

# THE JANATA CO-OPERATIVE BANK LTD.

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## BANK DEPOSITS, INTEREST RATE ON DEPOSITS AND PENALTIES ON PREMATURE WITHDRAWAL OF DEPOSITS POLICY

The Bank Deposits, Interest Rate on Deposits and Penalties on Premature withdrawal of Deposits Policy has been framed by the Investment Sub-Committee taking into consideration the guidelines/circulars issued by Reserve Bank of India Master Direction DCBR.Dir.No.1/ 13.01.000/2015-16 updated on January 01, 2024 approved by the BoM/Board of Directors in its meeting held on 20.03.2024/30.03.2024 vide Resolution No.A.1(c)(iv) as under :

### 1. PREAMBLE:

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

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

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



## **2. TYPES OF DEPOSIT ACCOUNTS :**

While various deposit products offered by the Bank are assigned different names, the deposit products can be broadly categorized into the following types. Definition of major deposit schemes areas under

- i. **“Demand Deposit”** means a deposit received by the Bank, which is withdrawable on demand.
- ii. **“Savings Bank Deposit”** means a form of Demand Deposit which is subject to restrictions as to the number of withdrawals as also the amount of withdrawals permitted by the Bank, during any specific period.
- iii. **“Current Deposit Account”** means a form of Demand Deposit wherefrom withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount and will also include other deposit accounts which are neither Savings Deposits nor Term Deposits.
- iv. **“Term Deposit”** means a deposit received by the Bank for a fixed period – withdrawable only after the expiry of the fixed period; subject to terms & conditions stipulated by the Bank, from time to time and include deposits such as Recurring/Fixed Deposit etc.

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

- i. The Bank, before opening any deposit account, will carry out due diligence as required under “Know Your Customer” (KYC) guidelines issued by RBI and prevention of money laundering Act and / or such other norms or procedures as per the customer Acceptance policy of the bank. If the decision to open an account of a prospective depositor requires clearance at a higher level, reasons for any delay in opening of the account will be informed to the customer and the final decision of the Bank will be conveyed at the earliest to the customer.
- ii. The bank is committed to provide basic banking services to disadvantaged sections of the society. Banking services will be offered to them through Basic Savings Bank Deposit Accounts (BSBDA) and Small Savings accounts will be opened with relaxed customer acceptance norms as per regulatory guidelines.
- iii. The account opening forms and other material would be provided to the prospective depositor by the Bank. The same will contain details of information to be furnished and documents to be produced for verification and/or for record. It is expected of the Bank Official opening the account, to explain the procedural formalities and provide necessary clarifications sought by the prospective depositors when they approach for opening a deposit account.
- iv. Customer also can avail other banking product and/or services offered by bank from time to time like-



- a. **Debit card-** Bank may issue Debit cards to customers having Saving Bank/Current Accounts. Bank may charge on debit card transactions within stipulated benchmark as per regulatory guidelines. Bank has fixed the Merchant Discount Rate keeping it competitive in the market. Bank has formulated a comprehensive debit card issuance policy including policy on co-branded debit cards with the approval of the Board and the debit cards are issued to the customers in accordance with the policy.
- b. **Mobile banking and UPI Services-** Bank has already implemented process for Mobile Banking after obtaining requisite approval from NPCI.
- v. The regulatory guidelines require bank to categorize customers based on risk perception and prepare profiles of customers for the purpose of transaction monitoring. Inability or unwillingness of a prospective customer to provide necessary information/details will result in the bank not opening an account.
- vi. Inability of an existing customer to furnish details required by the bank to fulfil statutory obligations subsequently will result in closure of the account after due notice(s) to the customer.
- vii. For deposit products like Saving Bank (SB) Account and Current Deposit (CD) Account, the Bank will normally stipulate certain minimum balance/minimum Average Quarterly Balance (AQB) to be maintained as part of the terms and conditions governing operations of such accounts which will be displayed on the branch notice board / Website. **Failure to maintain minimum balance account requesting them to maintain the stipulated AQB** for the account to avoid penalty. The SMS shall only go to the account holders whose AQB is less than the prescribed AQB required to be maintained in account. Accordingly, if the requisite Average Quarterly Balance (AQB) of three months is not maintained in the savings bank account, the penal charges shall be levied by the system after the completion of the quarter and the same is notified to the customer through SMS. The charges shall be levied slab wise on the basis of Average Quarterly Balance (AQB) maintained in the account vis-à-vis stipulated AQB requirement. The slab structure for recovery of charges in the various categories of Saving Bank account is available on Bank's website and is subject to revision from time to time.
- viii. For SB Account, Bank may also place restrictions on the number of transactions, cash withdrawals, etc., for a given period. Similarly, the Bank may specify charges for issue of cheque books, additional statements of accounts, duplicate pass book, account maintenance charges, etc. Statement of Account is sent through email on customer's request, also it is made available through internet banking and Mini statement through ATM. All such details, regarding terms and conditions for operation of the accounts and schedule of charges for various services provided is available on Bank's website and are subject to revision from time to time.



- ix. **Savings Bank Accounts** can be opened for eligible person / persons and certain organizations / agencies (as approved by RBI, from time to time)

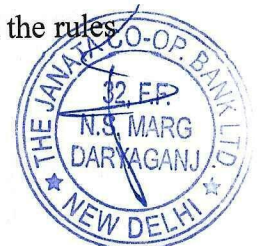
**SCHEDULE-I**

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|  | Primary Agricultural Credit Society which is being financed by the co-operative bank  |
|  | Khadi and Village Industries Boards   |
|  | Agriculture Produce Market Committees   |
|  | Societies registered under the Societies Registration Act, 1860 or any other corresponding law in force in a State or a Union Territory   |
|  | 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 words 'Limited or the words 'Private Limited                                     |
|  | Institutions other than those mentioned in Section 27(h) and whose entire income is exempt from payment of Income-tax under the Income-Tax Act, 1961  |
|  | Government departments / bodies / agencies in respect of grants / subsidies released for implementation of various programmes / 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 |
|  | Development of Women and Children in Rural Areas (DWCRA)  |
|  | Self-help Groups (SHGs), registered or unregistered, which are engaged in promoting savings habits among their members  |
|  | Farmers Clubs-Vikas Volunteer Vahini-VVV  |

**Current Accounts** can be opened by Individuals/Partnership Firms/Private & Public Limited Companies/HUFs/Specified Associates/Societies/Trusts, etc.

**Term Deposit Accounts** can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates / Societies / Trusts.

- x. The due diligence process, while opening a Deposit Account will involve satisfying about the identity of the person, verification of address, satisfying about his/her occupation and source of income and obtaining recent photograph of the person/s opening/operating the account, as a part of the due diligence process. As per the provisions of the Prevention of Money Laundering Act, 2002 and the rules

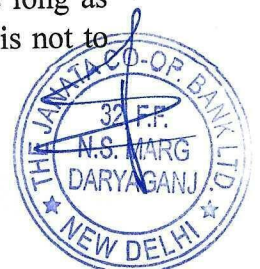


made there under by the Government, as well as guidelines issued by Reserve Bank of India (RBI) on KYC, obtaining identification documents for every customer is mandatory and introduction by a 3rd party is not a substitute for KYC documentation. The 'Basic Savings Bank Deposit Account' would be subject to RBI instructions on Know Your Customer (KYC) / Anti-Money Laundering (AML) for opening of bank accounts issued from time to time. If such account is opened on the basis of simplified KYC norms, the account would additionally be treated as a BSBDA-'Small Account' and would be subject to conditions stipulated for such accounts as indicated in paragraph 3.2.2(I) (A) (vi) of RBI Master Circular dated July 01, 2015 on 'KYC norms / AML standards / Combating of Financing of Terrorism (CFT) / Obligation of banks under PMLA, 2002'.

- xi. In addition to the due diligence requirements, under KYC norms, the bank is required by law to obtain Permanent Account Number (PAN) or General Index Register or alternatively declaration in Form No. 60 or 61 as specified under the Income Tax Act / Rules and PMLA Rules amended vide notification dated 1st June 2017 and subsequent amendments.
- xii. Deposit Accounts can be opened by an individual in his own name (status: known as Account in single name) or by more than one individuals in their own names (status: known as Joint Account). SB Account can also be opened by a minor, jointly with Natural Guardian or with Mother, as the Guardian (status: known as Minor's Account). Minors of the age of 10 years & above will also be allowed to open and operate SB Account, independently.
- xiii. Operation in Joint Account – The Joint Account opened by more than one individuals can be operated by any single individual or by more than one individual, jointly. The mandate for operating the Account can be modified with the consent of all Account Holders. The SB Account opened by a minor, jointly with natural guardian/guardian can be operated by natural guardian only till the minor attains the majority. On attaining the majority, the erstwhile minor shall be asked to sign balance confirmation certificate to be kept on record and thereafter the account shall be allowed to be operated by the erstwhile minor only.

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

- xiv. The Joint Account Holders can give any of the following mandates for the disposal of balances in the above Accounts:
  - a. **“Either or Survivor”**: If the account is held by two individuals, say A & B, the final balance along with interest, if applicable, will be paid to either of account holder i.e. A or B, on date of maturity or In case of premature closure signatures of both the individual would be required. or to survivor on death of anyone of the Account Holders.
  - b. **“Former or Survivor”**: The instructions “Former or Survivor” convey that the Account will be operated upon by the “Former” “A” alone, as long as he/she is alive and after his/her death by the “Survivor” “B”. “B” is not to



operate the Account during the lifetime of "A". "B" can operate the Account only after the death of "A". If "B" dies first the Account is to be operated solely by "A". The legal representative of "B" will have no right to the balance in the Account or to operate the Account. Only the legal representatives of the last Account Holder after his death are entitled to the balance in the Account.

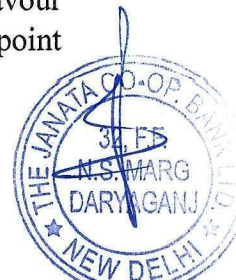
- c. **"Anyone or Survivor/s"**: If the Account is held by more than two individuals, say A, B and C, the final balance along with Interest, if applicable, will be paid to any one if all of them are alive or to the survivor/s on the death of any of the Account Holders

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

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

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

- xv. Now if the joint depositors prefer premature withdrawal of deposits in accordance with the mandate of 'Either or Survivor', 'Anyone or Survivor' or 'Former or Survivor', bank may allow premature withdrawal of term deposits to the surviving depositor/s without seeking concurrence of legal heirs of the deceased deposit holder, provided all the depositors have given a specific joint mandate for the said purpose at the time of opening the account or any time subsequently during the tenure of the deposit.
- xvi. At the request of the depositor, the Bank will register the mandate/power of attorney given by him/her, authorizing another person to operate the Account on his/her behalf.
- xvii. The Term Deposit Account holders at the time of placing their deposits can give instructions with regard to closure of the Deposit Account or renewal of deposit for a further period on the date of maturity. In general, there will be automatic renewal of the deposits for the same period as was for the last deposit at the prevalent rate of interest on date of renewal.
- xviii. Nomination facility is available on all deposit accounts opened by the individuals. Nomination is also available to a Sole Proprietary Concern Account. Nomination is not permitted in favour of Company, Firm, Trust, HUF, etc. Nomination can be made in favour of one individual only. Nomination so made can be cancelled or modified by the Account Holder/s at any time. Nomination can be made in favour of a minor also. The depositor (s) while making the nomination should appoint



another individual not being a minor to receive the amount of deposit on behalf of minor nominee in the event of death of depositor(s) during the minority of the nominee. In case of Joint Accounts, nomination or modifications of nomination should be made by all depositors, jointly.

Bank recommends that all depositors avail the nomination facility. The nominee, in the event of death of the depositor/s, would receive the balance outstanding in the Account of the deceased as a Trustee of Legal Heirs. The depositor will be informed of the advantages of the nomination facility while opening a Deposit Account. The depositor has the discretion of putting nominee's name on passbook/term deposit receipt.

- xix.** In general Pass book will be provided by the Bank to depositors for SB Account and statement of account to CD account holders periodically as per terms and conditions of opening the Account. E-statements of account shall be sent on the registered E-mail Id of SB Account and CD Account holder.
- xx.** The Deposit Accounts may be transferred to any other branch of the Bank at the request of the Account Holders.
- xxi.** The depositors availing mobile banking facility under [inet.janatabank.in](http://inet.janatabank.in) with funds transfer option, can open or close FDR online. An E-mail advice is sent to the customer on registered E-mail ID and no physical advice are sent for Term Deposits booked through Mobile Banking. In case no E-mail Id is registered, customer has to collect Term Deposit receipt from the Branch. Customer can check Term Deposit holdings on Term deposit summary page on next working day. The Term Deposit Online facility consists of both online opening and closing of FDR. The online closure of term deposits are channel specific i.e. Term Deposits opened with mode of operation as single through Internet Banking can be closed through Internet Banking only and the Term Deposits opened with mode of operation as single through Mobile banking can be closed through the mobile banking application only. The customer need to visit the branch for all the other cases and activities related to FDR like Loan against FDR, Change/Cancellation of Nomination, etc. The customer can update the details of nomination through internet banking for single account initially. However, any change in existing nomination is not accepted through Internet Banking.
- xxii.** Specific charges for issue of cheque books, additional/duplicate statement of account, passbook, copies of paid cheques, account maintenance charges, ATM/Debit Card charges, verification of signatures, return of cheques, change in mandate or style of account, etc. will be recovered from time to time as applicable.
- xxiii.** Under financial inclusion, BSBDA Accounts could be opened either with "NIL" or very low minimum balances. The nature and number of transactions in such accounts may be restricted which will be made known to the customers at the time of opening of accounts in a transparent manner or through Bank's website in case of any subsequent changes. BSBDA accounts are governed by RBI rules.



The term deposit receipt renewed under "Automatic Renewal Scheme" will not be handed over to the customer "unless" he submits the Original (Matured) Term Deposit Receipt to be kept on bank record.

#### 4. INTEREST PAYMENT:

- i. Interest shall be paid on Savings Account at the rate specified by Bank from time to time which will be calculated on daily product basis and will be credited quarterly in the months of March, June, September and December, respectively.
- ii. In terms of RBI directives, interest shall be calculated at quarterly intervals on Term Deposits and paid at the rate decided by the Bank, depending upon the period of deposits. In case of monthly deposit scheme, the Interest shall be calculated for the quarter and paid monthly at discounted value. The Interest on Term Deposits is calculated by the Bank in accordance with the formulae and conventions advised by the Indian Banks' Association.
- iii. The rate of Interest on Deposits will be prominently displayed in the branch premises/on Bank's Website from time to time. Changes in rates, if any, with regard to the deposit schemes and other related services shall also be communicated upfront and shall be prominently displayed from time to time.
- iv. The rate of interest on Term Deposits is decided by Asset Liability Management Committee (ALCO). Bank doesn't discriminate in the matter of interest paid on retail deposits, between one deposit and another, accepted on the same date and for the same maturity, whether such deposits are accepted at the same office or at different offices of the bank.
- v. The Bank has statutory obligations to deduct tax at source if the total interest paid/payable on all Term Deposits held by a person during a financial year exceeds the amount specified under the Income Tax Act. The customer may give instructions to deduct TDS payable on the deposit, from operative account linked to the Term Deposit account; otherwise the amount of tax would be deducted from interest payable on term deposits and the maturity proceeds of the deposits will be lower than that mentioned on Term Deposit receipt. The Bank will issue a Tax Deduction Certificate (TDS) for the amount of tax deducted. The depositor, if entitled for exemption from TDS can submit declaration in the prescribed format i.e. Form 15G/15H at the beginning of every financial year. DEPOSITORS must furnish their PAN Number along with 15G /15H. Failure to furnish PAN will result in deduction of TDS at the prevailing rate advised by Income Tax department.

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





## 5. INTEREST PAYMENT – MODE OF CALCULATION:

### i. SAVINGS BANK ACCOUNTS :

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

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

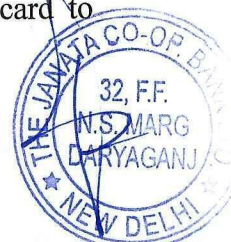
### ii. TERM DEPOSIT ACCOUNTS:

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

## 6. ACCOUNTS OF MINORS:

- i. A Savings Bank account of a minor may be opened to be operated by the natural guardian of the minor or by the guardian appointed by the Court.
- ii. A Savings Bank Account may also be opened in:
  - a. The single name of a minor aged 10 years or more to be operated by the minor.
  - b. The joint names of two minors who have completed the age of 10 years, to be operated by them jointly.
- iii. The joint names of two or more minors to be operated by a person who is the natural guardian of both or all the minors.
- iv. The minor accounts shall have additional banking facilities like debit card, cheque book and internet banking upon request, subject to the safeguards that minor accounts are not allowed to be overdrawn and that these always remain in credit. When a minor attains majority, the guardian ceases to be the guardian and the Account ceases to be that of a minor. The payment from the account will be made to the erstwhile minor, provided the branch is satisfied about his identity.

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



indicate that it is a minor's account, will be cancelled and new account opening form will be obtained. Thereafter, the account will be operated only by the erstwhile minor who had attained majority.

#### **7. ACCOUNTS OF ILLITERATE :**

The Bank may at its discretion open deposit accounts other than CD accounts of illiterate persons. The Account of such a person may be opened provided he/she calls on the Bank personally along with a witness who is known to both the depositor and the Bank. Normally, no cheque book facility is provided for such SB accounts. At the time of withdrawal, repayment of deposit amount and/or interest, the Account holder should affix his/her thumb impression or mark in the presence of the authorized officer of the branch who should verify the identity of the person. The Bank will explain the need for proper care and safe keeping of the passbook etc. given to the account Holder. The Bank official shall explain the terms and conditions governing the account to the illiterate person in the language known to the customer.

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

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

#### **9. CUSTOMER INFORMATION:**

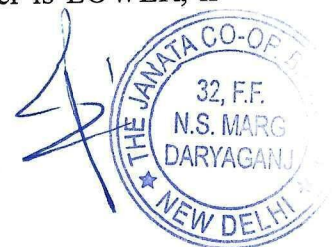
The customer information collected from the customers shall not be used for cross selling of services or products by the Bank, their subsidiaries and affiliates. If the Bank proposes to use such information, it would be strictly with the consent of the Account Holder.

#### **10. SECRECY OF CUSTOMER'S ACCOUNTS:**

The Bank shall not disclose details/particulars of the customer's Account to a third person or party without the expressed or implied consent of the customer. However, there are some exceptions, viz. disclosure of information as required by any law or by an order of the Court, Regulatory Authority or Govt. Agency and where interest of the Bank requires disclosure or larger public interest warrants such disclosure of information.

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

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



Renewal of deposits before the date of its maturity shall not be regarded as involving premature repayment provided the deposit is held with the bank after the date of renewal for a period longer than the remaining period of the original contract. Penalty is also not applicable on settlement of claims in the deceased depositor's accounts in the case of a term deposit standing in the name of deceased individual depositor and two or more joint depositors where one of the depositors has died. For payment before maturity, in case the deposit receipt is in joint names, all the joint account holders (Except F or S) have to discharge the Term Deposit Receipt.

No interest will be paid for premature withdrawal within 14 days in case of term Deposits, within 3 months in case of Recurring Deposits.

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

In case the depositor desires to renew the deposit by seeking premature closure of an existing Term Deposit Account, the Bank will permit the renewal at the applicable rate on the date of renewal, provided the deposit is renewed for a period longer than the balance/ un-run period of the original deposit. While prematurely closing a deposit for the purpose of renewal, interest on the deposit for the broken period will be paid at the rate applicable to the period for which the deposit remained with the Bank or contracted rate of interest whichever is lower and not necessarily at the contracted rate.

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

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

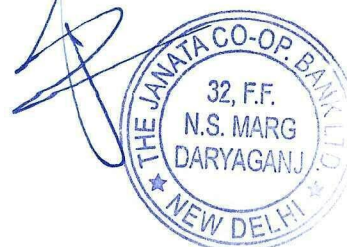
If depositor is not interested in renewing the Overdue Term Deposit then interest on TDR (for Overdue Period) shall be as under :

If a fixed deposit receipt matures and proceeds are unpaid, the amount left unclaimed with the Bank will attract Savings Bank Interest Rate for the overdue period.

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

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

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



## 15. ADVANCES AGAINST DEPOSITS:

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

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

In case of term deposits with "Either or Survivor" or "Former or Survivor" mandate banks are permitted by RBI to allow premature withdrawal of the deposit by the surviving joint depositor on the death of the other, only if there is a joint mandate from the joint depositors to this effect.

Accordingly, the joint deposit holders may be permitted to give the mandate either at the time of placing fixed deposit or anytime subsequently during the term/tenure of the deposit. If such a mandate is obtained, premature withdrawal of term/ fixed deposits is allowed to the surviving depositor without seeking the concurrence of the legal heirs of the deceased joint deposit holder. It is also reiterated that such premature withdrawal would not attract any penal charge.

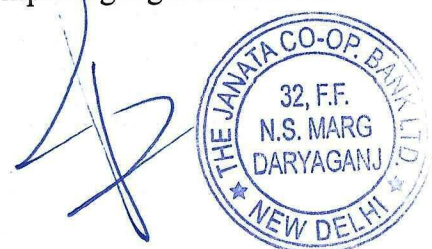
## 17. SETTLEMENT OF DUES IN DECEASED DEPOSIT ACCOUNT:

i.) If the Depositor has registered nomination with the Bank; - the balance outstanding in the Account of the deceased depositor will be transferred to the account of/paid to the nominee when valid claim on prescribed format is received and the Bank is satisfied about the identity of the nominee.

ii.) The above procedure will be followed even in respect of a joint Account where nomination is registered with the Bank.

iii.) In Joint Deposit Accounts under operational instructions "operated jointly", where no nomination is made when one of the Joint Account Holders dies, the Bank is required to make payment jointly to the legal heirs of the deceased person and the surviving depositor(s). However, if the Joint Account holders had given mandate for disposal of the balance in the Account in the forms such as "either or survivor" or "former or survivor", the payment will be made as per the mandate to avoid delays on production of legal documents by the heirs of the deceased.

iv.) In the absence of nomination and when there are no disputes among the claimants, the Bank will pay the amount outstanding in the Account of deceased person against joint application and indemnity by all legal heirs or the person mandated by all legal heirs to receive the payment on their behalf without insisting on legal documents up to the limit approved by the Bank's Board. This is to facilitate that the common depositors are not put to hardship on account of delays in completing legal formalities.



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

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

If the amount of deposit is claimed before the date of maturity, interest at the rate applicable to the period for which the deposit has remained with the bank will be paid.

However, in the case of death of the depositor after the date of maturity of the Deposit, the Bank shall pay Interest at Savings Deposit rate prevailing on the date of maturity, from the date of maturity till the date of payment.

## **19. INSURANCE COVER FOR DEPOSITS:**

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

## **20. STOP PAYMENT FACILITY:**

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

## **21. DORMANT/INOPERATIVE ACCOUNTS**

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

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

The depositors will be informed through SMS on their registered mobile number with the Bank, 3 months before the account is classified as Dormant /inoperative and the consequences thereof and



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

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

## 22. REDRESSAL OF COMPLAINTS AND GRIEVANCES

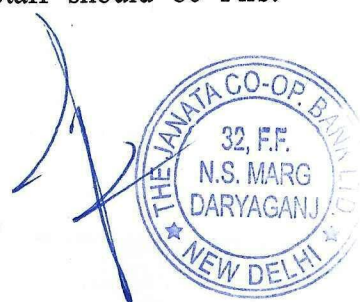
Depositors having any complaints/grievances with regard to services rendered by the Bank have a right to approach the authority (ies) designated by the Bank for handling customers' complaints/grievances. The Bank has in place Customers' Grievance Redressed Policy to assist depositors. Accordingly, depositors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

## 23. TERM DEPOSITS OVER TEN YEARS (COURT ORDER)

The Term Deposits can be opened for minimum period of 14 days (Minimum deposit Rs.1000.00) and maximum up to 10 Years. For NRE Term Deposits, minimum period is 1 Year and maximum up to 10 Years. However, Depositors are allowed for Term Deposits to be opened for more than permissible period, i.e. 10 Years, in case of Court Order issued in favour of the depositor.

## 24. ADDITIONAL RATE OF INTEREST

- i. The eligibility of additional Rate of Interest on and above card rates for the Term Deposits is as below –
  - a. 1% additional Rate of Interest –
    - Staff/Ex-Staff Member (Managing Director & CEO), wherein the First account holder is Staff/Ex-Staff and the employee ID is entered in the customer ID linked to Term Deposit account
    - Spouse of deceased Staff (Spouse of deceased Staff should be First account holder)
    - Retired Staff who have taken VRS.



b. 0.50% additional Rate of Interest –

- Depositor (First Account holder only), whose age is 60 Years & above at the time of placing the deposit with Bank for the period 6 months and above to 10 Years subject to the prevailing terms and conditions at the time of placing the deposit.

c. 1.50% additional Rate of Interest –

Staff/Ex-Staff member (First Account holder only), whose age is 60 years & above, for minimum deposits of , for their deposits up to Rs.2 Crore and for the period 6 months and above to 10 Years subject to the prevailing terms and conditions at the time of placing the deposit.

- Spouse of deceased Staff whose age is 60 years & above (Spouse of deceased Staff should be First account holder)

**Conditions for 1% Additional Rate of Interest for Staff related Term Deposit :**

- (i) The additional interest is payable till the person continues to be eligible for the same and in case of his ceasing to be so eligible, till the maturity of a term deposit account.
- (ii) In case of employees taken over pursuant to the scheme of amalgamation, the additional interest is allowed only if the interest at the contractual rate together with the additional interest does not exceed the rate, which could have been allowed if such employees were originally employed by the bank.
- (iii) In the case of employees taken on deputation from another bank, the bank from which they are deputed may allow additional interest in respect of the savings or term deposit account opened with it during the period of deputation.
- (iv) In the case of persons taken on deputation for a fixed tenure or on a contract of a fixed tenure, the benefit will cease to accrue on the expiry of the term of deputation or contract, as the case may be.
- (v) Bank Employees' Federations, in which bank employees are not direct members, shall not be eligible for additional interest.

**Exclusion of Additional Rate of Interest :**

- Staff members who have retired compulsorily or resigned / dismissed / terminated / removed from the Bank's service shall not be eligible to avail Additional ROI.



**25. EXTENSION OF ALTERNATE DELIVERY CHANNELS TO SAVINGS BANK & CURRENT DEPOSIT ACCOUNT HOLDERS:**

The bank offers choice of electronic channels to customers for conducting their banking transactions. The choice of electronic channels includes ATM, Internet banking, mobile banking including SMS banking facility and phone banking. Wherever such electronic facilities are offered as a part of the basic account/product, bank will obtain specific consent of the customers after explaining the risk associated for availing the facility.

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

Bank will facilitate opening of Saving Bank accounts as well as Term Deposit accounts of persons with visual impairment. The account may be opened in his/ her sole name or jointly with other person(s). The account of such person may be opened provided he/she calls on the Bank personally along with a witness who is known to both the depositor and the Bank.

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

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

In addition to the facilities mentioned above, the bank is also committed to extend basic banking facilities through Door Step Banking such as pick up of cash and instruments against receipt, delivery of cash against withdrawal from account, delivery of demand drafts, submission of Know Your Customer (KYC) documents, Life certificate etc. at the premises/ residence of such customers.





## 27. PENALTY ON PREMATURE WITHDRAWAL OF TERM DEPOSIT

- i. No penalties shall be levied for premature withdrawal of term deposits approved by the Board of Directors.
- ii. The components of penalty shall be clearly brought to the notice of the depositors at the time of acceptance of deposits. If not, no penalty shall be levied.
- iii. In case of splitting of the amount of term deposit at the request from the claimant/s of deceased depositors or Joint account holders, no penalty for premature withdrawal of the term deposit shall be levied if the period and aggregate amount of the deposit do not undergo any change.

## 28. PROHIBITIONS AND EXEMPTIONS

### i. Prohibitions

Bank shall not :

- a. Pay any remuneration or fees or commission or brokerage or incentives on deposits in any form or manner to any individual, firm, company, association, institution or any other person except:
  - a) commission paid to agents employed to collect door-to-door deposits under a special scheme.
  - b) Remuneration paid to Business facilitators or Business Correspondents.
  - c) incentives granted to staff members as approved by the Reserve Bank of India from time to time.
- b. Offer prize / lottery / free trips (in India and/ or abroad), etc., or any other initiative having element of chance for mobilizing deposits.
- c. Resort to unethical practices of raising of resources through agents / third parties to meet the credit needs of the existing / prospective borrowers or to grant loans to the intermediaries based on the consideration of deposit mobilisation.



- d. Issue any advertisement / literature soliciting deposits from public highlighting only the compounded yield on term deposits without indicating the actual rate of simple interest offered by the bank for the particular period. Simple rate of interest per annum for the period of deposit should be indicated invariably.
- e. Accept interest-free deposit other than in current account or pay compensation in directly.
- f. Accept deposits from / at the instance of private financiers or unincorporated bodies under any arrangement which provides for either issue of deposit receipt/s favouring client/s of private financiers or giving of an authority by power of attorney, nomination or other-wise, for such clients receiving such deposits on maturity.
- g. Grant advances against term deposits maintained with other banks.
- h. Open a savings deposit account in the name of Government departments/bodies depending upon budgetary allocations for performance of their functions / Municipal Corporations or Municipal Committees / Panchayat Samitis / State Housing Boards / Water and Sewerage / Drainage Boards / State Text Book Publishing Corporations / Societies / Metropolitan Development Authority / State / District Level Housing Co- operative Societies, etc. or any political party or any trading/business or professional concern, whether such concern is a proprietary or a partnership firm or accompany or an association and entities other than individuals, Karta of HUF and organisations / agencies listed in Schedule - I.

#### Explanation

For the purposes of this clause, 'political party' means an association or body of individual citizens of India, which is, or is deemed to be registered with the Election Commission of India as a political party under the Election Symbols (Reservation and Allotment) Order, 1968 as in force for the time being.

- a. Create any fund to be utilized for charitable purposes in consultation with the depositors.



## 29. ACCOUNTS OF TRANSGENDER PERSONS

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

## 30. CONCLUSION.

This policy will be taken up for review as and when there are major changes in the environment arising out of changes in the policy by Reserve Bank of India on Bank Deposits, Interest Rate on Deposits and Penalties on Premature withdrawal of Deposits. However, in the absence of any such changes in the economic and banking scenario, this policy will continue to be in force. The changes made by the RBI and Government of India must be complied with and the Policy shall be revised, rectified and amended accordingly. This policy has been framed and shall be valid till it is revised.

For The Janata Co-operative Bank Ltd.

(P.S. Pathania)  
Managing Director

