Circle Office. ***If customer is not satisfied with reply given by Regional Office he can escalate to Executive-in-Charge of Circle Office.***

If the complainant still feels unsatisfied with the responses received, he can address his complaint to the Bank's Principal Nodal Officer at Head Office (***General Manager, SP&D Wing, HO, Bengaluru***) designated to deal with customers' complaints/grievances giving full details of the case.

After exhausting the above machinery/channels, if the customer is not satisfied, he may write to Managing Director and CEO of the Bank and even after this, if not satisfied he is free to take recourse to the following::

- (A) The dedicated Internal Ombudsman of the Bank.
- (B) Directorate of Public Grievances, Government of India, Cabinet Secretariat, Sansad Marg, New Delhi.
- (C) The District Consumer Forum or State/National Commission under Consumer Protection Act, 1986.

The details of internal set up for redressal of complaints/grievances will be displayed in the branch premises. The branch officials shall provide all required information regarding procedure for lodging the compliant.

The customer can also approach the Banking Ombudsman located in State Capitals under RBI Ombudsman Scheme, 2006, if the customer, in case of grievance, had made a written complaint to the Bank and the Bank has rejected the compliant or the complainant had not received any reply within a period of one month after the Bank received his representation or the complainant is not satisfied with the reply given to him by the Bank.

#### **14. BANKS' CODE OF CONDUCT WITH RESPECT TO DEPOSITORS**

The "Banks' Code of Conduct" in respect of Depositors culminates from the Bankers' Fair Practice Code of the Indian Banks' Association. This Code is aimed at achieving higher operating standards for the benefit of the Depositors. In this Code, 'you' denotes the Depositor and 'we' the Bank.

##### ***Our Commitment to You:***

We promise to:

- 14.0 Act fairly and reasonably in all our dealings with you by
  - Meeting the commitments and standards in this Code
  - Making sure our products and services meet relevant laws and regulations
  - Adhering to ethical principles of integrity and transparency
- 14.1 Deal with speed and concern in respect of errors/mistakes by
  - Correcting mistakes quickly

- Handling your complaints quickly
  - Reversing any Bank charges that we apply by mistake/oversight
- 14.2 Publicize this Code by hosting it on our website and have copies available for you on request.
- 14.3 Before you become a depositor, we will:
- Give you clear information explaining the key features of the services and products you tell us you are interested in.
  - Give you information on any type of account facility which we offer and may suit your needs.
  - Tell you what information we need from you to prove your identity and address and to comply with legal and regulatory requirements, and
  - Request for additional information about you and your family to build a database but such information can be furnished by you only if you wish and we will not compel you to give these information for opening your account.
- 14.4 We will tell you if we offer products and services in more than one way [for example, through ATMs/internet, over the phone, in branches and so on] and tell you how to find out more about them.
- 14.5 Once you have chosen an account or service, we will tell you how it works.
- 14.6 When you open a single account or a joint account, we will give you information on your rights and responsibilities.
- 14.7 We recommend that you avail nomination facility offered on all deposit accounts, articles in safe custody and safe deposit vaults.
- 14.8 We will guide you how we will deal with deposits and other assets held with us in the name of a deceased person in the absence of nomination.
- 14.9 You can find out about our interest rates by:
- Looking at the notices in our branches
  - Calling our branches/ Call centres
  - Looking on our website; or
- 14.10 When you become a Depositor, we will give you information on the interest rates which apply to your accounts and when we will pay interest on your deposits. We will also tell you our website address and the other ways in which you can find out about changes in the interest rates.
- 14.11 At the time of opening of the account, we will inform you of the rate at which interest is paid on your savings deposits.
- 14.12 Upon your becoming a depositor, we will give you upfront details of any charges applicable to the products chosen by you.



- 14.13 To help you manage your account and check entries on it, we will give you account statements at regular intervals except in cases where Pass Books have been provided.
- 14.14 We will normally provide you with a statement periodically as per our policy. You can ask us to provide you with account statements more often than is normally available on your type of account, but there may be a charge for this service.
- 14.15 You will also be able to see your last few transactions on ATM or through your internet account wherever such facilities are available with us and opted by you.
- 14.16 We will tell you about the clearing cycle, including when you can withdraw money after lodging collection instruments and when you will start to earn interest.
- 14.17 We will give immediate credit to your account for outstation cheques lodged by you and will allow you to draw against such instrument[s] under collection as per prevailing RBI guidelines. [Presently instruments upto Rs.15,000/- tendered by customers operating accounts satisfactorily for the last 6 months].
- 14.18 We will pay interest on funds involved if collection is delayed beyond the normal period as stipulated by RBI.
- 14.19 We will act upon mandates given by you for direct debits [say ECS] and other standing instructions.
- 14.20 If, within a reasonable period after the entry has been made on your statement there is a dispute about a cheque paid from your account, we will give you the cheque copy as evidence.
- 14.21 We will provide you details of the service, exchange rates and charges that apply to foreign exchange transactions, which you are about to make. If this is not possible, we will tell you how these will be worked out.
- 14.22 If you want to transfer money abroad, we will tell you how to do this and will give you:
- A description of the services and how to use them.
  - Details of when the money you have sent abroad should get there and the reasons for possible delays.
  - The exchange rate applied when converting to the foreign currency; and
  - Details of any commission or charges which you will have to pay.
- 14.23 In case of money transfer from abroad, the original amount received and charges deducted, if any, will be informed.
- 14.24 We will guide you about regulatory requirements or conditions relating to foreign exchange services offered by you as and when required by you.
- 14.25 In the event your cheque book, pass book or ATM/debit card has been lost or stolen, or that someone else knows your PIN or other security information, we will, on your notifying us, take immediate steps to try to prevent these from being misused.
- 14.26 We will treat all your personal information as private and confidential [even when you are no longer a customer]. We will not reveal transaction details of your accounts to a third party, including entities in our group, other than in the following four exceptional cases when we are allowed to do :

- If we have to give the information by law
- If there is duty to the public to reveal the information
- If our interests require us to give the information [for example, to prevent fraud] but we will not use this as a reason for giving information about you or your accounts [including your name and address] to anyone else, including other companies in our group, for marketing purpose.
- If you ask us to reveal the information, or if we have your permission to provide such information to our group/associate/entities or companies when we have tie-up arrangements for providing other financial service products.

## 15. DEPOSITORS' RIGHTS

Deposits being the basic financial raw material, depositors form the core for banking business. There is now an awakening on depositors' rights, rightly so, in the Banks, as it is fulfillment of such rights which can enable an effective resource management mechanism in Banks. Further, the depositor, being a consumer of various products and services offered by the Bank, is entitled to the following rights:

### 15.0 ***Right to Information:***

- ▶ A depositor will have right to information about price, quality, quantity and standard of the products/services offered by the Bank to enable him/her to take an independent decision.

### 15.1 ***Right to choose:***

- ▶ A depositor will have the absolute freedom to choose among the various products and services offered by the Bank to suit his/her requirements.

### 15.2 ***Right to avail/utilize the products and services:***

- ▶ A depositor will have the right to avail/utilize the products/services chosen by him/her without any intervention/obstacle.

### 15.3 ***Right to be heard and redressal of grievances:***

- ▶ A depositor will have the right to be heard and seek redressal against deficient service/poor quality of products and services, unfair Trade practices and unscrupulous exploitation. This includes his/her right to fair redressal of any genuine grievance relating to products/services which he/she has chosen to utilize.

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## ANNEXURE- I

**Customer Identification Procedure-Features to be verified and Documents that may be obtained from Customers:**

Features	Documents
<b>Accounts of individuals</b>	
Proof of Identity and Address	<p>For undertaking Customer Due Diligence (CDD), Bank shall obtain the following from an individual while establishing an account-based relationship or while dealing with the individual who is a beneficial owner, authorized signatory or the power of attorney holder related to any legal entity:</p> <p><b>(A)</b> The Aadhaar number where,</p> <p style="padding-left: 40px;">(i) he is desirous of receiving any benefit or subsidy under any scheme notified under section 7 of the Aadhaar (Targeted Delivery of Financial and Other subsidies, Benefits and Services) Act, 2016 (18 of 2016); or</p> <p style="padding-left: 40px;">(ii) he decides to submit his Aadhaar number voluntarily to a bank; or</p> <p><b>(B)</b> The proof of possession of Aadhaar number where offline verification can be carried out; or</p> <p><b>(C)</b> The proof of possession of Aadhaar number where offline verification cannot be carried out or any OVD or the equivalent e-document thereof containing the details of his identity and address; and</p> <p><b>(D)</b> The Permanent Account Number or the equivalent e-document thereof or Form No. 60 as defined in Income-tax Rules, 1962; and</p> <p><b>(E)</b> Such other documents including in respect of the nature of business and financial status of the customer, or the equivalent e-documents thereof as may be required by the bank.</p> <p>Provided that where the customer has submitted,</p> <p style="padding-left: 40px;">i) Aadhaar number under clause (A) above to a bank, such bank shall carry out authentication of the customer's Aadhaar number using e-KYC authentication facility provided by the Unique</p>

Identification Authority of India.

Further, in such a case, if customer wants to provide a current address, different from the address as per the identity information available in the Central Identities Data Repository, he may give a self-declaration to that effect to the Bank.

ii) Proof of possession of Aadhaar under clause (B) above where offline verification can be carried out, the bank shall carry out offline verification.

iii) An equivalent e-document of any OVD, the bank shall verify the digital signature as per the provisions of the Information Technology Act, 2000 (21 of 2000) and any rules issues thereunder and take a live photo as per digital KYC process.

iv) Any OVD or proof of possession of Aadhaar number under clause (C) above where offline verification cannot be carried out, the bank shall carry out verification through digital KYC.

Provided that for a period not beyond such date as may be notified by the Government for a class of Regulated entities, instead of carrying out digital KYC, the Regulated entity pertaining to such class may obtain a certified copy of the proof of possession of Aadhaar number or the OVD and a recent photograph where an equivalent e-document is not submitted.

***Provided further that in case e-KYC authentication cannot be performed for an individual desirous of receiving any benefit or subsidy under any scheme notified under section 7 of the Aadhaar (Targeted Delivery of Financial and Other subsidies, Benefits and Services) Act, 2016 owing to injury, illness or infirmity on account of old age or otherwise, and similar causes, Bank shall, apart from obtaining the Aadhaar number, perform identification preferably by carrying out offline verification or alternatively by obtaining the certified copy of any other OVD or the equivalent e-document thereof from the customer. Customer Due Diligence done in this manner shall invariably be carried out by an official of the Bank and such exception handling shall also be a part of the concurrent audit as mandated in Section 8. Bank shall ensure to duly record the cases of exception handling in a centralised exception database. The database shall contain the details of grounds of granting exception, customer details, name of the***

		<p><i>designated official authorising the exception and additional details, if any. The database shall be subjected to periodic internal audit/inspection by the Bank and shall be available for supervisory review.</i></p> <p><b><u>Explanation 1:</u></b></p> <p><i>Bank shall, where its customer submits a proof of possession of Aadhaar Number containing Aadhaar Number, ensure that such customer redacts or blacks out his Aadhaar number through appropriate means where the authentication of Aadhaar number is not required as per proviso (i) above.</i></p> <p><b><u>Explanation 2:</u></b></p> <p><i>Biometric based e-KYC authentication can be done by bank official/business correspondents/business facilitators.</i></p> <p><b><u>Explanation 3:</u></b></p> <p><i>The use of Aadhaar, proof of possession of Aadhaar etc., shall be in accordance with the Aadhaar (Targeted Delivery of Financial and Other Subsidies Benefits and Services) Act, 2016 and the regulations made thereunder.</i></p> <ul style="list-style-type: none"> <li>• Officially Valid Documents (OVD) are as under:       <ol style="list-style-type: none"> <li>I. Passport</li> <li>II. Driving License</li> <li>III. Proof of possession of Aadhaar number</li> <li>IV. Voter Identity Card issued by Election Commission of India</li> <li>V. Job Card issued by NREGA duly signed by an officer of the State Government</li> <li>VI. Letter issued by the National Population Register containing details of name and address</li> </ol> </li> </ul>
<b>Accounts of companies</b>		
		<p>Where the client is a company, certified copies of following documents or the equivalent e-documents are to be submitted:</p> <ol style="list-style-type: none"> <li>(i) Certificate of incorporation</li> <li>(ii) Memorandum and Articles of Association</li> <li>(iii) Permanent Account Number of the company</li> <li>(iv) A resolution from the Board of Directors and</li> </ol>

		<p>Power of Attorney granted to its managers, officers or employees to transact on its behalf.</p> <p>(v) Corporate Identification Number (CIN)</p> <p>(vi) One copy of an Officially Valid Document containing details of identity and address, one recent photograph and Permanent Account Numbers or Form No.60 of related beneficial owner, the managers, officers or employees, as the case may be, holding an attorney to transact on the company's behalf.</p>
<b>Accounts of partnership firms</b>		
		<p>Where the client is a partnership firm, certified copies of following documents or the equivalent e-documents are to be submitted:</p> <p>(i) Registration Certificate</p> <p>(ii) Partnership Deed</p> <p>(iii) Permanent Account Number of the partnership firm</p> <p>(iv) One copy of an Officially Valid Document containing details of identity and address, one recent photograph and Permanent Account Numbers or Form No.60 of related beneficial owner, managers, officers or employees, as the case may be, holding and an attorney to transact on its behalf.</p>
<b>Accounts of trusts</b>		
		<p>Where the client is a Trust, certified copies of following documents or the equivalent e-documents are to be submitted:</p> <p>(i) Registration Certificate</p> <p>(ii) Trust Deed</p> <p>(iii) Permanent Account Number or Form No.60 of the trust</p> <p>(iv) One copy of an Officially Valid Document containing details of identity and address, one recent photograph and Permanent Account Numbers or Form No.60 of the related beneficial owner, managers, officers or employees, as the case may be, holding an attorney to transact on its behalf.</p>
<b>Accounts of Unincorporated Association or body of individuals</b>		

		<p>Where the client is an unincorporated association or a body of individuals, certified copies of following documents or the equivalent e-documents are to be submitted:</p> <ul style="list-style-type: none"> <li>(i) Resolution of the managing body of such association or body of individuals</li> <li>(ii) Permanent Account Number or Form No.60 of the unincorporated association or a body of individuals</li> <li>(iii) Power of Attorney granted to the person who will transact on its behalf.</li> <li>(iv) One copy of an Officially Valid Document containing details of identity and address, one recent photograph and Permanent Account Numbers or Form No.60 of the related beneficial owner, managers, officers or employees, as the case may be, holding an attorney to transact on its behalf.</li> <li>(v) Such information as may be required to establish the legal existence of such association or body of individuals.</li> </ul> <p><u>Note:</u></p> <ul style="list-style-type: none"> <li>(a) Unregistered trusts/partnership firms shall be included under the term 'Unincorporated Association'.</li> <li>(b) Term 'body of individuals' includes societies.</li> </ul>
<b>Accounts of Proprietorship Concerns</b>		
	<p>Proof of name, address and activity of the concern</p>	<p>For Proprietary concerns, Customer Due Diligence of the individual (proprietor) are to be carried out and any two of the following documents or the equivalent e-documents in the name of the proprietary concern should be submitted:</p> <ul style="list-style-type: none"> <li>a) Registration Certificate (in the case of a registered concern).</li> <li>b) Certificate/licence issued by the Municipal authorities under Shop &amp; Establishment Act.</li> <li>c) Sales and income tax returns.</li> <li>d) CST/VAT/GST certificate (Provisional/Final),</li> <li>e) Certificate / registration document issued by Sales Tax / Service Tax / Professional Tax authorities.</li> <li>f) The complete Income Tax return (not just the acknowledgement) in the name of the sole Proprietor where the firm's income is reflected, duly authenticated/acknowledged by the Income Tax Authorities.</li> <li>g) Utility bills such as electricity, water and landline telephone bills.</li> </ul>

		<p>h) IEC (Importer Exporter Code) issued to the proprietary concern by the office of DGFT / Licence/certificate of practice issued in the name of the proprietary concern by any professional body incorporated under a statute.</p> <p>Though the default rule is that any two documents mentioned above should be provided as activity proof by a Proprietary concern, in cases where the branches are satisfied that it is not possible to furnish two such documents, they would have the discretion to accept only one of those documents as activity proof. In such cases, the branches, however, would have to undertake contact point verification, collect such information as would be required to establish the existence of such firm, confirm, clarify and satisfy themselves that the business activity has been verified from the address of the proprietary concern.</p>
<b>Accounts of Limited Liability Partnerships</b>		
	Proof of name, address and activity of the concern	<ul style="list-style-type: none"> <li>(i) Certified copy of incorporation documents filed with Registrar of Companies.</li> <li>(ii) Certificate issued by the Registrar of Companies.</li> <li>(iii) Copy of LLP Agreement signed by all the partners. In case, there is no LLP agreement, Schedule I of the LLP Act signed by all the partners will prevail.</li> <li>(iv) (a) Any Officially Valid Document which contains proof of identity/address in respects of person holding an attorney to transacts on its behalf and (b) PAN or Form 60 as defined in the Income Tax Rules, 1962 issued to the person holding a power of attorney to transact on its behalf.</li> </ul>
<b><i>Accounts of juridical persons not specifically covered above, such as Societies , Universities and Local bodies like Village Panchayats,</i></b>		
	Proof of name, address and activity of the concern	<p>The certified copies of the following documents or the equivalent e-documents thereof are to be submitted:</p> <ul style="list-style-type: none"> <li>i) Document showing name of the person authorized to act on behalf of the entity;</li> <li>ii. (a) Any Officially Valid Document which contains proof of identity/address in respects of person holding an attorney to transacts on its behalf and (b) PAN or Form 60 as defined in the Income Tax Rules, 1962 issued to the person holding a power of attorney</li> </ul>



	to transact on its behalf. iii) Such documents as may be required to establish the legal existence of such an entity/juridical person
Branches to obtain only the documents as mentioned above and not to accept any other document for KYC purpose.	

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