



UNITY SMALL FINANCE BANK LIMITED

MASTER POLICY ON CUSTOMER SERVICE

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Executive Summary

Section	Description	Pages
A	<p>Customer Service and General Management of the branches</p> <p>This section of the Master Policy focuses on the institutional framework of the bank governing all channels of customer engagement used by the Bank for seamless delivery of its products and services. It also touches upon the Bank’s General Management of Branches oriented towards the creation of consistent and quality customer experience and its periodical assessment and review.</p>	5 - 22
B	<p>Charter of Customer Rights</p> <p>The Charter lays down the rights of the customer and the responsibilities of the Bank and applies to all products and services offered by the Bank or its agents, whether provided across the counter, over phone, by post, through interactive electronic devices, on internet or by any other method. It elaborates upon the rights of the customer to fair treatment, transparent fair and honest dealing, and suitability of the Bank’s offerings, customer privacy, grievance redress and compensation.</p>	23 – 29
C	<p>Citizen’s Charter</p> <p>This section explains the Bank’s commitment and responsibilities to its customers and also specifies the obligations on part of the customers for maintaining an overall healthy banking relationship.</p>	30 - 38
D	<p>Deposit Accounts</p> <p>I. Comprehensive Deposit Policy: This section deals with the rights of the depositors in general and small depositors in particular as also the confidentiality of customer information. It covers all aspects of the various types of deposits and ancillary services offered by the Bank with operational aspects of the accounts, terms and conditions and payment of interest on deposit accounts. The section comprehensively covers aspects such as levy of service charges and levy of penal charges for non-maintenance of minimum balances in savings accounts.</p> <p>II. Basic Savings Bank Deposit Account (BSBDA) is one of the initiatives of the Bank for promoting financial inclusion and ensuring delivery of basic banking services, especially to individuals having difficulty in accessing the banking system, by providing certain minimum facilities, free of charge.</p>	39 - 57 58 – 59
E	Collection of Cheques	

	This section captures the scope of activities, operations and monitoring mechanism related to the collection of all types of cheques and instruments deposited by the customers with the Bank for collection and handling of dishonoured cheques / instruments. It covers the roles and responsibilities of the Bank's employees.	59 -73
F	Frequent Dishonour of Cheques/ NACH/ ECS This section lays down the framework for dealing with incidents of frequent dishonour of cheques / NACH / ECS mandates of value of Rs. 1 crore and above as well as below Rs. 1 crore, including the reporting and review mechanism.	74 - 79
G	Doorstep Banking facilities to Senior Citizens & Differently abled persons The Bank has framed a scheme for providing doorstep banking facilities to senior citizens and differently enabled persons, laying down the scope of services offered, guidelines on service delivery and operations, charges applicable and force-majeure clause to cover unforeseen events that may impede delivery of such service.	80 – 82
H	Safe Deposit Locker Facility This is one of the ancillary services extended by the Bank to customers. The section covers the types of lockers provided by the Bank, nature of contractual relationship between the Bank and the customer, collection of locker rent and security deposit, terms and conditions of locker-hire, operational aspects, and availability of nomination facility for individual/s, settlement of claims in respect of deceased locker hirers and the liability and compensation policy of the Bank. Based on this policy, Branch Banking Department at Corporate Office shall frame Standard Operating Processes (SOPs) along with the required proformas of the annexures, agreements, declarations, claim settlement forms required at the Branches and for display on the website of the Bank as may be required.	83 -97
I	Customer Grievance Redressal Mechanism The Bank has a comprehensive institutional framework to address customer complaints and provide redress through a grievance escalation mechanism. It also puts in place systems, procedures, and review mechanism for minimizing instances of customer complaints and drive towards resolution within a laid down timeframe.	98 – 104
J	Customer Compensation, Protection and Liability In terms of regulatory guidelines, the Bank seeks to establish a system which would enable it to compensate the customer for any direct financial loss the customer might have incurred due to deficiency in services on the part of the Bank or any act of omission or commission directly attributable to the Bank. It also cover the details of the procedure the employees of the Bank need to follow when compensation is to be paid in respect of any complaint/grievance relating to all the products and services offered by the Bank including third party products distributed by the Bank. The section also touches upon the framework for protection of customers' interests including a mechanism of creating customer awareness on the risks, obligations and responsibilities involved in undertaking electronic banking transactions, including the limited liability of a customer.	105 - 125
K	Rules of Nomination and Settlement of Claims in respect of Deceased Customers and Missing Persons This section provides guidelines to customer-interfacing staff members on the necessity of sensitizing customers on the advantages of availing the facility of nomination and	

	<p>opting for survivorship mandate while opening deposits accounts and safe deposit locker facility with the Bank. It provides a comprehensive framework for carrying out simplified settlement of claims in respect of deceased / missing customer under various scenarios, within the time norms specified by Reserve Bank of India. Keeping this objective in view, the section also provides details of discretionary powers delegated to Bank officials at various levels, both at the branches and at Corporate Office, to accord approval for settlement of the claims. Based on the policy, Branch Banking Department at Corporate Office shall frame and disseminate the requisite Standard Operating Processes (SOPs) along with the required proformas of the annexures / agreements / declarations, claim settlements forms for use of the Branches besides display on the Bank's website as may be required.</p>	126 - 140
L	Regulatory References	141-143

Record Management

All the documents and records as applicable under this Master Policy shall be maintained as per the Record Management Policy of the Bank.

Review of the Policy

This Master Policy shall be reviewed on an annual basis or when material changes are required / appropriate to ensure continued relevance.

The Policy shall stand automatically updated in case of any amendments made to the RBI Circular and in case of any new circular or directions issued by Reserve Bank of India.

SECTION - A

Customer Service and General Management of Branches

1. INTRODUCTION

Customer service has great significance in the banking industry. The banking system in India today has perhaps the largest outreach for delivery of financial services and also serves as an important service channel for meeting financial needs of individuals and entities.

Depositors' interest forms the focal point of the regulatory framework for banking in India. There is a widespread feeling that the banking system requires significant enhancement on customer service levels and there does exist a level of disenfranchisement of the depositor. There is therefore, a need to correct this trend and start a process of empowering the depositor.

Banking, by definition, means acceptance of deposits from the public for the purpose of lending and investment. Like depositors, the bank should ensure that interest of borrowing customers is also protected and dealt fairly.

Reserve Bank, as the regulator of the banking sector has been pro-actively engaged with banks in the review, examination and evaluation of customer service in banks. They have issued Master Circular on Customer Service dated July 1, 2015. Unity Small Finance Bank Limited, hereinafter referred to as the (“**Bank**”) takes into account the RBI directives and guidelines contained in this circular.

This document outlines the Bank’s policy on Customer Service applicable to all customer engagement channels in the Bank which has been approved by the Customer Service Committee of the Board (CSCB) and shall be subject to review by the CSCB once a year or earlier if necessary.

Broadly, a customer can be defined as a user or a potential user of Bank’s services. A ‘Customer’ may include:

- a person or entity that maintains an account and/or has a business relationship with the bank
- one on whose behalf the account is maintained (i.e. the beneficial owner);
- beneficiaries of transactions conducted by professional intermediaries, such as Stock Brokers, Chartered Accountants, Solicitors, etc., as permitted under the law, and
- any person or entity connected with a financial transaction which can pose significant reputational or other risks to the bank, say, a wire transfer or issue of a high value demand draft as a single transaction

The Bank’s policy on Customer Service follows the following principles:

- Treat every customer with respect, know and understand the customers
- Customers are treated fairly at all times.

- Make banking easy - making banking simple, accessible, fast and flexible
- Be dependable- right solutions, first time and every time, keep our promises
- Inform customers upfront of the applicable charges & related services

2. POLICY FOR GENERAL MANAGEMENT OF BRANCHES

The Banks' operating systems is to be oriented towards providing consistent and quality customer service and should periodically be assessed to study its impact on customer service. The Customer Service Committee of the Board (CSCB) will be the approving body for the Customer Service policy for general management of all branches which shall include the following aspects which shall be adopted for every new branch roll-out.

- (a) Providing infrastructure facilities with particular attention to providing adequate space, proper furniture, drinking water facilities, with specific emphasis on pensioners, senior citizens, disabled persons, etc.
- (b) Providing separate enquiry counters at large branches in addition to a regular reception counter.
- (c) Displaying indicator boards at all the counters in English, Hindi as well as in the relevant regional language. Business posters at semi-urban and rural branches of banks shall also be displayed in therelevant regional languages.
- (d) Posting roving officials to ensure employees' response to customers and for helping out customers inputting through their transactions.
- (e) Providing customers with booklets consisting of all details of service and facilities available at the bank inHindi, English and the concerned regional languages, if required by customers.
- (f) Use of Hindi and regional languages in transacting business by banks with customers, includingcommunications to customers.
- (g) Reviewing and improving upon the existing security system in branches so as to instill confidence amongst the employees and the public.
- (h) Wearing on person Bank's Identity Card displaying photo and name thereon by the employees.
- (i) Periodic change of desk and entrustment of elementary supervisory jobs.
- (j) Training of staff in line with customer service orientation. Imparting training in technical areas of banking to the staff at delivery points. Adopting innovative ways of training / delivery ranging from job cards to roving faculty to video conferencing.
- (k) Visit by senior officials from controlling offices and Head Office to branches at periodical intervals for on the spot study of the quality of service rendered by the branches.
- (l) Rewarding the best branches from customer service point of view by annual awards/running

shield.

(m) Customer service audit; customer surveys.

(n) Holding customer relation programs and periodical meetings to interact with different cross sections of customers for identifying action points to upgrade the customer service with customers.

(o) Clearly establishing a New Product and Services Approval Process with the approval of the CSCB on issues which compromise the rights of the Common Person.

(p) Appointing Quality Assurance Officers who will ensure that the intent of policy is translated into the content and its eventual translation into proper procedures.

CUSTOMER SERVICE: INSTITUTIONAL FRAMEWORK

NEED FOR BOARD'S INVOLVEMENT

Matters relating to customer service shall be deliberated by the Board to ensure that the instructions are implemented meaningfully. Commitment to hassle-free service to the customer at large and the Common Person in particular under the oversight of the Board shall be the major responsibility of the Board.

CUSTOMER SERVICE COMMITTEE OF THE BOARD

The **Customer Service Committee** of the Board shall include experts and representatives of customers as invitees to enable the bank to formulate policies and assess the compliance thereof internally with a view to strengthening the corporate governance structure in the banking system and also to bring about ongoing improvements in the quality of customer service provided by the bank.

ROLE OF THE CUSTOMER SERVICE COMMITTEE OF THE BOARD

Customer Service Committee of the Board, illustratively, could address the following: -

- formulation of comprehensive policy on Deposit Accounts
- issues such as the treatment of death of a depositor/hirer for operations of his account/safe deposit locker.
- product approval process with a view to suitability and appropriateness
- annual survey of depositor satisfaction
- triennial audit of such services.
- Review of customer complaints of depositors, borrowing customers as well as other customers raised to Banking Ombudsman and satisfaction of these complaints.

Besides, the Committee could also examine any other issues having a bearing on the quality of customer service rendered.

MONITORING THE IMPLEMENTATION OF AWARDS UNDER THE BANKING OMBUDSMAN SCHEME

The Committee shall play a more pro-active role with regard to complaints / grievances resolved by Banking Ombudsmen of the various States and ensure that the Awards of the Banking Ombudsmen are implemented expeditiously and with active involvement of Top Management.

Further, the Customer Service Committee of the Board shall deliberate upon the following matters:

- a) Based on the awards given by the Banking Ombudsman, steps to be taken to address issues of systemic deficiencies, if any, brought out by the awards; and
- b) To place all the awards remaining unimplemented for more than three months with the reasons thereof before the Board such delays in implementation without valid reasons and for initiating necessary remedial action.

BOARD MEETING TO REVIEW AND DELIBERATE ON CUSTOMER SERVICE

The CSCB shall review the various customer service initiatives implemented by the bank from time to time and to discuss on new initiatives to enhance the customer experience, steps taken to facilitate access to the branches / ATMs by persons with disabilities in order to carry out banking transactions. The Committee shall oversee the implementation of customer service guidelines issued by the regulatory bodies from time to time and suggest changes to existing processes and policies to improve overall service levels. The Committee shall also oversee the effectiveness of the grievance redressal mechanism of the Bank. The CSCB shall submit a detailed memorandum on the above aspects to the Board of Directors, once every six months and initiate prompt corrective action wherever service quality / skill gaps have been noticed.

STANDING COMMITTEE ON CUSTOMER SERVICE

The constitution and functions of the Standing Committee may be on the lines indicated below:

- i) The Standing Committee may be chaired by the CMD or the ED and include non-officials as its members to enable an independent feedback on the quality of customer service rendered by the bank.
- ii) The Standing Committee may be entrusted not only with the task of ensuring timely and effective compliance of the RBI instructions on customer service, but also that of receiving the necessary feedback to determine that the action taken by various departments of the bank is in tune with the spirit and intent of such instructions.
- iii) The Standing Committee may review the practice and procedures prevalent in the bank and take necessary corrective action, on an ongoing basis as the intent is translated into action only through procedures and practices.
- iv) A brief report on the performance of the Standing Committee during its tenure indicating, inter alia, the areas reviewed, procedures / practices identified and simplified / introduced may be submitted periodically to the Customer Service Committee of the Board.

The Standing Committee will act as the bridge between the various departments of the Bank and the Customer Service Committees of the Board.

BRANCH LEVEL CUSTOMER SERVICE COMMITTEES

The Branch Level Customer Service Committee shall meet at least once a month to study complaints/ suggestions, cases of delay; difficulties faced / reported by customers / members of the Committee and evolve ways and means of improving customer service.

The Branch Level Customer Service Committees shall include at least one customer, preferably a senior citizen. The Terms of the Reference of the Branch Level Customer Service Committees will be approved by the Standing Committee on Customer Service.

The branch level committees may also submit quarterly reports giving inputs / suggestions to the Standing Committee on Customer Service thus enabling the Standing Committee to examine them and provide relevant feedback to the Customer Service Committee of the Board for necessary policy / procedural action.

NODAL DEPARTMENT/ OFFICIAL FOR CUSTOMER SERVICE

The Bank will have a nodal department / official for customer service in the Corporate Office with whom customers with grievances can approach in the first instance and with whom the Banking Ombudsman and RBI can liaise.

The Bank will appoint the official in charge of this function at the Corporate Office in Mumbai and inform all concerned.

BOARD APPROVED POLICIES ON CUSTOMER SERVICE

Customer service being a priority objective of the Bank along with profit, growth and fulfilment of social obligations, the Bank shall have a Board approved policy for the following:

1. Comprehensive Deposit Policy
2. Cheque Collection Policy
3. Customer Compensation Policy
4. Customer Grievance Redressal Policy

The above policies have been added under separate sections in this Master Policy. These shall be placed on the Bank's website. Copies of the policies will be available to customers on request. A notice to this effect shall be placed at all branches. A copy of the service guide encompassing the salient features of the same will be given to all customers.

Branches shall ensure that all possible efforts are made for disseminating the policies by displaying them on the notice board as well. The customers shall be duly informed of the changes in the policies formulated from time to time.

4. FINANCIAL INCLUSION

4.1 Basic Savings Bank Deposit Account (BSBDA)

The Bank will offer all its customers ‘Basic Savings Bank Deposit Account’ in line with the guidelines laid down from time to time.

4.2 IT-enabled Financial Inclusion

Wherever possible, the Bank will endeavor to increase the banking outreach to the remote corners of the country with affordable infrastructure and low operational costs with the use of appropriate technology ensuring that the solutions developed are:

- highly secure,
- amenable to audit and
- follow widely accepted open standards to allow inter-operability among the different systems adopted by different banks.

4.3 Printed material in trilingual form

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

4.4 Rights of Transgender Persons – Changes in bank forms/ applications etc.

Bank will not distinguish services on basis of caste, gender etc., duly ensuring to include third gender in all forms/applications etc. prescribed by the Reserve Bank or the banks themselves, wherein any gender classification is envisaged.

5. OPENING / OPERATION OF DEPOSIT ACCOUNTS

In the opening and operation of the various types of deposit accounts, the Bank shall be guided by the provisions of the RBI Master Circular on Customer Service in Banks No. RBI/2015-16/59 DBR No. Leg. BC. 21/09.07.006/2015-16 dated July 1, 2015 and as updated from time to time. Additionally, the Bank has a Service Guide and varied policies including the comprehensive policy on deposits and process documents encompassing the opening and operation of deposit accounts which is displayed on the Bank’s website. The Bank shall also permit customers to port their deposit accounts from one branch to another in terms of regulatory guidelines.

6. OPENING OF CURRENT ACCOUNTS, CASH CREDIT AND OVERDRAFT ACCOUNTS:

Need for discipline:

Opening current accounts for borrowers who have already availed credit facilities in the form of Cash Credit (CC) / Overdraft (OD) from the banking system shall be undertaken strictly in terms of RBI Circular No. RBI/2022-23/27. DOR.CRE.REC.23/21.08.008/2022-23 dated April 19, 2022 titled “Consolidated Circular Opening of Current Accounts and CC/OD Accounts by Banks”.

https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=12293&fn=2&Mode=0

7. LEVY OF SERVICE CHARGES

The service charges will be approved by the board / the committee constituted for the purpose. The charges will be reasonable and not out of line with the average cost of providing these services.

A copy of the charges shall be made available to customers at the branches on request and shall also be displayed on the Bank's website.

8. SERVICE AT THE COUNTERS

8.1 Banking hours / working days of bank branches

The working hours / non-working days of the branches shall be displayed at the branch premises as well as on the Bank's website.

8.2 Changes in banking hours

The bank may fix, after due notice to its customers, whatever business hours are convenient to it i.e., to work in double shifts, to observe weekly holiday on a day other than Sunday or to function on Sundays in addition to the normal working days, subject to observing normal working hours for public transactions referred RBI Customer Service Circular.

Actual hours of operations will vary from branch to branch and will depend upon the customer convenience in each location. Customers will be given at least one month's notice prior to change in branch timings.

In order to safeguard banks' own interest, a branch closing its office on a day other than a public holiday, shall give due and sufficient notice to all the parties concerned who are or are likely to be affected by such closure.

The bank shall be at liberty to fix the business hours of its branches in rural areas (i.e. number of hours, as well as timings) and the weekly holidays to suit local requirements. This shall, however, be done subject to the guidelines given in the RBI Customer Service circular.

8.3 Commencement / Extension of working hours

Commencement of employees' working hours 15 minutes before commencement of business hours shall be made operative by banks at branches in metropolitan and urban centres taking into consideration the provisions of the local Shops and Establishments Act.

The branch managers and other supervising officials shall, however, ensure that the members of the staff are available at their respective counters right from the commencement of banking hours and throughout the prescribed business hours so that there may not be any grounds for customers to make complaints.

Branches shall ensure that no counter remains unattended during the business hours and uninterrupted service is rendered to the customers. Further, the work allocation shall be done by

the branches in such a way that no Teller counter is closed during banking hours.

All the customers entering the banking hall before the close of business hours shall be attended to.

8.4 Extended business hours for non-cash banking transactions

Branches shall extend business hours for banking transactions other than cash, up till one hour before close of the working hours.

The following non-cash transactions shall be undertaken the extended hours, i.e. up to one hour before the close of working hours:

- (a) Non-voucher generating transactions:
 - (i) Issue of pass books/statement of accounts;
 - (ii) Issue of cheque books;
 - (iii) Delivery of term deposit receipts/drafts;
 - (iv) Acceptance of share application forms;
 - (v) Acceptance of clearing cheques;
 - (vi) Acceptance of bills for collection.

- (b) Voucher generating transactions:
 - (i) Issue of term deposit receipts;
 - (ii) Acceptance of cheques for locker rent due;
 - (iii) Issue of travellers' cheques;
 - (iv) Issue of gift cheques;
 - (v) Acceptance of individual cheques for transfer credit.

8.5 Priority service Counters/Preference to Senior Citizens, Differently abled persons

Our branches ensure that tent cards are prominently displayed at our counters which will be providing Priority Service to Senior Citizens and Differently-abled Customers.

9. GUIDANCE TO CUSTOMERS AND DISCLOSURE OF INFORMATION

9.1 Assistance/guidance to customers:

All branches, except very small branches shall have “Enquiry” or “May I Help You” counters either exclusively or combined with other duties, located near the entry point of the banking hall.

Customer Service Managers shall ensure that the “May I Help You” and no counter remains unattended during the business hours and uninterrupted service is rendered to the customers. Additionally, no Teller counter is closed during the banking hours at their branches.

9.2 Display of time norms:

Time norms for specialized business transactions shall be displayed predominantly in the

banking hall. Customer Service Managers (CSM's) /Branch Operations Managers shall ensure that all the customers entering the banking hall before the close of business hours are attended to.

9.3 Display of information – Comprehensive Notice Board

A Comprehensive Notice Board shall be installed at all branches to display information relating to interest rates and service charges etc. which would enable the customer to obtain the desired information at a quick glance. The Bank shall ensure that the requisite data /information is updated and displayed on a timely basis in the given format.

9.3.1 Notice Boards

The Comprehensive notice board in at the branches will be as per the instructions and format mentioned in the Annex II of the RBI Master Circular on Customer Service in Banks Ref: RBI/2015-16/59 DBR No. Leg. BC. 21/09.07.006/2015-16 dated July 01, 2015. (*Format of Comprehensive Notice Board as per shall be separately disseminated by Branch Banking Department*).

9.3.2 Booklets/Brochures

The detailed information as indicated in Para (E) of Annex II (RBI Circular - Customer Service Circular) shall be made available in various booklets / brochures as decided by the bank. These booklets / brochures shall be kept in a separate file / folder in the form of 'replaceable pages' so as to facilitate copying and updation adhering to the following broad guidelines:

The file / folder shall be kept at the customer lobby in the branch or at the 'May I Help You' counter or at a place that is frequented by most of the customers. The language requirements (i.e. bilingual in Hindi speaking states and trilingual in other states) shall be taken into account. While printing the booklets it shall be ensured that the font size is minimum Arial 10 so that the customers are able to easily read the same. Copies of booklets shall be made available to the customers on request.

9.3.3 Website

The detailed information as indicated in Para (E) of Annex II (RBI Circular - Customer Service Circular) shall be made available on the bank's web-site (Home page).

9.3.4 Display of information relating to Interest Rates and Service Charges – Rates at a quick glance

The bank will ensure that the interest rates and the service charges are displayed in line with the RBI circular on Customer Service. This would include display of Base Rate / MCLR / External Benchmarks for various maturities and other service charges for corporate customers.

9.4 Display of information by banks

The bank will adhere to the recommendations of Working Group on Pricing of Credit.

(a) Website:

1. The interest rate range of contracted loans for the past quarter for different categories of advances granted to individual borrowers along with mean interest rates for such loans.
2. The total fees and charges applicable on various types of loans to individual borrower should be disclosed at the time of processing of loan.
3. The Annual Percentage Rate (APR) or such similar other arrangement of representing the total cost of credit on a loan to an individual borrower on their websites so as to allow customers to compare the costs associated with borrowing across products and/or lenders.

(b) Key Statement/ Fact Sheet:

Banks will provide a clear, concise, one-page key fact statement/factsheet, as per format prescribed in RBI circular on Customer Service, to all individual borrowers at every stage of the loan processing as well as in case of any change in any terms and conditions. The same may also be included as a summary box to be displayed in the credit agreement.

9.5 Disclosure of Information by bank in the public domain

The bank will ensure that the following are made available for public viewings through its website as listed below:

A. Policy/Guidelines

- Citizen's Charter
- Deposit Policy
- Deceased Depositors Policy along with Nomination Rules
- Cheque Collection Policy
- Fair Practice Code for Lenders
- Code for Collection of Dues and Repossession of Security
- Complaint Redressal mechanism
- Code of Conduct for Direct Selling Agents
- Code for Collection of Dues and Repossession of Security

B. Complaints

- Grievance Redressal Mechanism
- Information relating to Banking Ombudsmen

C. Opening of Accounts

- Account Opening Forms
- Terms and Conditions
- Service Charges for various types of services
- Interest rates on Deposits
- Minimum balances – along with corresponding facilities offered.

D. Loans and Advances

- Application forms relating to loans and advances
- Copy of blank agreement to be executed by the borrower
- Terms and Conditions
- Processing fee and other charges
- Interest rates on Loans and Advances

E. Branches

- Details of branches along with addresses and telephone numbers (with search engine forqueries relating to branch location)
- Details of ATMs along with addresses

9.6 Display of Timelines for Credit Decisions

The Bank shall clearly delineate the procedure for disposal of loan proposals, with appropriate timelines, and institute a suitable monitoring mechanism for reviewing applications pending beyond the specified period. There shall not, however, be any compromise on due diligence requirements. Bank may also make suitable disclosures on the timelines for conveying credit decisions through its website, notice-board, product literature, etc.

10. OPERATION OF ACCOUNTS BY OLD & INCAPACITATED PERSONS

Bank will formulate procedures to enable old and incapacitated persons to operate the account in adherence with the norms prescribed by RBI for Operating the Bank Accounts by Old / Sick / Incapacitated Customers, vide Notification no. RPCD.No.RF.BC.71/07.38.01/98-99 dated February 25,1999. Accordingly, the bank will extend certain facilities to account holders who are sick/old/incapacitated and who are not willing to open and operate joint accounts (by which the problem could be solved).

The cases of sick/old/incapacitated account holders fall into the following categories:

- a. An account holder who is too ill to sign a cheque/cannot be physically present in the bank to withdraw money from his bank account but can put his/her thumb impression on the cheque/withdrawal form
- b. An account holder who is not only unable to be physically present in the bank but is also not even able to put his/her thumb impression on the cheque/withdrawal form due to certain physical incapacity.

With a view to enabling the old/sick/incapacitated account holders to operate their bank accounts, the bank shall follow the procedure as under: -

- a. Wherever thumb or toe impression of the sick/old/incapacitated account holder is obtained, it should be identified by two independent witnesses known to the bank, one of whom should be a responsible bank official
- b. Where the customer cannot even put his/her thumb impression and also would not be able to be physically present in the bank, a mark can be obtained on the cheque/withdrawal

form which should be identified by two independent witnesses, one of who should be a responsible bank official.

- c. The customer may be asked to indicate to the bank as to who would withdraw the amount from the bank on the basis of cheque/withdrawal form as obtained above and that person should be identified by two independent witnesses. The person who would be actually drawing the money from the bank should be asked to furnish his signature to the bank.

In this context, the opinion obtained by the Indian Bank's Association from their consultant on the question of opening of a bank account of a person who had lost both his hands and could not sign the cheque/withdrawal form is as follows –

"In terms of the General Clauses Act, the term "Sign" with its grammatical variations and cognate expressions, shall, with reference to a person who is unable to write his name, include "mark" with its grammatical variations and cognate expressions. The Supreme Court has held in AIR 1950 - Supreme Court, 265 that there must be physical contact between the person who is to sign and the signature or the mark put on the document. Therefore, in the case of the person who has lost both his hands, the signature can be by means of a mark. This mark can be placed by the person in any manner. It could be the toe impression as suggested. It can be means of mark which anybody can put on behalf of the person who has to sign, the mark being put by an instrument which has had a physical contact with the person who has to sign".

11. PROVIDING BANK FACILITIES TO PERSONS WITH DISABILITIES

The Bank has formulated internal guidelines to extend banking facilities to persons with disabilities.

11.1 Banking facilities for Visually Impaired Persons: The bank shall offer all banking facilities without discrimination to visually impaired persons, including cheque book facility, ATM facility, net banking facility and locker facility and shall also assist them in withdrawal of cash. Additionally, magnifying glasses shall also be provided in all bank branches for the use of persons with low vision wherever they require for carrying out banking transactions with ease.

11.2 Opening bank accounts of persons with autism, cerebral palsy, mental retardation and multiple disabilities: The Bank shall facilitate the opening and operation of bank accounts of persons with autism, cerebral palsy, mental retardation and multiple disabilities through their legal guardians appointed by the Local Level Committees set up under “The National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999”. The relative notice shall be displayed in the Comprehensive Notice Board at the branches and additionally on the Bank’s website.

11.3 Opening and operation of bank accounts by persons with mental disorder: In terms of Mental Health Act, 1987, the bank shall permit opening and operation of bank accounts for persons having mental disorder (other than mental retardation) through guardian appointed by district court / collector of districts under Mental Health Act, 1987.

In the above cases, the Bank shall rely on and be guided by the orders/certificates issued by the competent authority under the respective Acts appointing guardians / managers for the purpose of opening / operating bank accounts. Wherever required, the Bank

shall obtain proper legal advice.

12. REMITTANCE

Based on regulatory guidelines, policy documents, process notes / manuals shall cover the following:

12.1 Remittance of Funds for Value ` 50,000/- and above

12.2 Demand Drafts

- Issue of Demand Drafts
- Encashment of drafts
- Loss of demand draft
- Issue of Duplicate Demand Draft
- Cancellation of demand draft

12.3 Remittance through electronic mode

- Providing Positive Confirmation to the Originator
- Payment of penal interest for delayed credit /refunds of NEFT transactions
- National / Regional Electronic Clearing Service (NECS / RECS) – Extension of service to remaining branches
- National Electronic Funds Transfer (NEFT) – Requirement of Indian Financial System Code (IFSC) in transactions
- National Electronic Funds Transfer (NEFT) System - Rationalization of customer charges
- NEFT - Customer Service and Charges - Adherence to Procedural Guidelines and Circulars
- Real Time Gross Settlement (RTGS): Requirement of IFSC Code; RTGS transaction charges.

12.4 Mobile banking transaction limits: Guidelines to be framed in terms of RBI Notification on Mobile Banking transactions in India – Operative Guidelines for Banks (Updated as on November 12, 2021) No. RBI/2016-17/17 DPSS.CO.PD.Mobile Banking. No./2/02.23.001/2016-2017 dt. July 1, 2016.

12.5 Domestic Money Transfer – relaxations to be framed in terms of RBI Master Circular on Customer Service in Banks No. RBI/2015-16/59 DBR No.Leg.BC. 21/09.07.006/2015-16 dated July 1, 2015

13. CHEQUE DROP BOX FACILITY

Both the drop box facility and the facility for acknowledgement of the cheques at regular collection counters is available to the customers and no branch shall refuse to give an acknowledgement if the customer tenders the cheques at the counters. Clearing timings of the Cheque Drop Box shall be displayed on the Cheque Drop Box.

The below Important Notice is displayed in the Cheque Drop Box of all branches in English, Hindi and the concerned regional language of the State:

- Customers can also tender the Cheques at the counter and obtain acknowledgement on the Pay-In Slips

- The Account Number and Contact Number have to be mentioned behind the cheque
- The Source of Funds (SOF) in case of NRO/NRE accounts have to be mentioned
- Please do not deposit cash in the drop box
- Outstation & NRE Cheques have to be tendered over the counter
- Deposits favoring consulates have to be tendered over the counter

14. COLLECTION OF INSTRUMENTS

14.1 The Bank's policies on Cheque Collection and Customer Compensation will include various provisions relating to -

- Immediate Credit for Local / Outstation cheques
- Time frame for Collection of Local / Outstation Instruments
- Interest payment for delayed collection

The policy on Collection of Cheques will be comprehensive and transparent covering all aspects, is available on the website covering the technological capabilities, systems and processes adopted for clearing arrangements and other internal arrangements for collection through correspondents.

14.2 Collection of Account Payee Cheque - Prohibition on Crediting Proceeds to Third Party Account

(a) The bank shall not collect "Account Payee" cheques for any person other than the payee constituent.

Where the drawer / payee instructs the bank to credit the proceeds of collection to any account other than that of the payee, the instruction being contrary to the intended inherent character of the 'account payee' cheque, the Bank shall ask the drawer / payee to have the cheque or the account payee mandate thereon withdrawn by the drawer under proper authentication. This instruction shall also apply with respect to the cheque drawn by a bank payable to another bank.

(b) In order to facilitate collection of cheques from a payment system angle, "Account Payee" cheques deposited with the clearing sub-member for credit to their customers' account can be collected by the member bank (referred to as the sponsor member) of the Clearing House. Under such arrangements, there should be clear undertaking to the effect that the proceeds of the account payee cheque will be credited to the payee's account only, upon realisation.

(c) With a view to mitigate the difficulties faced by the members of co-operative credit societies in collection of account payee cheques, the bank, where it acts as collecting banker, may consider collecting account payee cheques drawn for an amount not exceeding Rs. 50,000/- to the account of their customers who are co-operative credit societies, if the payees of such cheques are the constituents of such co-operative credit societies. While collecting the cheques as aforesaid, it shall be ensured that the bank shall have a clear representation in writing given by the co-operative credit societies concerned that, upon realisation, the proceeds of the cheques/instruments will be credited only to the account of the member of the co-operative credit society who is the payee named in the cheque/instrument. This shall, however, be subject to the fulfilment of the requirements of the provisions of Negotiable Instruments Act, 1881, including Section 131 thereof.

14.3 Validity Period / Payment of Cheques/Drafts/Pay Orders/Banker's Cheques

The Bank shall not make payment of any Cheque / Draft / Pay Order / Banker's Cheque if they are presented beyond the period of three months from the date of such instrument. The Bank shall comply with these directions by printing particulars of validity period on the face of the instrument.

15. DISHONOUR OF CHEQUES / NACH / ECS

The Bank will formulate policy guidelines and procedures for dealing with frequent dishonoured cheques / NACH / ECS, which will include procedure for returning dishonoured cheques / electronic mandates, information on the same and dealing with incidence of frequent dishonour where the value is Rs.1 crore and above and reporting formalities. Officers and staff of the bank are advised to adhere to the procedures & guidelines and ensure strict compliance for effective communication including delivery of dishonoured collection cheques to the payee.

The related policy guidelines form a part of this Master Policy on Customer Service.

16. DEALING WITH COMPLAINTS AND IMPROVING CUSTOMER RELATIONS

16.1 Complaints/suggestions box

Bank will ensure that the complaints/suggestions box is available at all branches. Each branch, will ensure that a notice is displayed requesting customers to meet the branch manager regarding their grievances, if the grievances have not been addressed.

16.2 Complaint Book /Register

Complaint book with perforated copies will be available at the branches, to instantly provide an acknowledgement to the customers and an intimation to the Controlling Office. All complaints received at the branches will be entered in CRM/QMS and the customer will be provided the CRM/QMS reference number. The complaints registers from (CRM/QMS) will be scrutinized by the concerned Regional Manager during his periodical visit to the branches and his observations/comments recorded in the visit reports.

16.3 Complaint Form

The customer grievance redressal policy displayed on the home page of the Bank's website provides information to customers on the channels available to lodge a complaint and includes the name of the Nodal Officer for complaint redressal. Additionally, the policy mentions the time frame for resolving the complaints received escalation levels available to the customers for their complaints.

16.4 Analysis and Disclosure of complaints -Disclosure of complaints / unimplemented awards of Banking Ombudsman along with Financial Results

The Bank shall place a statement of complaints before its Customer Service Committees along with an analysis of the complaints received.

Bank will place a statement of complaints before their Boards / Customer Service Committees along with an analysis of the complaints received. The complaints should be analyzed (i) to

identify customer service areas in which the complaints are frequently received; (ii) to identify frequent sources of complaint; (iii) to identify systemic deficiencies; and (iv) for initiating appropriate action to make the grievance redressal mechanism more effective.

The bank will ensure that the necessary information related to customer complaints and awards passed by the Banking Ombudsman unimplemented awards is disclosed along with their financial results.

The detailed statement of complaints and its analysis will be available on our web-site for information of the general public. The complaints pertaining to ATM cards will also be included in this disclosure.

16.5 Grievance Redressal Mechanism

The Bank has framed comprehensive policy guidelines on Grievance Redressal which provides a framework to address customer grievances through an institutional mechanism. The policy, which is displayed on the Bank's website, displays the names and contact details of the Nodal Officers for grievances as well as the escalation process. The same is made available at the branches of the Bank.

17. ERRONEOUS DEBITS ARISING ON FRAUDULENT OR OTHER TRANSACTIONS

- (a) Vigilance by banks: The bank shall adhere to the guidelines and procedures for opening and operating deposit accounts to safeguard against unscrupulous persons opening accounts mainly to use them as conduit for fraudulently encashment of payment instruments.
- (b) Compensating the customer: In all such cases, where the Bank or its employees are at fault, the aggrieved customer shall be compensated in terms of the Customer compensation Policy of the Bank, which is displayed on the website of the Bank. In

18. NOMINATION FACILITY

The bank will adhere to the following:

- (a) To enable a banking company to make payment to the nominee of a deceased depositor, the amount standing to the credit of the depositor.
- (b) To enable a banking company to return the articles left by a deceased person in its safe custody to his nominee, after making an inventory of the articles in the manner directed by the Reserve Bank. (if applicable)
- (c) To enable a banking company to release the contents of a safety locker to the nominee of the hirer of such locker, in the event of the death of the hirer, after making an inventory of the contents of the safety locker in the manner directed by the Reserve Bank (If applicable)

The related policy guidelines shall form a part of this Master Policy on Customer Service.

19. SETTLEMENT OF CLAIMS IN RESPECT OF DECEASED DEPOSITORS AND

MISSING PERSONS – SIMPLIFICATION OF PROCEDURE

The Bank will adhere to the provisions of Sections 45-ZA to 45-ZF of the Banking Regulation Act, 1949 and the Banking Companies (Nomination) Rules, 1985 with respect to the below:

- (a) Accounts with survivor/nominee clause
- (b) Accounts without the survivor / nominee clause
- (c) Premature Termination of term deposit accounts
- (d) Treatment of flows in the name of the deceased depositor
- (e) Interest payable on the deposit account of deceased depositor
- (f) Time limit for settlement of claims
- (g) Availability of claim forms.
- (h) / Return of safe custody articles to Survivor(s) / Nominee(s) / Legal heir(s)
- (i) Return of Safe Deposit Locker articles to Survivor(s) / Nominee(s) / Legal heir(s)

The detailed policy guidelines form a part of this Master Policy on Customer Service.

20. UNCLAIMED DEPOSITS / INOPERATIVE ACCOUNTS IN BANKS

The bank will accordingly adhere to the process to cover the guidelines mentioned in the RBI Master Circular on Customer Service dated July 01, 2015.

21. CUSTOMER CONFIDENTIALITY OBLIGATIONS

Wherever banks desire to collect any information about the customer for a purpose other than KYC requirements, it will not form part of the account opening form. Such information may be collected separately, purely on a voluntary basis, after explaining the objectives to the customer and taking his express approval for the specific uses to which such information could be put. The bankers' obligation to maintain secrecy arises out of the contractual relationship between the banker and customer, and as such no information should be divulged to third parties except under circumstances which are well defined. The following exceptions to the said rule are normally accepted -

- (a) Where disclosure is under compulsion of law
- (b) Where there is duty to the public to disclose
- (c) Where interest of bank requires disclosure and
- (d) Where the disclosure is made with the express or implied consent of the customer.

22. TRANSFER OF ACCOUNT FROM ONE BRANCH TO ANOTHER

The Bank will allow customers to transfer their accounts from one branch to another and will ensure that it is carried within the given timelines as communicated to the customer. This will be a part of the bank's operations process.

23. SWITCHING BANKS BY CUSTOMER

The bank will ensure that customer service in the branches is superior, in case the depositors are dissatisfied with customer service, they can switch banks and we would not thwart depositors from such switches.

24. DOORSTEP BANKING

Bank shall offer Door Step banking for certain customer segments including Senior Citizens of more than 70 years of age and differently abled or infirm persons (having medically certified chronic illness or disability) including those who are visually impaired. Various modes of requesting the service shall include via e-mail, fax, telephonic instructions initiated by self or through Relationship Managers. Appropriate mitigating controls as per the Bank's standard shall be implemented (including Call back confirmations, Manual authentication, e-mail requests are from registered ID, encryption as applicable from time to time). The detailed guidelines are provided in the Doorstep Banking policy of the Bank which forms a part of this Master Policy document.

25. VARIOUS WORKING GROUPS / COMMITTEES ON CUSTOMER SERVICE IN BANKS - IMPLEMENTATION OF THE RECOMMENDATIONS

In order to keep a watch on the progress achieved by the bank in the implementation of the recommendations of various working groups/Committees on customer service, the banks may examine the recommendations which have relevance in the present-day banking and continue to implement them. These may be submitted periodically to the Customer Service Committee of the Board, a progress report on the steps/ measures taken in that regard.

26. CODE OF BANK'S COMMITMENT TO CUSTOMERS

The Bank follows various provisions of the code of Bank's Commitment to Customers, implementation of which is monitored by RBI's Consumer Education and Protection Department. The formulated Code of Bank's Commitment to Customers is displayed on the bank's website.

27. DEVIATIONS

Any deviations shall be on an exceptional basis and must be documented by Issuer and approved by RMC. Any changes that are not substantive, but incidental or administrative in nature, do not require a sign-off by the approving authority.

SECTION – B

Charter of Customer Rights

1. INTRODUCTION

Unity Small Finance Bank Limited has the vision to be a trusted financial service provider to all its customers. Accordingly, the policy guidelines of the Bank are framed so as to cover the rights of the customer and the responsibilities of the Bank and is formulated in line with the RBI Press release on Charter on Customer Rights dated December 3, 2014 (2014-2015/ 1142). These guidelines apply to all products and services offered by the Bank or its agents, whether provided across the counter, over phone, by post, through interactive electronic devices, on internet or by any other method.

The rights are broadly divided into following sub-groups:

1. Right to Fair Treatment
2. Right to Transparency, Fair and Honest Dealing
3. Right to Suitability
4. Right to Privacy
5. Right to Grievances Redress and compensation

2. RIGHT TO FAIR TREATMENT

In pursuance of the above Right, the Bank would -

1. Promote good and fair banking practices by following minimum standards in all dealings with the customers;
2. Promote a fair and equitable relationship between the Bank and the customer;
3. Train the Bank staff attending to the customers, adequately and appropriately;
4. Ensure that staff members attend to customers and their business promptly and courteously;
5. Treat all customers fairly and not discriminate against any customer on grounds such as gender, age, religion, caste, literacy, economic status physical ability, etc. The Bank may, however, have special schemes or products which are specifically designed for members of a target market group or may use defensible, commercially acceptable economic rationale for customer differentiation. The Bank may also have schemes or products as part of an affirmative action such as for women or backward classes. Such schemes / products will not tantamount to unfair discrimination. The rationale for such special schemes or terms will be explained by the Bank wherever required;
6. Ensure that the above principle is applied while offering all products and services;
7. Ensure that the products and services offered are in accordance with relevant laws and regulations;

While it shall be the endeavour of the Bank to provide its customers with hassle free and fair treatment, the Bank would expect its customers to behave courteously and honestly in their dealings with the Bank.

It shall also be the Bank's endeavour to encourage its customers to approach the Bank's internal grievance redressal machinery and approach alternate fora after exhausting all their remedies under the Bank's internal grievance mechanism.

3. RIGHT TO TRANSPARENCY, FAIR AND HONEST DEALING

The Bank will make every effort to ensure that the contracts or agreements it frames are transparent, easily understood by and well communicated to, the common person. The product's price, the associated risks, the terms and conditions that govern use over the product's life cycle and the responsibilities of the customer and the Bank, will be clearly disclosed. The customer will not be subject to unfair business or marketing practices, coercive contractual terms or misleading representations. Over the course of their relationship, the Bank will not threaten the customer with physical harm, exert undue influence, or engage in blatant harassment.

In pursuance of the above Right, the Bank would

1. Ensure complete transparency so that the customer can have a better understanding of what he or she can reasonably / fairly expect from the Bank;
2. Ensure that the Bank's dealings with the customer rest on ethical principles of equity, integrity and transparency;
3. Provide customers with clear information about its products and services, terms and conditions, and the interest rates / service charges in simple and easily understandable language, and with sufficient information so that the customer could be reasonably expected to make an appropriate and informed choice of product;
4. Ensure that all terms and conditions are fair and set out the respective rights, liabilities and obligations clearly and as far as possible in plain and simple language;
5. Make known the key risks associated with the product as well as any features that may especially disadvantage the customer to him/her. Most Important Terms and Conditions (MITC) associated with the product or service would be clearly brought to the notice of the customer while offering the product. In general, it would be ensured that such terms would not inhibit a customer's future choice.
6. The Bank shall provide information on interest rates, fees and charges, details of grievance redressal channels, and other relevant information in the Comprehensive Notice Board displayed at the branches which will be as per the instructions and format mentioned in the Annex II of the RBI Master Circular on Customer Service in Banks Ref: RBI/2015-16/59 DBR No.Leg.BC. 21/09.07.006/2015-16 dated July 01, 2015. *(Format of Comprehensive Notice Board as per shall be separately disseminated by Branch Banking Department).*

Similarly, the Bank shall display important information on its website as detailed in its Policy on Customer Service in conformity with guidelines as per RBI Master Circular on Customer Service in Banks Ref: RBI/2015-16/59 DBR No.Leg.BC. 21/09.07.006/2015-16 dated July 01, 2015.

7. Display the Schedule of interest and charges on the website and a copy of it would be made available at every branch for customer's perusal. Also, the Bank would display in its branches a notice about the availability of the Schedule at the branch.
8. Inform the customer of any change in the terms and conditions through any one or more of the following channels one month prior to the revised terms and conditions becoming effective:
 - a. Letter
 - b. Statements of account
 - c. SMS
 - d. E-mail
 - e. WhatsApp
9. Ensure that such changes are usually made with prospective effect after giving notice of one month. If the Bank has made any change without giving such notice which is favourable to the customer, Bank would notify the change within 30 days of such change. If the change is likely to be perceived by the customer to be adverse to his/her interest, prior notice of minimum 30 days would be provided and the customer may be provided options, to close the account or switch to any other eligible account without having to pay the revised charge or interest within 60 days of such notice. Post 60 days of the notice, the changes may be given effect retrospectively wherever applicable.
10. Provide information about the penalties leviable in case of non-observance/ breach of any of the terms and conditions governing the product / services chosen by the customer;
11. Display on public domain the Bank's Policies on Deposits, Cheque Collection, Grievance Redressal, Compensation and Collection of Dues and Security Repossession;
12. Make every effort to ensure that staff dealing in a particular product is properly trained to provide relevant information to customers fully, correctly and honestly;
13. Ensure to communicate to the applicant within a reasonable time period as decided by the Bank about the acceptance / non-acceptance of applications submitted for availing a product / service and convey in writing or through email/ WhatsApp / SMS, the reasons for not accepting / declining the application. Such period would be notified in the Bank's website and also in the application of the particular product or service.
14. Communicate unambiguously to relevant customer segments the information about discontinuation of particular product.
 - a. Changes in products availed.
 - b. Relocation of their offices
 - c. Changes in working hours
 - d. Change in telephone numbers
 - e. Closure of any office or branch with advance notice of at least 30 days

The Bank affirms that disclosure of information is an on-going process through the lifecycle of the product / relationship and would be diligently followed by us The Bank would ensure to use all possible channels of communication, including web-site, to ensure that information on all changes are made known to the customer upfront;

15. Advise the customer at the time of selling the product of the rights and obligations embedded in law and/or banking regulation including the need to report any critical incidents that the customer suspect, discover or encounter.
16. Ensure the Bank's staff members shall, when approached by the customer for availing a product or service, provide all relevant information related to the product / service and also provide direction to informational resources on similar products available in the market with a view to enable the customer to make an informed decision;
17. Not terminate a customer relationship without giving reasonable or contractual prior notice to the customer;
18. Assist the customer in all available ways for managing his/her account, financial relationship by providing regular inputs in the Bank's realms such as account statements/passbooks, alerts, timely information about the product's performance, term deposits maturity etc.;
19. Ensure that all marketing and promotional material is clear and not misleading;
20. Not threaten the customer with physical harm, exert influence or engage in behaviour that would reasonably be construed as unwarranted harassment. Ensure adherence only to the normal appropriate business practices.
21. Ensure that the fees and charges on products/services and its structure are not unreasonable to the customer

4. RIGHT TO SUITABILITY

The products offered by the Bank will be will be appropriate to the needs of the customer and based on the assessment of the customer's financial circumstances and understanding. In pursuance of the above Right, the Bank would -

1. Sell third party products only if it is authorized to do so. The Bank would have a Board approved policy regarding marketing and distribution of third-party financial products which would assess suitability of products for customers prior to sale.
2. Endeavour to make sure that the product or service sold or offered is appropriate to the customer's needs and not inappropriate to the customer's financial standing and understanding based on the assessment made by it. Such assessment would be appropriately documented in its records.
3. Not compel a customer to subscribe to any third party products as a quid-pro-quo for any service availed from the Bank.

4. Ensure that the products being sold or service being offered, including third party products, are in accordance with extant rules and regulations;
5. Inform the customer about his responsibility to promptly and honestly provide all relevant and reasonable information that is sought by the Bank to enable it to determine the suitability of the product to the customer.

5. RIGHT TO PRIVACY

In pursuance of the above Right, the Bank would -

1. Treat customer's personal information as private and confidential (even when the customer is no longer banking with us), and, as a general rule, not disclose such information to any other individual/institutions including its subsidiaries / associates, tie up institutions etc. for any purpose unless -
 - a. The customer has authorized such disclosure explicitly in writing
 - b. Disclosure is compelled by law / regulation;
 - c. The Bank has a duty to the public to disclose i.e. in public interest
 - d. The Bank has to protect its interests through disclosure
 - e. It is for a regulatory mandated business purpose such as disclosure of default to credit information companies or debt collection agencies
2. Not use or share customer's personal information for marketing purpose, unless the customer has specifically authorized it.
3. Adhere to Telecom Commercial Communications Customer Preference Regulations, 2010 (National Customer Preference Registry) issued by Telecom Regulatory Authority of India, while communicating with customers.

6. RIGHT TO GRIEVANCE REDRESS AND COMPENSATION

The customer has a right to hold the Bank accountable for the products offered and to have a clear and easy way to have any valid grievances redressed. The Bank will also facilitate redressal of grievances stemming from its sale of third-party products. The Bank will communicate its policy for compensating mistakes, lapses in conduct, as well as non-performance or delays in performance, whether caused by the Bank or otherwise. The policy will lay out the rights and duties of the customer when such events occur.

In pursuance of the above Right, the Bank would –

1. Deal sympathetically and expeditiously with all things that go wrong;
2. Correct mistakes promptly;
3. Cancel any charge that has been applied wrongly and by mistake;
4. Compensate the customer for any direct financial loss that might have been incurred by the customer due to its lapses, as per the Bank's compensation policy.

The Bank would also –

1. Place in public domain its Customer Grievance Redressal Policy, including the grievance redressal procedure available for the customer;
2. Place in public domain the compensation policy for delays / lapses in conducting / settling customer transactions within the stipulated time and in accordance with the agreed terms of contract;
3. Ensure to have a robust and responsive grievance redressal procedure and clearly indicate the grievance resolution authority and escalation matrix who shall be approached by the customer;
4. Make grievance redressal mechanism easily accessible to customers;
5. Advise the customer about how to make a complaint, to whom such a complaint is to be made, when to expect a reply and what to do if the customer is not satisfied with the outcome;
6. Display name, address and contact details of the Grievance Redressal Authority / Nodal Officer. The time limit for resolution of complaints would be clearly displayed / accessible at all service delivery locations;
7. Inform the complainant of the option to escalate his complaint to the Banking Ombudsman if the complaint is not redressed within the pre-set time;
8. Place in public domain information about Integrated Ombudsman Scheme, 2021;
9. Display at customer contact points the name and contact details of the Banking Ombudsman under whose jurisdiction the Bank's branch falls.

Further, The Bank would:

1. Work to resolve it within a reasonable period, not exceeding 30 days (including the time for escalation and examination of the complaint by the highest ranking internal official responsible for grievance redressal). The 30 days period would be reckoned after all the necessary information sought from the customer is received;
2. Provide aggrieved customers with the details of the Banking Ombudsman Scheme for resolution of a complaint if the customer is not satisfied with the resolution of a dispute, or with the outcome of a dispute handling process or if the period of 30 days has elapsed;

In addition, the Bank would:

1. Clearly spell out, at the time of establishing a customer relationship, the liability for losses, as well as the rights and responsibilities of all parties, in the event of products not performing as per specifications or things going wrong.
2. The Bank shall, however, not be liable for any losses caused by extraneous circumstances that are beyond its reasonable control (such as market changes, performance of the product due to market variables, etc.).

3. Ensure the customer is refunded without delay and demur, if it cannot show beyond reasonable doubt to the customer on any disputed transaction (along with interest/charges) as per the Bank's compensation policy.

SECTION - C

Citizen's Charter

1. INTRODUCTION

This Charter has been prepared to promote fair banking practices and to provide information regarding various activities which are pertaining to customer service activities. At Unity Small Finance Bank Limited (“USFB/ the Bank”), we strongly believe in responsible banking in order to achieve the socio-economic objectives and also in the process bringing more and more customers into its fold. This document will seek to maintain transparency in various products and services offered by the Bank for an enriching banking experience. We at USFB strongly believe that the foremost factor in delivering an extraordinary banking experience is a satisfied customer. The document highlights the Bank's commitment towards customer satisfaction, thereby ensuring accountability and responsibility amongst the Bank's staff and officials.

This document not only explains the Bank's commitment and responsibilities but also specifies the obligations on part of the customers for maintaining an overall healthy banking relationship. Please note that this document shall not be considered as a legal document creating rights and obligation but instead to be considered as a reference document to create a better understanding between the Bank and its customers. The information given in this document is as of May 1, 2023, which shall be subject to change/ revisions, if any. Only key information pertaining to various services/ facilities provided by the Bank are mentioned in this document. However, each service has its own detailed terms and conditions, which are separately displayed on the Bank's website or can be made available on request.

2. GOVERNING PRINCIPLES

This document is based on the following principles:

- To promote excellence in customer service.
- To encourage transparency and ethics in all dealings with customers.
- Innovate banking products and financial services to serve all the segments of the society.
- Contribute towards growth in economy through multiple activities /services.
- Contribute towards social banking.

We at USFB seek to maintain a continuous communication with the customers incorporating their feedback to evaluate, improve and widen the range of services provided. Customers are requested to share their feedback and experiences with the Bank in this regard.

3. APPLICABILITY OF CHARTER

This Charter shall apply to all products and services provided by the Bank whether provided by branches, other channels and agents acting on behalf of the Bank, across the counter, by post, by phone or through interactive electronic devices and through technology (electronic channels). However all the products mentioned in the document may not be offered by the Bank at all its branches, directly or through designated officials.

Products offered by the Bank:

- All deposit accounts e.g. savings account, current accounts, term deposits, recurring deposits.
- Fund based and non - fund based credit products.
- Third party products and investment products

Services offered by the Bank:

- Remittance facility to the customers by transfer through RTGS/ NEFT/ Issuance of Demand Drafts, etc.
- Collection of cheques.
- Safe deposit locker facility.
- Indian currency notes exchange facility

Know Your Customer (KYC) Compliance

In order to ensure compliance with the regulatory / statutory requirements and to protect itself against fraud or misuse, the Bank will adhere to its KYC / AML policy while opening and periodic review of an account.

4. COMMON PRACTICES FOLLOWED BY OUR BRANCHES

- Display of business hours of each of the branches at the respective branch
- To render courteous services and attend all customers present at the Branch at the earliest and before the close of business hours.
- To provide separate 'May I Help You' counter at all branches manned by Customer Care Representatives.
- Offer nomination facility to all deposit accounts (i.e. account opened in individual capacity) and deposits held in the name of a sole proprietary concern as well as safe deposit locker hirers (individual hirers)
- To keep the customers informed about prevailing interest rates for various deposit schemes and notify changes in interest rates for various deposit and advances, charges and terms and conditions through the Bank's website.
- To provide details of various deposit schemes/ services provided by the Bank.
- Issuance of demand drafts
- To display time-norms for various banking transactions at the branches.
- To provide complaint book/ register and suggestion box in the branch premises in order to improve customer services.
- To provide/ display address of Customer care representative/ Regional Nodal Officer and Principal Nodal Officer dealing with customer grievances/ complaints and details of the Banking Ombudsman.
- To insure deposits of all customers with Deposit Insurance and Credit Guarantee Corporation of India up to Rs.5 lakh

5. DEALING WITH SPECIAL CUSTOMERS

While dealing with special customers, the Bank will commit to the following:

Pensioners and Senior Citizens

- To provide prioritized service to pensioners and senior citizens by providing them special assistance at all branches.
- To provide automatic updation of age records and thereby conferring senior citizen benefits wherever applicable once a customer attains senior citizen status.

Customers in Rural and Semi-urban Areas

- To ensure proper currency exchange facilities in rural and semi-urban areas. Further, it will ensure that the quality of notes in circulation in such areas is acceptable.
- To ensure that the branches are opened as per the schedule and operated for full business hours on all working days applicable to that branch.

Self Help Groups (SHGs)

The Bank will grant loans to SHGs, which will take into account the business requirements of SHG along with the viability of the business and other lending norms as prescribed for SHGs in the Bank's internal Credit Policy. Further, while lending to SHGs, the Bank will not compel them to buy other products like Insurance.

Visually impaired person/ Differently abled

- To ensure that all the banking facilities such as Cheque book facility/operation of ATM/ locker/ Internet Banking etc. is offered to the visually challenged/ differently abled without any discrimination.
- The Legal Guardianship Certificate issued under the National Trust Act, 1999 empowers the differently abled persons with autism, cerebral palsy, mental retardation and multiple disabilities to have accounts.
- The Bank will rely upon the Guardianship Certificate issued either by the District Court under Mental Health Act or by the Local Level Committees under the above act for the purposes of opening/operating Bank account.
- The Bank will provide due priority to such customers at various branches of the Bank. Further, the Bank will also provide staff assistance to visually impaired and differently abled customers in navigating within the branch.

6. BANK'S KEY COMMITMENTS

The Bank will act fairly and reasonably in all dealings with the customer. Further, the Bank will adhere to its Board Approved Policies for dealing with its customers. The Bank will display all customer centric information on its website.

Key commitments:

- To act courteously, fairly and reasonably in all our dealings with customer.
- To ensure that documents and procedures are clear and not misleading and customers are given clear information about our products and services
- To give clear information in account or services, procedure, terms and conditions, interest rate, etc.
- To keep the customers informed about changes to the interest rates, charges or terms and conditions.
- To deal quickly and sympathetically with things that go wrong by correcting mistakes quickly, handling complaints quickly and reversing any bank charges applied in error.
- To treat all personal information as private and confidential, and operate secure and reliable banking and payment systems.

- To publicize our Citizens Charter, have copies available and make sure that our staff are trained to put the Citizens Charter into practice.

The Bank shall maintain secrecy that arises out of contractual relationship between the Bank and the customer, and as such no information shall be divulged to any third party except under the following circumstances:

- Where disclosure is under compulsion of law
- Where there is a duty to the public to disclose
- Where disclosure is in the interest of the Bank
- Where the disclosure is made with the express or implied consent of the customer.

WE EXPECT OUR CUSTOMERS TO:

- follow Know Your Customer (KYC) guidelines at the time of opening the account and at the time of updation/ review as per RBI/ IBA/ Government/ Statutory guidelines.
- undertake precautions that are indicated for protection of their accounts
- avail nomination facility for their accounts and safe deposit lockers.
- not introduce any person not known personally for the purpose of opening account.
- pay service charges for non-maintenance of minimum balances, return of cheques, remittances, collections etc. *The details of charges are available on the Banks website and also displayed at our branches.*
- provide valuable feedback on our services so as to enable us to correct our mistakes and improve our customer service.

7. COMMON AREAS OF CUSTOMER- BANKER RELATIONSHIP

7.1. Savings Bank Account -

Savings Account refers to an interest-bearing demand deposit primarily meant to encourage saving and to meet the future requirements of money. Customers can withdraw/ deposit from/to these accounts by way of cheques/withdrawal slips. The details regarding Savings Bank account is given in the "Deposit Policy" of the Bank.

7.2. Current Account -

Current Account is a form of demand deposit which allows withdrawal for any number of times depending upon the balance in the account or up to a particular agreed amount. The detail regarding Current Account is given in the "Deposit Policy" of the Bank.

7.3. Term Deposit Account -

A Term Deposit is a deposit received by the Bank, withdrawable only after the expiry of a fixed period. The details regarding Term Deposit accounts is given in the "Deposit Policy" of the Bank.

7.4. Nomination Facility -

The Bank will provide nomination facilities for all deposit accounts, articles in safe custody and safe deposit vaults. This facility will be available for accounts opened in individual capacity (i.e., single/joint accounts as well as accounts of sole proprietary concern) only. The Bank will allow such facilities to be made in favour of minors also. The Bank will allow the account holders to make, cancel or vary the nomination during their lifetimes.

7.5. Safe Deposit Vaults (Lockers)

The Bank will offer the facility of safe deposit lockers as an ancillary service in some of its branches. The allocation of locker facility will be a completely transparent process. The branches which offer this service shall be chosen at the discretion of the Bank based on its potential and commercial considerations. The Bank shall exercise due care and necessary precautions for the protection of the lockers provided to the customer. However, the Bank will not be responsible or liable for any damage or loss to lockers or its contents due to any reason(s) whatsoever.

7.6. Remittance Facilities

Customers may remit funds from one location to another location by Demand Draft or NEFT/ RTGS /IMPS, etc., by paying specified charges as per the Bank's rules.

7.7 Cheque Collection Service

The Bank has a "Cheque Collection Policy" in accordance with the guidelines provided by RBI. This policy provides the details regarding the collection services offered by the Bank. It also outlines the compensation that will be provided to the customer in case of delay in the collection of cheques by the Bank.

7.8. Loans and Advances

- All terms and conditions of loans, pricing and others, will strictly adhere to the regulatory guidelines. The Bank will ensure that the pricing policies of the Bank is clearly understood by the prospective borrowers.
- The Bank will provide the list of documents required for processing the Credit Application Form to the prospective borrower at the time of application itself rather than on a piecemeal basis.
- The Bank will ensure that loan statements are issued to the borrowers periodically giving details regarding loan disbursed, demand and repayment schedule along with interest and charge details.

7.9. Service charges/Interest on deposits

- The Bank will pay interest on deposits as per various deposit schemes. These interest rates will be revised from time to time and any change will be made known to the public by displaying it on Bank's website and notice boards of branches. The revised interest rates will be applicable only for renewal and fresh deposits, whereas the existing deposits will continue to get interest at the original rate.
- The service charge levied for various services offered by the Bank will be subject to revision from time to time. Service charges will be levied for collection and remittance of funds, processing of loan proposals, issue of guarantees, safe custody, issue of duplicate instruments/statements etc. The Bank will make the details regarding various service charges available on request.

7.10. Payment of Balance in Accounts of the Deceased Customers to Survivors/Claimants

- The Bank will follow a simplified procedure for settlement of claims in case of deceased depositors regarding deposits, contents of lockers and articles kept in safe custody with the Bank. However, the Bank will exercise due care and caution for settlement of claims as appropriate including accepting an indemnity bond.
- The Bank offers nomination facility for expeditious settlement of claims in case of deceased depositors. The Bank will periodically communicate to its customers the need for making nomination in the accounts as mentioned in the provisions of Banking Regulation Act. The Bank has also laid down a policy for settlement of claims of Missing Persons.

7.11. Exchange of soiled/slightly mutilated currency notes

The branches of the Bank will exchange freely soiled and slightly mutilated/ cut notes of all denominations free of cost. The Bank will ensure that no essential feature of the note is missing. In case a branch, for any reason, is not able to immediately adjudicate the mutilated notes across the counter, it may accept such banknotes from the tenderers and send them to the currency chest branch to which it is linked, for adjudication and ensure that the tenderer receives the exchange value as per RBI norms (Note Refund Rules). Currency exchange facility is offered to the Bank's customers and others. In accordance with RBI guidelines, the Bank will exchange mutilated currency notes which are genuine and where mutilations are such as not to cause suspicion or fraud as per Note Refund Rules prescribed by RBI from time to time

7.12. Other Products and Services

Various other deposit schemes are made available to meet the requirements of individual depositors. Detailed information on these schemes is available at our branches and displayed on our website.

8. CUSTOMER GRIEVANCE REDRESSAL MECHANISM

Please refer to the Customer Grievance Redressal Policy and escalation matrix as available on our website at www.theunitybank.com.

9. CUSTOMER AWARENESS

In order to safeguard the interests of the Bank and the customer, the Bank urges the customers to take the following precautions:

- Customers should check the Statement of Accounts and the passbook regularly and in case of any discrepancy they should report it to the Bank immediately.
- In case the passbook has been issued to the customers, they should get their passbooks updated from time to time.
- Customers should ensure safe and separate custody of cheque book/passbook/debit card/ATM cards. In case signature on the card is required, it should not be left unsigned.
- Issue crossed/account payee cheques as far as possible and if possible enter the account number and mobile number at the back of the cheque before dropping the cheque in the cheque drop box.

- While tendering the cheques at the branch for collection / dropping the cheques in drop box, acknowledgement can be obtained from the officials.
- To check the details of the cheque namely, date, amount in words and figures, crossing, etc. before issuing it. As far as possible, issue cheques after rounding off the amount to nearest rupee.
- To prevent any loss, the cheques should be issued without cutting/overwriting. No changes / corrections should be carried out on the cheques. For any change in the payee's name, courtesy amount (amount in figures) or legal amount (amount in words) etc. fresh cheques should be used by the customers. This would help banks to identify and control fraudulent alterations.
- Cutting in date, wherever required should be for re - validation of "Stale Cheque". Blanks in spaces meant for writing, Payee(s) Name/Amount in word and figure should be securely plugged by putting cross/drawing a line.
- Cheque(s) issued with cuttings is / are liable to be rejected if presented in clearing functioning under Cheque Truncation System (CTS), even though the cutting/s is / are authenticated.
- To send the cheques and other financial instruments by Registered post or by courier. Do not sign blank cheques. Also do not record your specimen signature either on pass book or on cheque book.
- Not to issue cheque without adequate balance;
- To maintain minimum balance as specified by the bank.
- To use nomination facility.
- To note down account numbers, details of FDR, locker number, etc. separately.
- Inform change in address, telephone number etc. to the branch.
- To memorize personal identification number (PIN) and change it on a regular basis.
- Not to respond to any unauthorized email/ email asking for password/ PIN.
- To use SMS alert facility and notify any change in mobile number.
- To update your correct mobile phone number and e -mail ID in Bank records.
- To ensure the security of your mobile phone and email ID.
- To keep your mobile phone and email ID active to avail electronic banking facility.
- To always keep track of the Alerts- Email/SMS that are sent by the bank as these will help you keep track the transactions in your account and that of funds held in the account to prevent any misuse.
- To intimate the bank on non- receipt of the Alerts / Account Information on your Mobile Number and / or E- mail provided to us for the purpose of receipt of Alerts / Account Information.
- If you suspect that the security on your Net Banking / Mobile Banking Password has been breached or the Debit Card is lost, please contact our Branch / 24 Hrs Customer Care immediately.
- To notify the Bank of any unauthorised electronic banking transaction at the earliest after the occurrence of such transaction. The longer the time taken to notify the Bank of any unauthorised electronic banking transaction, the higher will be the risk of loss.
- Avoid accessing bank's internet banking site through a link from another site or an email.
- Verify the domain name displayed to avoid spoof website.
- Not to use cyber cafés / shared PCs to access any internet banking site.
- As a matter of good practice, personal firewall software and antivirus software should be installed on desktop and latest available updates should be regularly downloaded. In case of doubt reconfirm by double checking the Padlock Symbol/Icon on webpage to ensure that the site is running in secure mode before any confidential/sensitive information is fed.

- To change internet banking password regularly. To keep password a combination of alphabet, special character and number.
- To always logout from internet banking before closing the window. Use virtual key board for entering internet banking Login ID and password especially when not using own PC. There might be a risk of capturing key strokes.
- To always logout from mobile banking before closing the application on your mobile.
- To cooperate with the Bank officials/ police / any other investigating agency, for any investigation on any transaction on your account.
- To bring any deficiency in services to the notice of the bank.
- To furnish the nominations for deposit and pension account separately.
- Correct PAN number/form 15G or 15H is to be furnished at the commencement of financial year enabling to deduct TDS correctly.
- Account holder is to ensure that account is not used for money laundering or for any fraudulent transaction.
- To inform loss of demand draft, fixed deposit receipt, cheque leave(s)/book, key of locker, etc. immediately to the Branch.
- To pay interest, instalments, locker rent and other dues on time.
- Not to introduce any person who is not personally known to you for the purpose of opening account.
- To ensure safe custody of the Delivery Book in the Demat Accounts and not to keep any blank signed slip in the Book.
- Complaints relating to deficiency of customer service should be reported within a reasonable time provided this is within the prescribed period of preservation of relevant record.
- To operate account regularly to maintain the status as operative / Active. Inform Bank if you intend not to operate the account for some time.
- To avail standing instructions facility for repeat transactions.
- To ensure safe custody of credit card, debit/ ATM card. Wherever signature on the card is mandatory, it should not be left unsigned.
- To ensure confidentiality of password for internet / mobile banking and PIN for Credit / Debit Card.
- In case of loss of ATM/ Debit card, notify your bank (Bank's contact centre) to take immediate steps to prevent the same from being misused. Customer shall be liable for any misuses until the time the bank has been notified.
- Never leave credit card unattended. Do not bend credit card.
- Do not give account details, password for any other security information to anyone

10. CUSTOMER LITERACY

Special efforts will be made to educate the customers in the use of technology in banking. Short Training programmes shall also be arranged for the customers at the branch level. Bank will ensure full transparency to the customer in levying of various fees/ service charges and penalties.

The Bank will establish a proper Customer Grievance Center which will work in an integrated manner across various channels like - branches, call centres, internet.

The Bank will use various technology channels for the purpose of customer education and recording relevant feedbacks providing suggestions for improving its services.

11. TIME NORMS

The following time norms etc. are indicative only.

Sr. No.	Particulars	Time Taken
1	Cash Payments	8 to 15 minutes
2	Receipt of cash (Depending upon the denomination of notes)	10 to 15 minutes
3	Issue of Term Deposit Receipt	15to 25 minutes
4	Payment of Term Deposit receipts	15 to 20 minutes
5	Saving Account Opening (Form Filing)	20 to 25 minutes
6	Statement of accounts	5 to 10 minutes
7	Cheque Payments (Fund Transfer)	5 to 10 minutes

SECTION – D

(1) COMPREHENSIVE DEPOSIT POLICY

I. Introduction

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

This policy document on deposits outlines the guiding principles in respect of formulation of various deposit products offered by Unity Small Finance Bank Limited (“the Bank”) and terms and conditions governing the conduct of the account. The document recognises 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 deposits 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 among customers of their rights. The ultimate objective is that the customer will get services they are rightfully entitled to receive without demand.

II. Types of deposits

While various deposit products offered by the Bank are assigned different names, the deposit products can be categorized broadly into Demand Deposits and Time Deposits (or Term deposits). These deposits are offered under various schemes.

A) **"Demand Deposits"** means a deposit received by the Bank which is withdrawable on demand.

The following are two broad categories of demand deposits:

1. **"Savings Account"** means a form of Demand Deposit which is subject to restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the Bank during any specified period.

The Bank also offers **Basic Savings Bank Deposit Account (BSBDA)** as per the extant guidelines laid down by the RBI from time to time. Terms and conditions for this account laid down in the Bank’s Policy on Basic Savings Bank Deposit Account details of which are displayed on our website and details available at our branches.

2. **"Current Account"** means a form of demand deposit wherefrom withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount and will also include other deposit accounts which are neither Savings Deposit nor Term Deposit.

Current Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies / Trusts, Departments / Authority created by Government (Central or State), Limited Liability Partnership etc.

Need for discipline: Opening current accounts for borrowers who have already availed credit facilities in the form of Cash Credit (CC) / Overdraft (OD) from the banking system shall be undertaken strictly

in terms of RBI Circular No. RBI/2022-23/27. DOR.CRE.REC.23/21.08.008/2022-23 April 19, 2022 on Consolidated Circular on Opening of current accounts and CC/OD Accounts by Banks.

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12293&Mode=0>

- B) **"Term Deposits"** means a deposit received by the Bank for a fixed period and includes deposits such as Recurring / Short Deposits / Fixed Deposits.

Term Deposits Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates / Societies / Trusts, Departments / Authority created by Government (Central or State), Limited Liability Partnership etc.

The term deposit account holders at the time of placing their deposits can give instructions with regard to closure of deposit account or renewal of deposit for further period on the date of maturity. In absence of any written instructions about the disposal of the term deposit, the Bank reserves the right, at its discretion, to renew the deposit along with accrued interest thereon at prevailing rates of interest for a *similar tenor of the deposit which has matured.

*rate applicable on the date of renewal/maturity

Bulk Deposit : Single Rupee term deposits of Rupees three crore and above.

Non callable deposits : Single Rupee term deposits of above Rupees one crore and above. Premature withdrawal is not permitted under any circumstances

III. Account opening and operations of deposit accounts

- A) **Opening of an account:** The account opening forms and other material would be provided to the prospective depositor by the Bank. The same will contain details of information to be furnished and documents to be produced for verification and or for record, it is expected of the Bank official opening the account, to explain the procedural formalities and provide necessary clarifications sought by the prospective depositor when he approaches for opening a deposit account.

With the advent of technology and various policies by the regulator on KYC, accounts may be opened digitally taking into account all the checks and balances expected to open such accounts and as suggested by the regulator / statutory authorities from time to time.

- B) **Know Your Customer (KYC):** The Bank before opening any deposit account will carry out due diligence as required under "Know-Your-Customer" (KYC) guidelines issued by RBI/ PMLA/ Bank's KYC AML policy and such other norms or procedures as adopted by the Bank.
- C) **Due Diligence:** The due diligence process, while opening a deposit account will normally involve identifying and verifying the identity of the person, verification of address, obtaining information relating to the customers occupation, source of income etc. The Bank requires a recent photograph of the person(s) opening / operating the account as a part of the due diligence process.

For customers who are legal persons or entities, the Bank should

- (i) verify the legal status of the legal person/ entity through proper and relevant documents;

- (ii) verify that any person purporting to act on behalf of the legal person / entity is authorized to act on behalf of the entity and identify and verify the identity of that person;
 - (iii) understand the ownership and control structure of the customer and identify and verify the identity of the natural persons who ultimately control the legal person. Notwithstanding the aforesaid, Bank reserves the right to conduct further due diligence as deemed appropriate by it.
- D) **Risk categorization:** The Bank will adhere to regulatory guidelines and solicit information from the customer for the purpose of assigning a risk category to the customer and for the purpose of transaction monitoring. Inability or unwillingness of a prospective customer to provide necessary information/details could result in the Bank not opening an account.
- E) **PAN requirement:** In addition to the due diligence requirements under KYC norms, the Bank is required to obtain Permanent Account Number (PAN)* details or alternatively declaration in Form No. 60 as specified under the Income Tax Act / Rules.

*compulsory in case of non-individual customers

- F) **Minimum / Average Balance requirements:** For deposit products like Savings Account and Current Account, the Bank will normally stipulate certain minimum/ average balances to be maintained as part of terms and conditions governing operation of such accounts. Failure to maintain stipulated minimum/ average balance in the account will attract levy of charges as specified by the Bank from time to time and the same is notified to the customer through Short Message Service (SMS). The stipulated minimum / average balance shall be advised through Short Message Service (SMS) requesting them to maintain the stipulated balance requirement for the account to avoid penalty. The SMS shall only go to the account holders whose stipulated balance is less than the prescribed to be maintained in account. The Schedule of charges structure for recovery of charges in the various categories of Saving Bank account will be made available on Bank's website and is subject to revision from time to time
- G) **Other terms and conditions:** For Saving Bank Account the Bank may also place restrictions on number of transactions, cash withdrawals, etc., for given period. Similarly, the Bank may specify charges for issue of additional cheque books, additional statement of accounts, duplicate pass book etc. All such details, regarding terms and conditions for operation of the accounts and schedule of charges for various services provided will be communicated to the prospective depositor while opening the account. Savings Bank Accounts can be opened for eligible person / persons and certain organizations /agencies (as advised by Reserve Bank of India (RBI) from time to time) Account is subject to verification, and the Bank reserves the right to reject the request of the Applicant to open an Account without providing any reason. In the event where the documents submitted by the Applicants or Customers for opening an Account and/ or availing the Bank's products and services or for processing the transactions thereon are incomplete or discrepant, The ("Unity SFB") Bank shall notify such discrepancies and/or certain additional verification/ documentation requirements within a reasonable time through emails sent to the email ID of the Customer (as provided in the AOF). In case highlighted discrepancies remain unresolved or upon non-receipt of required documents within the stipulated time period, if any, the Bank, shall have

the right to reject the AOF of the Applicant and in accordance with its policies and procedures, the Bank shall retain the application forms and documents provided therewith at the time of Account opening, including photographs and will not return the same to the Applicant in case of rejection of the said application. In such an event the Bank shall not be liable to pay interest on the amount of deposit and shall refund the money received, if any, to the source account.

H) Other Banking Products & Services:

Customer also can avail other banking product and/or services offered by Bank from time to time like:

- i. **Debit card:** Bank may issue Debit cards to customers having Saving Bank/Current Accounts. Bank may charge on debit card usage within stipulated benchmark as per regulatory guidelines. Debit cards are issued in accordance with the Bank's internal policy on Debit card, as approved by Board/ any other committee. The Schedule of charges structure for Debit cards is available on Bank's website and is subject to revision from time to time
- ii. **Mobile, WhatsApp and Internet banking:** The Bank may undertake Mobile Banking, WhatsApp Banking and Internet Banking, in accordance with the Bank's policy.
- iii. **Access to own and other ATM network:** The bank will make available its own ATM access as well as ATMs of other banks by participating in regulated and approved network by regulators and statutory authorities.
- iv. **Extension of alternate delivery channels:** The Bank may offer choice of electronic channels (like NEFT and RTGS) to customers for conducting their banking transactions. Wherever such electronic facilities are offered as a part of the product/services, the Bank will obtain specific consent of the customers for availing the facility.
- v. **Statement of Account:** A statement of account will be provided by the Bank to Savings Account as well as Current Account Holders on a monthly basis as per the terms and conditions applicable while opening the account. The statement of account maybe issued in a digital form to the customer and send to their registered email id on monthly basis. The customer may also have ability to download the statement of account by accessing the Internet Banking / Mobile Banking / WhatsApp Banking. Alternatively, the Bank may issue a Passbook to these account holders.
- vi. **Accounts Operations:**
 - i. **Account in the name of a single individual:** Savings accounts can be opened by an individual in his/her own name, known as account in single name wherein the mode of operation is Self.

- ii. **Accounts of Minors:** A savings bank account can be opened in the name of a minor by his/her natural or legally appointed guardian and the same shall be operated by the natural / legally appointed guardian only.

A minor, can also independently open a Savings Bank Account operated by himself / herself if he/she is above the age of 10 years, and is literate. The Bank may, at its discretion, fix limits on the amounts up to which the minor may be allowed to operate the account independently.

On attaining the age of majority, the erstwhile minor should confirm balance in her/her account and if the account is operated by the natural guardian / legal guardian, fresh KYC documents, photograph, operating instructions, and specimen signature of erstwhile minor should be obtained and kept on record.

- iii. **Joint Accounts:** An account can be opened and held by more than one individual in their own names, known as Joint Account. The joint account holders can give any of the following mandates for the operation of account and disposal of balance in the above deposit accounts:

- a. **Either or Survivor:** If the account is in the name of two individuals say, A & B, either of them can operate the account in the normal course. 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 (in case of term deposit) or to the survivor on death of any one of the account holders. However, the signatures of both the depositors may have to be obtained, in case the deposit is to be paid before maturity.
- b. **Anyone or Survivor(s):** If the account is in the name of two or more individuals say, A, B & C, any one of them can operate the account in the normal course. The final balance along with interest if applicable, will be paid to any of surviving account holders i.e. A or B or C, on the date of maturity (in case of term deposit). On the death of any one of account holder say A, the final balance along with interest, if applicable, will be paid to the surviving account holders i.e. B and C. On the death of any two of account holders, say A and B, the final balance along with interest, if applicable, will be paid to surviving account holder i.e. C. However, the signatures of all the depositors may have to be obtained, in case the deposit is to be paid before maturity.
- c. **Former or Survivor:** If the account is in the name of two individuals say, A & B, the account shall be operated by the Former i.e. A. The final balance along with interest, if applicable, will be paid to the former i.e. A on date of maturity (in case of term deposit) and to the survivor on death of anyone of the account holders.
- d. **Jointly by All :** If the account is in the name of two individuals say, A & B, the account shall require to be operated by A & B jointly. The final balance along with interest, if applicable, will be paid to both the applicants jointly. On the death of any one of the account holders, the final balance along with the interest

if applicable will be paid jointly to the legal heirs of deceased constituent and the surviving constituent.

- iv. **Power of Attorney:** At the request of the depositor/s, the Bank will register mandate / power of attorney given by him/her/them authorizing another person to operate the account on his/her/their behalf. Account opening and closing will not be allowed by Power of Attorney.
- v. **Mandate:** At the request of the depositor/s, the Bank will register mandate given by him/her/them authorizing another person to operate the account on his/her/their behalf. This is applicable for NRI customers. Account opening and closing will not be allowed by mandate
- vii. **Nomination:** Nomination facility is available on all deposit accounts opened by individuals. Nomination is also available to an account opened by a Sole Proprietorship concern. Nomination made can be cancelled or changed by the account holder(s) at any time. While making nomination, cancellation or change thereof, thumb impression of an illiterate will be witnessed by two Individuals. Signatures of the account holders on nomination form need not be attested by witnesses in case of literate customers. Nomination can be modified with the consent of account holder/s.

Nomination can be made in favor of a minor also. In such cases at the time of making nomination, depositor has to give a name of person (called appointee) who is a major and will receive the amount of deposit on behalf of the minor nominee and give discharge to the Bank, in the event of death of the account holder during the minority of the nominee.

The Bank recommends that all depositors avail nomination facility. Bank would give wide publicity on the benefits of nomination. The nominee, in the event of death of the depositor(s), would receive the balance outstanding in the account as a trustee of legal heirs.

The detailed policy guidelines form a part of this Master Policy on Customer Service.

- viii. **Account Portability:** The deposit accounts may be transferred to any other branch of the Bank at the request of the depositor or in such cases where the branches are merged or relocated which necessitates the change of the branch. The bank will make adequate care to ensure that such changes do not cause unnecessary hardship while operating the account.
- ix. **Term Deposit of Senior Citizens:** The Bank may offer Resident Indian Senior Citizens, (age over 60 years) a higher rate of interest on Fixed Deposits within the Minimum and Maximum range as stipulated by the RBI from time to time. The Bank would also be guided by all applicable Income Tax Rules pertaining to fixed deposits held by Resident Indian Senior Citizen.
- x. **Account of Illiterate Person:** The Bank may open deposit accounts of illiterate person/s subject to certain conditions, with a view to safeguard the interest of the

customer. 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. No cheque book facility is provided to illiterate customers. 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 bank officer who should verify the identity of the person. The Bank will explain the need for proper care and safe keeping of the passbook etc. given to the account holder.

- xi. **Accounts of Visually Challenged Persons:** The Bank may open deposit accounts of visually challenged person. Such accounts will be operated by the accountholder personally. Such accountholders will have to be present before the branch official and affix thumb impression and they will be identified through their photograph to facilitate operations. Bank is also committed to introducing technology banking facilities progressively via ATM & Internet banking in keeping with the availability of supporting technology which will enable visually challenged persons to operate their own accounts. Banks will offer all the Banking facilities such as Cheque book, ATM, Net Banking, Locker, Retail Loans, Credit Cards etc., to the visually challenged persons without any discrimination. No differential treatment shall be accorded to visually challenged customers. In addition, magnifying glass is also kept in the branch for the use of persons with low vision, wherever they require for carrying out banking transactions with ease. The Bank official shall explain the terms and conditions governing the account to the visually challenged person.
- xii. **Opening of Accounts under National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999:** Savings bank and term deposits can also be opened in the name of persons covered under the above Act by a guardian appointed to have the care of the person and property of the disabled person, by the Local Level Committees set up under the said Act. All banking facilities will be offered to such persons without any discrimination. Debit card will not to be issued to mentally ill person. It will be issued to guardian only. Legal guardian, so appointed, will furnish an indemnity-cum-undertaking bond duly stamped as per the local law in force along with Guardianship Certificate
- xiii. **Opening of Accounts under The Mental Health Act, 1987:** Savings bank and term deposits can also be opened in the name of persons covered under the above Act by a Guardian appointed by the District Courts / Collectors of Districts under the said Act for this purpose.
- xiv. **Account of Transgender person:** 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. All transgender customers shall be treated equally to other male/female customers without any discrimination.

- xv. **Non-Resident Deposits:** Accounts of Non-Resident individuals shall be opened as per the guidelines issued by the Regulator / other statutory authorities.
- xvi. **Account Closure:** Customer who wishes to close the account :
 - i. Have to submit account closure application signed by all Joint holders.
 - ii. Customer has to surrender debit card if any issued.
 - iii. Customer has to surrender unused cheque leaves.
 - iv. Customer has to declare that he/she has delinked the account linked for financial credits & debits.

At the time of closure of account, Bank will check the surrender cheque leaves with unused cheque leaves in CBS, obtain a declaration if does not tally. Bank will check if the account is linked for locker rent & demat charges. Bank will recover unrecovered charges / debit balance if any. Bank can waive partly / fully unrecovered charges at its discretion.

For service charges related to account closure refer Schedule of charges in Bank's website. Service charges are subject to change from time to time at the discretion of the Bank.

IV. **Interest Rate framework**

Bank shall pay interest on deposits of money (other than current account deposits) accepted by them or renewed by them in their Domestic, Ordinary Non-Resident (NRO) and Non-Resident (External) Accounts (NRE) on the terms and conditions specified in these directions:

- a) The rates shall be uniform across all branches and for all customers and there shall be no discrimination in the matter of interest paid on the deposits, between one deposit and another of similar amount, accepted on the same date, at any of its offices.
- b) Interest rates payable on deposits shall be strictly as per the schedule of interest rates disclosed in advance. The bank shall maintain the bulk deposit interest rate card in their Core banking system to facilitate supervisory review.
- c) The rates shall not be subject to negotiation between the depositors and the bank.
- d) The interest rates offered shall be reasonable, consistent, transparent and available for supervisory review/scrutiny as and when required.
- e) All transactions, involving payment of interest on deposits shall be rounded off to the nearest rupee for rupee deposits.
- f) Deposits maturing on non-business working day
 - i. If a term deposit is maturing for payment on a non-business working day, Bank shall pay interest at the originally contracted rate on the original principal deposit amount for the non-business working day, intervening between the date of the maturity of the specified

term of the deposit and the date of payment of the proceeds of the deposit on the succeeding working day.

- ii. In case of reinvestment deposits and recurring deposits, Bank shall pay interest for the intervening non-business working day on the maturity value.

A) Interest rate on Domestic Current Account

No interest shall be paid on deposits held in current accounts.

Provided that balances in current account standing in the name of a deceased individual depositor or sole proprietorship concern shall attract interest from the date of death of the depositor till the date of repayment to the claimant/s at the rate of interest applicable to savings deposit as on the date of payment

B) Interest rate on Domestic Savings Bank Accounts:

- (i) Interest will be paid on savings account at the rate specified by the Bank from time to time. Also, the interest on domestic rupee savings accounts are calculated on the daily product basis and credited at quarterly or shorter intervals.
- (ii) The Bank, at its discretion, may provide differential rates of interest for any end-of-day savings bank balance exceeding Rupees one lakh.
- (iii) Interest on savings bank accounts, including those frozen by the enforcement authorities, shall be credited on regular basis irrespective of the operational status of the account.

C) Interest rates on Domestic Term Deposits:

- (i) Term deposit interest rates are decided by the Bank within the general guidelines issued by the Reserve Bank of India from time to time.

This includes additional interest rates for Resident Indian senior citizens.

Bank shall at its discretion, allow additional interest at a rate not exceeding one per cent per annum over and above the card rate of interest on savings or a term deposits account of being bank's own staff as may be decided by the bank in terms of its internal policy.

- (ii) Interest rates on term deposits shall vary only on account of one or more of the following reasons:

- (a) Tenor of Deposits: Bank shall have the freedom to determine the maturity/tenor of the deposit subject to the condition that minimum tenor of the deposit offered shall be seven days.

(b) Size of Deposits : Differential interest rate shall be offered only on bulk deposits.

Provided that differential interest shall not be applicable on deposit schemes framed on the basis of the Bank Term Deposit Scheme, 2006 or the deposits received under the Capital Gains Accounts Scheme, 1988.

- (iii) In terms of RBI directives Interest is calculated at quarterly intervals on term deposits and paid at the rate decided by the bank depending upon the period of deposits.
- (iv) In case of monthly deposit scheme, interest shall be calculated at discounted value for General customers and simple interest for Senior Citizens.
- (v) Interest on deposits repayable for less than 3 months or where the terminal quarter is incomplete, interest is calculated for completed months and further for incomplete month on actual number of days reckoning the year at 365 days.
- (vi) In case, the Deposit is spread over a leap and a non-leap year, the interest is calculated reckoning the year at 365 days irrespective of a leap year.
- (vii) The rate of interest on deposits will be prominently displayed in the branch premises.
- (viii) Payment of interest on term deposit maturing on Sunday/holiday/non-business working day: In respect of a term deposit maturing for payment on a Sunday or a holiday or a non-business working day, or Saturday in case of NRE deposits, bank shall pay interest at the originally contracted rate on the original principal deposit amount for the Sunday/ holiday/ non-business working day and also Saturday in case of NRE deposits, intervening between the date of the expiry of the specified term of the deposit and the date of payment of the proceeds of the deposit on the succeeding working day.
- (ix) In case of reinvestment deposits and recurring deposits, the bank shall pay interest for the intervening Sunday/holiday/non-business working day (as also Saturday in case of NRE deposits) on the maturity value.
- (x) Interest rate payable on deposits shall be strictly as per the schedule of interest rates disclosed in advance except for Bulk Deposits i.e. Single rupee term deposits of rupees three crore and above where the bank may, at its discretion, offer differential rates of interest, within the ambit of regulatory guidelines issued by RBI from time to time.
- (xi) The bank shall maintain the deposit interest rate card in its core banking system to ensure that uniform rates are applied to all the deposits without any discrimination and modification is allowed only with the permission of authorized person.
- (xii) All transactions, involving payment of interest on deposits shall be rounded off to the nearest rupee for rupee deposits

D) Interest payable on term deposit in deceased account:

- i) In the event of the 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 at its discretion shall pay simple interest at the applicable rate operating on the date of maturity, for the period for which the deposit remained with the bank beyond the date of maturity.
- ii) 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.
- iii) However, in the case of death of the depositor after the date of maturity of the deposit, interest shall be paid at the contracted rate till the date of maturity and the bank shall pay interest at savings account or the contracted rate of interest on the matured term deposit, whichever is lower from the date of maturity till the date of payment.
- iv) 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.

The detailed policy guidelines form a part of this Master Policy on Customer Service.

V. Premature withdrawal of Term Deposit:

1. The bank on request from a depositor, will allow withdrawal of term deposit before completion of the period of the deposit as per terms agreed upon at the time of placing the deposit.
2. The deposit should, however, have run at least for the minimum tenor of seven days as prescribed by RBI, in order to be eligible for payment of interest at rate applicable for the period it has run, i.e. no interest shall be paid where premature withdrawal of deposit takes place before completion of the minimum period specified by RBI i.e. seven days.
3. Bank levies premature penalty @ 1% p.a on the rate applicable for the period the deposit has remained with the bank or as decided from time to time. Further, the bank may, at its discretion, waive penalty for premature closure.
4. Interest on the deposit for the period that it has remained with the bank will be paid at the rate applicable to the period for which the deposit remained with the bank and not at the contracted rate
5. **Term Deposits of below ₹ 3 Crores:** For term deposits of below ₹ 3 crores , the Bank on request from the depositor shall allow withdrawal of deposit before completion of the period

of the deposit agreed upon at the time of placing the deposit i.e. premature withdrawal will be allowed.

6. **Term Deposits of ₹ 3 crores and above:** For term deposits of ₹ 3 crores and above, where Bank offers both, deposits with/without premature withdrawal facility, customer shall be given the option to choose between the two facilities. For term deposits without premature withdrawal facility, the Bank may offer differential rate of interest. The Bank, shall, however disclose in advance the schedule of interest rate payable on term deposits. The Bank shall declare their penal interest rates policy for premature withdrawal of term deposit. While prematurely closing the existing deposit, interest will be paid for the period the deposit has remained with the Bank. The Bank shall make depositors aware of the applicable rate along with the deposit rate.

- VI. **Premature termination of Term Deposit of deceased depositor/s with Nomination:** Premature termination of term deposit account as per terms of contract will be permitted at the request of the nominee on verification of his/her OVD (such as Election ID Card, PAN Card, Passport etc.) and proof of death of depositor.
- VII. **Premature termination of Term Deposit of deceased depositor/s without Nomination:** Premature termination will be permitted on joint request by all legal heirs (or any of them as mandated by all the legal heirs) as per the terms of the contract on verification of the authority of the legal heirs and proof of death of depositor.
- VIII. **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
- i. The depositor approaches for premature closure before 7 days from the start date of deposit, then the deposit shall be renewed with retrospective maturity date, since no interest is paid
 - ii. The depositor approaches for premature closure on or after 7 days for renewing the Term deposit for a longer period than the original contract then while prematurely closing the deposit, interest on the deposit for the period it has remained with the bank will be paid at the rate applicable on the date of deposit to the period for which the deposit remained with the bank and not at the contracted rate. Further, the bank may, at its discretion, levy penalty for premature closure of an existing deposit at such rates as may be decided by the bank from time to time.
- IX. **Renewal of Overdue Term Deposit:** When a term deposit is renewed on maturity, on the renewed deposit, interest rate for the period specified by the depositor, as applicable on the date of maturity, would be applied.

If request for renewal is received after the date of maturity, such overdue deposits will be renewed with effect from the date of maturity at interest rate applicable as on the due date, provided such request is received within 14 days from the date of maturity.

In respect of overdue deposits renewed after 14 days from the date of maturity, interest for the overdue period will be paid at the savings account rate or the contracted rate of interest on the matured term deposit, whichever is lower. Such term deposit must have run for a minimum tenor of 7 days from the date of request for renewal by the depositor, in order to earn any interest. Premature withdrawals

before this minimum tenor will result in zero interest payment to the client.

- X. **Payment of Overdue Term Deposit:** If a term deposit matures and the proceeds are unpaid, the amount left unclaimed would attract savings account or the contracted rate of interest on the matured term deposit, whichever is lower.
- XI. **Tax Deduction at Source (TDS):** 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. 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 applicable declaration in the prescribed format (Form 15G/ Form 15H / Tax Exemption Certificate) at the beginning of every financial year, for existing term deposits and later on for term deposits created subsequently, failing which bank shall proceed to deduct taxes as applicable.

XII. **Interest rates on Rupee Deposits-Non-Residents**

- A. Interest on deposits of money accepted or renewed under NRE/NRO deposit scheme shall be on the terms and conditions specified in the ensuing paragraphs:
- a. The interest rates shall be subject to the conditions laid down in these Directions.
- b. Interest rates on savings deposits under Non-Resident (External) Rupee (NRE) Deposit / Ordinary Non-Resident (NRO) Deposits shall be in accordance with Directions.
- c. Interest rates on NRE/NRO term deposits shall vary only on account of one or more of the following reasons:

(i) **Tenor of Deposits:**

Banks shall have the freedom to determine the maturity/tenor of the deposit subject to the condition that minimum tenor of NRE term deposits shall be one year and that of NRO term deposits shall be seven days.

(ii) **Size of Deposits :**

Differential interest rate shall be offered only on bulk deposits

- d. Interest rates on NRE/ NRO deposits shall not be higher than those offered by the banks on comparable domestic rupee term deposits.
 - e. The benefit of additional interest rate on deposits on account of being bank's own staff or senior citizens shall not be available to NRE and NRO deposits.
 - f. Interest on savings deposits shall be credited at quarterly or shorter intervals.
- B. Prohibition on marking lien :** Scheduled Commercial Banks shall not mark any type of lien, direct or indirect, against NRE saving deposits except for statutory requirement
- C. Penalty on premature withdrawal of NRE deposits** There shall be a comprehensive policy on penalties for premature withdrawal of NRE term deposits approved by the Board of Directors or any committee of the Board to which powers have been delegated, subject to the following:
- a. The components of penalty shall be clearly brought to the notice of the depositors at the time of acceptance of the deposits.
 - b. No penalty for premature withdrawal shall be levied, where depositors of the branch as mentioned in section of this direction desires premature withdrawal of deposit consequent to the transfer of business to another bank.
- D. Interest payable on the NRE term deposit account of deceased depositor :**

In case the claimants of an NRE term deposit account of a deceased depositor are residents, the deposit on maturity shall be treated as a domestic rupee term deposit and interest shall be paid for the subsequent period at a rate applicable to a domestic term deposit of similar maturity.

XIII. Others:

- A) **Advances against Deposits:** The Bank may consider request of the depositor(s) for loan / overdraft facility against term deposits maintained with the Bank and duly discharged by the depositor(s) on execution of necessary security documents. The Bank may also consider loan against deposit in the name of minor, however, a suitable declaration stating that loan is for the benefit of the minor, is to be furnished by the depositor – applicant. The Bank will offer such advances at a margin as decided from time and time and ensuring the necessary margins are maintained so as to ensure that the due amount outstanding is never over the principle maintained in the bank.
- B) **Addition or Deletion of names(s) of joint account holders:** The Bank may at the request of all the joint account holders allow addition or deletion of name(s) of joint account holder(s) if the circumstances so warrant or allow an individual depositor to add the name of another person as a joint account holder.

- C) **Customer Information:** The customer information collected from the customers may be used for cross selling of services or products by the Bank, their subsidiaries, affiliates and associates strictly with the consent of the account holder in writing, obtained at the time of account opening or subsequently.
- D) **Secrecy of Customer Information:** The Bank shall not disclose details / particulars of the customer's account 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 to public to disclose and where interest of the Bank requires disclosure
- E) **Insurance Cover for deposits:** All bank deposits are covered under the insurance scheme offered by Deposit Insurance and Credit Guarantee Corporation of India (DICGC) subject to certain limits and conditions. The details of the insurance cover in force, will be made available to the depositor.
- F) **Settlement of Dues in Deceased Deposit account:** The Bank has framed a comprehensive policy to facilitate a simplified procedure for settlement of accounts of deceased account holders, which forms a part of this Master Policy on Customer Service. The claims in respect of deceased depositors and release of payments to survivor(s)/nominees will be made within a period not exceeding 15 days from the date of receipt of the claim subject to the production of proof of death of the depositor, suitable identification of the claimant(s) to the bank's satisfaction and other documents to the bank's satisfaction.
- G) **Dormant / Inoperative Account:** Accounts which are not operated by the customer for a period of two years will be classified as Dormant / Inoperative in the interest of the depositor as well as the Bank. Activation of such dormant accounts will be done on receiving a request in writing from the customer. The depositor can request the bank to activate the account for operating it after complying with the regulatory guidelines and the banks internal guidelines in this regard.
- H) **Inactive Account:** Accounts which are not operated by the customer for a period of one year will be considered as inactive accounts in the interest of depositor as well as the Bank. An intimation letter shall be sent to the depositor on account turning inactive. Customer can activate the account by performing a financial transaction in the account.
- I) **Unclaimed Deposits:** These are accounts which have not been operated upon for ten years. Such accounts are transferred to RBI under the "The Depositor Education and Awareness Fund Scheme, 2014".

Unclaimed Deposit Reference Number (UDRN)- It is a unique number generated through Core Banking Solution (CBS) and assigned to each unclaimed account/ deposit transferred to DEA Fund of RBI. The number shall be such that the account holder or the bank branch where account is maintained, cannot be identified by any third party.

In an effort to play a more pro-active role in finding the whereabouts of the account holders of unclaimed deposits, the list of such accounts which are inoperative for ten years or more will

be displayed on our Bank's website. For Individual Customers, the list displayed on the website will contain the names of the account holder(s) and his/her address in respect of unclaimed deposits. For Non-Individual Customers, the list so displayed on the website will contain the names of the Entity and its address in respect of unclaimed deposits. Customers / claimants in respect of such accounts are required to contact the Bank to submit their claims with supporting documents as may be directed by the Bank.

a. Review of Accounts

- i. Bank shall undertake at least an annual review in respect of accounts, where there is no customer induced transactions for more than a year. In cases where there is no explicit mandate to renew the term deposit, the bank should review such accounts if the customers have not withdrawn the proceeds after maturity or transferred these to their savings/current account in order to prevent such deposits from becoming unclaimed. The bank shall inform the account/deposit holders through letters or email or SMS (if the email and mobile number are registered with the bank) that there has been no operation in their accounts/deposits in the last one year, as the case may be. The alert messages shall invariably mention that the account would become 'inoperative' if no operations are carried out during the next one year and, the account holder would be required to submit KYC documents afresh for reactivating the account in such case.
- ii. If the letters are returned undelivered or no response is received through registered email, the bank shall immediately undertake an enquiry to find out the whereabouts of account holder or his/her nominee/legal heirs in case the account holder is deceased
- iii. In case any response is received from the account holder giving the reasons for not operating the account, the bank shall continue to classify the account as operative for one more year and the account holder shall be advised to operate the account within a period of one year (herein after referred to as 'extended period'). In case the account holder still fails to operate the account within the extended period, the bank shall classify the said account as inoperative account after the expiry of the extended period.
- iv. For the purpose of classifying an account as 'inoperative', only customer induced transactions and not bank induced transactions shall be considered. There may be instances where the customer has given a mandate like Standing Instructions (SI)/ auto-renewal instructions and there are no other operations in the Savings /Current account or the Term Deposit. These transactions shall also be treated as customer induced transactions.
- v. The classification of an account as inoperative shall be for a particular account of the customer and not with reference to the customer. In case a customer is maintaining multiple accounts/deposits with a bank, all such accounts/deposits shall be assessed individually for the purpose of classifying them as inoperative account/ unclaimed deposit, as the case may be.
- vi. In case the account holder is not carrying out transaction and the account is - inoperative due to shifting of primary account to another bank, the account holder may be requested to provide the details of the new bank account with authorisation to enable the bank to transfer the balance from the existing bank account.

b. Customer Awareness

1. The bank shall provide on their website as well as at their branches, the information on the process for activation of the inoperative account/ unclaimed deposits and claiming the balances therein. Necessary claim forms and documents may be made available for the benefit of customers.

2. The bank shall conduct public awareness and financial literacy campaigns regularly to educate the members of public about the activation of inoperative accounts/unclaimed deposits and the prescribed procedure to claim amounts lying therein by a depositor or his/her nominee/ legal heir in case of deceased depositor.
- J) **Stop Payment Facility:** The Bank will accept stop payment instruction from the depositors in respect of cheques issued by them, in writing or through such alternate channels as may be notified by the Bank from time to time. Charges, as specified in the schedule of charges, will be recovered.
- K) **Standing instructions:** Standing instructions can be given to the Bank for transfer/remittance of funds from one account to other account(s) maintained in the same branch, any other branch of the bank or any branch of any other bank. This will be done electronically using Net Banking or mobile banking facility.
- L) **Direct Debit:** The Bank offers Electronic Clearing Service (ECS) / Automated Clearing House (ACH) facility for effecting periodic payments by "direct debit" to the customer's account. This facility is mainly used for payment of utility bills/EMI of Loans/Insurance Premium/Investment in Mutual Funds, etc. Details of ECS/ACH facility are available at all the branches.
- M) **Service Charges:** All new accounts opened would contain a leaflet detailing various types of Services & Charges being levied by the bank for any of the services availed. Updated service & fees leaflet is also made available to all customers at the branch for reference at any point of time. Any change in service & fees will be communicated one month in advance to all customers before effecting the change. Bank also ensures, that the account balance is not turned into negative due to levy of AMB / AQB charges.
- N) **Redressal of complaints and grievances:** Depositors having any complaint / grievance with regard to services rendered by the Bank has a right to approach authority(ies) designated by the Bank for handling customer complaint / grievances in terms of the Grievance Redressal Policy of the Bank, which forms a part of this Master Policy on Customer Service. The details of the internal mechanism for redressal of complaints / grievances will be displayed in the branch premises and website of the Bank. 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 one month from date of complaint or he is not satisfied with the response received from the Bank, he has a right to approach Banking Ombudsman appointed by the Reserve Bank of India.

c. PROHIBITIONS AND EXEMPTIONS

A.Prohibitions

Scheduled commercial banks 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:
- (i) commission paid to agents employed to collect door-to-door deposits under a special scheme.
 - (ii) commission paid to Direct Selling agents/Direct Marketing Agents as part of the outsourcing arrangements.
 - (iii) remuneration paid to Business facilitators or Business Correspondents.
- (b) Offer prize/lottery/free trips (in India and/or abroad), etc or any other initiative having element of chance for mobilizing deposits. However, inexpensive gifts costing not more than Rupees 250/- which is the amount prescribed by the Indian Banks' Association (IBA) as part of the Ground Rules and Code of Ethics framed by them may, at the bank's discretion, be given to depositors at the time of accepting 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 indirectly.
- (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 a company 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.

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

B. Exemptions

The provisions in the above paragraphs shall not be applicable to:

- (a) A deposit received by the bank:
 - (i) from the institutions permitted to participate in the Call/Notice/Term Money Market both as lenders and borrowers.
 - (ii) for which it has issued a participation certificate;
 - (iii) under the Capital Gains Accounts Scheme, 1988, framed by the Government of India in pursuance of sub-section (2) of Section 54, sub-section (2) of Section 54B, sub-section (2) of Section 54D, sub-section (4) of Section 54F and sub-section (2) of Section 54G of the Income-Tax Act, 1961; and
 - (iv) under the Certificate of Deposit Scheme.
- (b) Payment of interest on delayed collection of outstation instruments like cheques, drafts, bills, telegraphic/mail transfers, etc.

SCHEDULE- I

- (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 words 'Limited' or the words 'Private Limited'.
- (6) Institutions other than those mentioned in Section 28(h) 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 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.
- (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.

(2) BASIC SAVINGS BANK AND DEPOSIT ACCOUNT (BSBDA)

1. Introduction

Reserve Bank of India (RBI) has undertaken several initiatives for enhancing financial inclusion and ensuring availability of banking services to all sections of people across the country and further strengthening the banking delivery system to cater to the needs of all productive sectors of the economy, particularly individuals having difficulty in accessing the banking system.

Basic Savings Bank Deposit Accounts (BSBDA) is one such initiative with an emphasis on providing banking facilities with certain minimum facilities, free of charge, to customers.

This policy is made pursuant to RBI Notification on Financial Inclusion - Access to Banking Services - Basic Savings Bank Deposit Account (BSBDA) (“Financial Inclusion Notification”) dated August 2, 2019.

The objective of this policy is to establish the customer segment who can open BSBD Accounts, the Know-your-Customer (KYC) norms to be followed and the services that will be provided to such account holders.

2. Customer Segment

The holders of BSBD Account will not be eligible for opening any other savings bank deposit account in that bank. If a customer has any other existing savings bank deposit account in that bank, he/she will be required to close it within 30 days from the date of opening a BSBD Account. Further, before opening a BSBD account, a bank should take a declaration from the customer that he/she is not having a BSBD account in any other bank. The Bank’s branches can be approached for opening a BSBD Account.

3. Adherence with KYC and Customer Onboarding requirements

BSBD Accounts with the Bank shall be required to be opened and maintained in compliance with RBI’s regulatory requirements and adhering to the Bank’s KYC and Customer Onboarding requirements. Transactions in such accounts may be monitored by the Bank to comply with regulatory and Bank requirements relating to anti-money laundering measures (AML). The Bank may take actions that are appropriate and necessary including converting a BSBD Account to a normal savings account or closing an account.

4. Facilities provided for BSBD Accounts

This account shall not have the requirement of any minimum balance. BSBD Account will have no limit on number and value of deposits that can be made in a month.

The services available in the account will include deposit and withdrawal of cash at Bank Branch as well as ATMs; receipt / credit of money through electronic payment channels or by means of deposit / collection of cheques drawn by Central / State Government agencies and departments, as decided by the Bank from time to time. There should be the minimum four withdrawals in a month including ATM withdrawal. Free usage of ATM Card or ATM-cum-Debit Card shall also be available. The Bank may provide additional value-added services, including issue of cheque book, beyond the above minimum facilities, which may/may not be priced (in a non-discriminatory manner) subject to

disclosure. The availment of such additional services shall be at the option of the customers. However, while offering such additional services, banks shall not require the customer to maintain a minimum balance. Offering such additional services will not make it a non-BSBD Account, so long as the prescribed minimum services are provided free of charge

5. Schedule of Charges

Subject to RBI's regulatory requirements as prevailing from time to time, the Bank reserves the right to add to or curtail the value-added services described above, levy charges for the same and/or for any value-added services offered that are in addition to those described in para. (3) above. The Bank will provide 30 days' notice of changes, charges/any change in charges, by placing the same on its website and in its branches. Changes and charges as described above will be given effect to in a non-discriminatory manner.

6. Force majeure

The Bank shall not be liable for any situations that are beyond the control of the Bank that prevent it from performing its obligations within specified service delivery parameters, including but not limited to civil commotion, sabotage, lockout, strike or other labour disturbances, accident, fires, natural disasters or other "Acts of God" war, damage to the Bank's facilities or absence of the usual means of communication or all types of transportation etc.

SECTION - E

Collection of Cheques

1. Introduction

Unity Small Finance Bank Limited (hereinafter referred to as "the Bank") aims to promote financial inclusion and creating value for all its stakeholders. Customer Service is a key focus area of the Bank. The Bank focuses on consistent improvement in customer experience and quality of operations.

Keeping in view the regulatory guidelines, the Bank has formulated a comprehensive and transparent policy on collection of cheques and other instruments which is based on principles of transparency and fairness in the treatment of customers. The bank is committed to increasing use of technology to provide quick collection services to its customers. This policy document covers the following aspects:

- Collection of Local/ Outstation Cheques / Instruments
- Time frame for Collection of Local/ Outstation Instruments
- Interest payment for delayed collection
- Cheques/ Instruments lost in transit/ in clearing process/ at paying bank's branch
- Procedure for dishonored cheques

2. Applicability

The policy shall apply to all customers of the Bank, and it covers all the collection instruments deposited by customers of the Bank for collection. It also captures the roles and responsibilities of bank employees, scope of activities, scope of operations and the monitoring mechanism of cheque collection activities.

3. General Guidelines

- The Bank shall provide acknowledgement to customers in respect of cheques deposited for collection at regular collection counters.
- Cheque Drop Box facility: While the Bank may provide drop-box facility for deposit of cheques, customers may deposit their cheques in the drop box. The Bank shall also display a notice in English, Hindi, and the regional language at the drop box that "Customers can also tender the cheques at the counter and obtain acknowledgment on the pay-in-slips". The drop-box shall indicate the cut-off time for presentation of cheques deposited for clearing on the same day. Cheques deposited after the cut-off time shall be presented in the next clearing cycle.
- The Bank shall not collect any account payee cheques for any person other than the payee constituent mentioned on the cheque.
- In the event of dishonor / return of instruments presented through clearing, the Bank shall return such instruments to the customer along with the Cheque Return Memo / Objection Slip duly signed / initialed, mentioning the particulars of the instrument, date of return, definite and valid reason for refusing payment as prescribed in Rule 6 of the Uniform Regulations and Rules for Bankers' Clearing Houses (URRBCH). This will enable the holder of the instrument to have legal recourse against the drawer of the cheque.

4. Collection of Local/ Outstation Cheques/ Instruments

Branches/ Extension Counters of the Bank shall receive the Cheques for collection/ clearing during the business hours.

4.1 Local Cheques

- All CTS cheques and other negotiable instruments payable locally at Grid would be presented through the clearing system prevailing at the centre.
- Cheques deposited at branch counters and in collection boxes, within the branch premises, before the specified cut-off time will be presented for clearing on the same day.
- The broad time-limit for receipt of cheques (say up to 3 hours after opening of branch 1 hour before closure of business etc.), which can be fine-tuned for individual locations/ branches based on local practices, will be fixed by the Regional Offices for respective branches.
- All the collection boxes shall indicate clearly the time up to which cheques dropped in the collection boxes would be sent for clearing on same day.
- Cheques deposited after the cut-off time and in collection boxes outside the branch premises including off-site ATMs will be presented in the next clearing cycle.
- Bank branches situated at centers where no clearing-house exists, will present local cheques on drawee banks across the counter and proceeds would be credited, at the earliest on realization.
- The time line for collection/ clearing of local cheques will be extended by

an extra day in case of branches having non- Sunday weekly off and for 7-day banking branches.

- Bank branches shall have both the cheque drop box facility and the acknowledgment facility at its collection counters. Branches shall not refuse to give an acknowledgment to the customers if the latter asks for the same while tendering cheque for collection at the bank branch's counter.
- Bank will give credit to the customer's account on the same day the clearing settlement takes place. Withdrawal of amount so credited would be permitted as per the cheque return schedule of the clearing house at the center.

For Non-CTS cheque, please refer to section 8.9

4.2 Outstation Cheques

- Branches shall not decline to accept outstation cheques deposited by its customers for collection.
- Outstation Cheques payable in India- Cheques drawn on other banks at outstation centers in India will normally be collected through our own branches at those centers, where the bank does not have a branch of its own; the instrument would be directly sent for collection to the drawee bank or collected through a correspondent bank.
- Cheques drawn on bank's own branches at outstation centres will be collected using the Inter-branch arrangements in vogue. Branches, which are connected through a centralized processing arrangement and are offering anywhere banking services to its customers, will provide same day credit to its customers in respect of outstation instruments drawn on any of its branches in the CBS network provided cheques/instruments are presented within normal business hours of both branches.

4.3 Cheques Payable in Foreign Countries

- Timing for acceptance of cheques: Foreign currency cheques/instruments would be accepted during business hours of the Bank branch.
- Time frame for collection of instruments - Cheques drawn on foreign countries are accepted for collection on the 'best effort' basis. The bank is committed to ensuring that the instruments drawn in foreign currencies and payable outside India are collected in the quickest and most efficient manner. Towards this, the Bank may enter into specific collection of such instrument(s). Bank would give credit to the party upon realization credit of proceeds into the banks NOSTRO Account for which the services of correspondent banks will be utilized in country/centers where the correspondent has presence after taking into account cooling periods as applicable to the countries concerned.
- Cheques drawn on foreign banks at centers where the Bank or its correspondents do not have direct presence will be sent to the drawee bank with instruction to credit proceeds to the respective Nostro Account of the bank maintained with correspondent bank.
- For cheques sent under 'Cash Letter System', the correspondent bank will give

provisional credit to the bank on a predetermined date (within 9 to 10 days after tendering of cheque to the correspondent bank). However, it will again be subject to cooling period (i.e. waiting period for the possible return of the cheque under provisions of law of the respective countries). To mitigate the risk of return, Bank will observe a cooling period of 21 days from the date of provisional credit in banks Nostro Account. Credit to Customers account would be value dated based on the value date of credit of funds to our Nostro.

- Cheques drawn below a particular threshold (as specified and renewed from time to time) are sent for realization under this arrangement. The current maximum threshold limits to process the instrument under cash letter arrangements should be equivalent to Rs. 15000/- in their respective currency units.
- Proceeds of cheques sent for collection other than Cash Letter System immediately upon realization will be either converted into Rupees in the prevailing exchange rate or retained in Foreign Currency Account as per customers' instructions.
- The various articles as mentioned in the International Chamber of Commerce, Uniform Rules for Collection (ICC-522) will be applicable for collection of cheques. The salient features of ICC are as under:
 - i) The customer instructing the Bank to perform services shall be bound by and liable to indemnify the Bank against all obligations and responsibilities imposed by foreign laws and usage.
 - ii) Customers depositing cheques drawn on foreign centers are expected to be aware of usage/practices and laws related to cheques collection prevailing in drawee countries.
 - iii) The cheques sent for collection by the collecting bank can be returned by the banks located in foreign country (after their presentation in clearing/collection) due to fraud/ financial reason. The fraudulent cheques can be returned by the banks in foreign countries at any time for their presentation.
 - iv) In case of returned cheques, no protection is available to the collecting bank. Since the foreign bank recovers the amount of returned cheques earlier credited into A/c of collecting Bank by debiting its Nostro account, the collecting Bank will not be able to provide any compensation to the depositor for cheques returned on fraud/ financial reasons. In case of return of cheques, the debit entry in the customer's account would be value-dated based on the value date of the funds in the Nostro account of the Bank. The exchange rate risk will be borne by the customer.
 - v) Further, the Bank has right to recover the proceeds of the cheques credited in depositor's account (at the ruling exchange rate equivalent to foreign currency amount debited by foreign bank to the Nostro account of the collecting Bank) along with the interest from the date of credit of proceeds till the date on which amount is recovered.

4.4 Collection of Account Payee Cheque - Prohibition on Crediting Proceeds to Third Party Account

- In consonance with the legal requirements and in particular the intent of the Negotiable Instrument Act, 1881 and the Reserve Bank of India directives, bank shall not collect account payee cheques for any person other than the payee constituent and the bank shall not credit 'account payee' cheque to the

account of any person other than the payee named therein.

- In order to facilitate collection of cheques from a payment system angle, account payee cheques deposited with the sub- member for credit to their customers' account can be collected by us as a member bank of the clearing house. Under such arrangements, there should be clear undertaking to the effect that the proceeds of the account payee cheques will be credited to the payee's account only, upon realization.
- With a view to mitigate the difficulties faced by the members of co-operative credit societies in collection of account payee cheques, our bank's branches as a collecting bank shall consider collecting account payee cheques drawn for an amount not exceeding Rs.50,000/- to the account of their customers who are co-operative credit societies, if the payees of such cheques are the constituents of such co-operative credit societies. While collecting the cheques as aforesaid, our branches shall have a clear representation in writing given by the co-operative credit societies concerned that upon realization, the proceeds of the cheques shall be credited only to the account of the member of the cooperative credit society who is the payee named in the cheque. This shall, however, be subject to the fulfillment of the requirements of the provisions of Negotiable Instrument Act, 1881, including Section 131 thereof.

4.5 Immediate Credit of Outstation Cheques / Instruments

- Branches /Extension Counters of the bank will provide immediate credit for outstation cheques/ instruments up to the aggregate value of Rs.15,000/- tendered for collection by individual account holders subject to satisfactory conduct of such accounts for a period not less than 6 months. Immediate credit will be provided against such collection of instruments at the specific request of the customer or as per prior arrangement. The facility of immediate credit would also be made available in respect of local cheques at centers where no formal clearing- house exists.
- The facility of immediate credit shall also be available in the case of instruments denominated in U.S. Dollars and other foreign currencies provided the rupee equivalent of such instrument is not more than Rs. 15000/- subject to the same norms as applicable to domestic cheques. However, in the event of such instruments being returned due to non-payment, the customer concerned will be required to bear the loss on account of movement in exchange rates and pay overdue interest at the prescribed rate for the period the advance was outstanding.
- The facility of immediate credit will be offered on Savings Bank/Current/Cash Credit accounts of the customers and at the sole discretion of the Bank. For extending this facility there will not be any separate stipulation of minimum balance in the account.
- The Bank shall afford immediate credit for all instruments payable at par, like Interest/ Dividend Warrants and other prepaid instruments like demand draft etc. drawn by a bank on its branches.

- In the event of dishonour of cheque against which immediate credit was provided, interest shall be recoverable from the customer for the period the bank remained out of funds at the rate applicable for overdraft limits sanctioned for individual customers.
- For the purpose of this Policy, a satisfactorily conducted account shall be the one:
 - i) Which is opened at least twelve months earlier and complying with KYC norms
 - ii) Conduct of which has been satisfactory & bank has not noticed any irregular dealings
 - iii) Where no cheques/instruments for which immediate credit was afforded returned unpaid for financial reasons
 - iv) Where the bank has not experienced any difficulty in recovery of any amount advanced in the past including cheques returned after giving immediate credit.
- Bank shall levy normal collection charges and out of pocket expenses while providing immediate credit against outstation instruments tendered for collection. Exchange charges applicable for cheque purchase will not, however, be charged.
- Minor's account whether individually, jointly or represented by natural guardian, Non-Residents, Self cheques, endorsed cheques and Exchange company cheques are not eligible for immediate credit of local/outstation cheques under the present policy.

4.6 Purchase of Outstation Cheques

Bank shall, at its discretion, purchase outstation cheques tendered for collection at the specific request of the customer or as per prior arrangement. Besides satisfactory conduct of account, the standing of the drawer of the cheque will also be a factor of consideration while purchasing the cheque.

4.7 Service Charges on Collection of Cheques / Instruments

For all collection services, services charges as prescribed from time to time and actual postages (Regd. / Speed Post) or courier charges / out of pocket expenses to be recovered by the Bank.

5. Time Frame for Collection of Local/ Outstation Cheques / Instruments

5.1 The cheques deposited by customers up to three hours before the respective clearing schedules will be sent to the clearing house on the same day. However, branches are authorized to fine-tune the time frame by reducing the time limit for deposit of cheques for sending the same for clearing on the same day in the greater interest of the individual customers depending upon the prevailing local clearing schedule.

5.2 RBI has formulated CTS Clearing under Grid Clearing system. At present, there are three Grid centers –

- Southern grid at Chennai covering Kerala, Andhra Pradesh, Karnataka,

Tamil Nadu, Orissa, West Bengal, and North Eastern States.

- Northern Grid at Delhi covering Jammu & Kashmir, Punjab, Haryana, Rajasthan, New Delhi, Bihar, Utter Pradesh, Jharkhand, Uttaranchal.
- Western Grid at Mumbai covering Maharashtra, Goa, Gujarat, Madhya Pradesh and Chhattisgarh. RBI has proposed to start one more Grid as Eastern Grid in near future. Outstation cheques of our bank's branches presented at any branch situated in above Grids. shall be treated as local cheques in respect of time limit for collection. However, collection shall be subject to payment of prescribed collection charges to other outstation cheques.

5.3 The time norms for deposit of cheques for sending the same to the clearing house on the same day will be displayed in the branch premises as well as on the cheque drop boxes for information of the customers.

5.4 Time frame for collection of cheques and other instruments sent for collection within the country shall be as under:

- The cheques drawn on the Bank situated in the Grid Centre and the same are multicity cheques, the time norm will be T +1. If the cheques are drawn on the Bank situated within the Intra Grid – No collection charges will be payable and Cheque drawn on the Bank situated in Inter Grid, Charges for collection will be charged as appropriate to Speed clearing.
- Cheques presented at any of the four major Metro Centers (New Delhi, Mumbai, Kolkata and Chennai) and payable at any of the other three centers: Maximum period of 7 days.
- Metro Centers and State Capitals (other than those of North Eastern States and Sikkim): Maximum period of 10 days.
- In all other Centers: Maximum period of 14 days.
- Cheques drawn on foreign countries: For cheques payable at foreign centres, the services of correspondent Banks will be utilized in-country/centres where the correspondent bank has its presence. Cheques drawn on foreign banks at centres where correspondent bank do not have direct presence will be sent directly to the drawee bank with instructions to credit proceeds to the respective Nostro Account of the Bank maintained with the correspondent banks. Bank will give credit to the party on credit of proceeds to the Banks Nostro Account with the correspondent bank after taking into account cooling periods, as applicable to the countries concerned.
- Holidays are to be excluded for the purpose of reckoning the collection period prescribed above. The above time norms are applicable irrespective of whether cheques/instruments are drawn on the bank's own branches or branches of other banks.

6. Interest Payment for Delayed Collection

6.1 Payment of Interest for delayed collection of outstation cheques sent for collection within India

- 6.1.1 If there is any delay in collection beyond the specified period as mentioned above, interest at the rates specified as below shall be

paid.

- Savings Bank rate for the period of delay beyond 7/10/14 days respectively as applicable, in collection of outstation cheques.
- Where the delay is beyond 14 days, interest will be paid at the rate applicable for term deposit for the respective period. In case of extra ordinary delay i.e. delays exceeding 90 days, interest will be paid at the rate of 2% above the corresponding Term Deposit rate.
- In the event the proceeds of cheque under collection were to be credited to an overdraft/loan account of the customer, interest will be paid at the rate applicable to the loan account. For extraordinary delays, i.e. delays exceeding 90 days, interest will be paid at the rate of 2% above the rate applicable to the loan account.

6.1.2 Period of delay, for the purpose of payment of interest, will be calculated as the gap between the defined date of credit of cheque and the actual date of credit. Such interest shall be paid without any demand from customers in all types of accounts. There shall be no distinction between instruments drawn on the bank's own branches or on other banks for the purpose of payment of interest on delayed collection. Further, the interest payment as given above would be applicable only for instruments sent for collection within India.

6.1.3 Where the delay in collecting the proceeds of an instrument is on account of unjustified delay on the part of the clearing bank, the sending branch of our bank shall duly inform the same to the lodger of the instrument for taking appropriate measures as he/ she deems fit. In such cases, for the delay on the part of clearing bank, our bank shall not be liable to pay interest after the expiry of the maximum period for collection i.e. 7/10/14 days as applicable.

6.1.4 If the sending branch of our bank receives clearing advice from the clearing bank prior to the expiry of the outer limit i.e. 7/10/14 days, as applicable, the credit shall be given to the customer on the same day or the following date.

6.1.5 Holidays are to be excluded for reckoning the collection period prescribed above.

6.2 Payment of Interest for Delayed Collection of Cheques Sent for Collection to Foreign Countries

6.2.1 Bank shall pay interest on amount of cheque from the date of sighting credit in their Nostro account till such time the customer's account is credited. Interest shall be paid at the Saving Bank rate calculated on the amounts of proceeds credited to the customer's account.

6.2.2 Saturdays (first & third) may continue to be treated as working day except for transactions involving conversion at confirmed exchange rate.

7. Cheques/ Instruments Lost in Transit/ in Clearing Process/ at Paying Bank's Branch

- 7.1 In the event of a cheque or an instrument accepted for collection is lost in transit or in the clearing process or at the paying bank branch, the Bank shall immediately on coming to know out the loss, bring the same to the notice of the account holder so that the account holder can inform the drawer to record stop payment and also take care of cheques, if any, issued by him/her are not dishonored due to non-credit of the amount of the lost cheques/instruments.
- 7.2 The Bank shall provide all assistance to the customer to obtain a duplicate instrument from the drawer of the cheque, if required. In case an international cheque is lost, Bank shall also advise the correspondent/ drawee bank all particulars of lost cheques/instruments for exercising caution. The bank shall arrange to get payment of the international instrument based on the photocopy/ scanned image of the instrument wherever the practice is prevalent.
- 7.3 Where a cheque/ instrument is claimed to have been deposited by the customer in Drop- Box, but Bank's records do not show receipt of such cheque with the Bank, Bank cannot decide on the compensation amount for lost cheque, as mentioned herein under in the absence of details of cheque like date, amount, drawee bank/ branch/ drawee Centre etc. In such cases, the customer will have to corroborate a claim for lost cheque with full facts, inter-alia including confirmation/ enquiries from the drawee person/ banks about genuineness of the claim and on this basis, if it is established that the customer has, in fact, tendered the cheque in Drop- Box, Bank shall consider payment of compensation as mentioned herein under.
- 7.4 Bank shall compensate the account holder in respect of instruments lost in transit in the following way.
- In case intimation regarding loss of instrument is conveyed to the customer beyond the time limit stipulated for collection (7/10/14 days, as the case may be) interest will be paid for the period exceeding the stipulated collection period at the rates specified above.
 - In addition, Bank will pay interest on the amount of the cheque for a further period of 15 days at Saving Bank rate to provide for likely further delay in obtaining duplicate cheque/instrument and collection thereof.
 - The Bank would also compensate the customer for any reasonable charges (maximum Rs. 100/- for domestic instruments and Rs. 250/- for international instruments), he/she incurs in getting duplicate cheque/instrument upon production of receipt, in the event the instrument is to be obtained from a bank/institution who would charge a fee for issue of duplicate instrument.
 - Bank shall bear all the cost for obtaining duplicate instrument when a cheque, which has been discounted/ is lost. But the customer will assist in obtaining duplicate instrument. His/ her liability under Negotiable

Instrument Act will not be extinguished till Bank receives the proceeds of Cheque.

8. Procedure for Dishonoured Cheques

8.1 Returning – Dishonoured Cheques

- 8.1.1 The branches of the Bank shall return/ dispatch the dishonoured instruments to the customer at his / her last recorded address available with the branch through courier/ post promptly without delay, in any case within 24 hours. Cheque returning charges as specified in the Schedule of Service Charges of the bank in force at the time of return of the cheque would be levied.
- 8.1.2 The paying bank shall return dishonoured cheques presented through clearing houses strictly as per the return discipline prescribed by respective clearing houses in terms of Uniform Regulation and Rules for Banker's Clearing Houses. The collecting Bank on receipt of such dishonoured cheques shall dispatch it immediately to the payee/ holders.
- 8.1.3 In relation to cheques presented direct to paying bank for settlement of transaction by way of transfer between two accounts with that bank, it shall return such dishonoured cheques to payees/ holders immediately.
- 8.1.4 A return advice will be prepared wherein the reason for return of cheque will be indicated. The advice along with the cheque will be sent to the customer by registered post/local delivery without delay.
- 8.1.5 Cheques dishonoured for want of funds in respect of all accounts should be returned along with a memo indicating therein the reason for dishonour as "insufficient funds".
- 8.1.6 Return of foreign currency cheque/instrument - If the instrument sent for collection is returned unpaid at any time for any reason whatsoever including but not limited to "insufficient funds", "account closed", "fraudulent cheque" etc., the returning and other applicable charges would be recovered from the account in which the cheque has been deposited along with the value of the instrument if already credited.

Similarly, if any instrument for which immediate credit has been afforded or provisional credit given is returned unpaid, Bank will recover from the account the amount so credited together with other charges, if any, at the prevailing exchange rate along with applicable interest rates as may be decided by Bank.

The customer instructing the Bank to perform services shall be bound by and liable to indemnify the Bank against all obligations and responsibilities imposed by foreign laws and usages. Customers depositing cheques drawn on foreign centres are expected to be aware of usage/practices and laws related to cheques collection prevailing in drawee countries.

The cheques sent for collection by the collecting bank can be returned by the Banks located in any foreign country (after their presentation in

clearing/collection) due to fraud/financial reasons. The fraudulent cheques can be returned by the banks in foreign countries at any time after their presentation.

In case of returned cheques, no protection is available to the collecting bank. Since the foreign bank recovers the amount of returned cheques earlier credited into account of collecting bank by debiting its Nostro account, the collecting bank will not be able to provide any compensation to the depositor for cheques returned on fraud/financial reasons.

Further, the Bank has right to recover the proceeds of the cheques credited in depositor's account (at the ruling exchange rate equivalent to foreign currency amount debited by foreign bank to the Nostro account of the collecting bank) along with the interest from the date of credit of proceeds till the date on which amount is recovered.

8.2 Information on Dishonoured Cheques

- 8.2.1 Data in respect of each dishonoured cheque for an amount of Rs.1 crore and above shall be made part of Banks MIS on constituents and concerned branches shall report such data to the branch controller at Central Office on a monthly basis and in turn the latter shall consolidate the same at Central Office and advise further course action to branches, wherever deemed necessary, in terms of this policy.
- 8.2.2 Data in respect of cheques drawn in favour of stock exchanges and dishonoured shall be consolidated separately by branches irrespective of the value of such cheques as a part of their MIS relating to broker entities and be reported to the branch controller on a monthly basis and in turn the latter shall consolidate the same at Central Office every month and advise further course action to branches, wherever deemed necessary, in terms of this policy.

8.3 Proceedings in case of Dishonoured Cheques

For the purpose of adducing evidence to prove the fact of dishonour of cheque on behalf of a complaint (i.e. payee/holder of a dishonoured cheque) in any proceeding relating to dishonoured cheque before a court, consumer forum or any other competent authority, bank shall extend full cooperation and shall furnish him/her documentary proof of fact of dishonour of cheques.

Bank shall place a note before Top Management every quarter, consolidated data in respect of the matters referred to above.

8.4 Dealing with Frequent Dishonour of ECS

- 8.4.1 The practice of issuance of ECS mandates without maintaining adequate funds undermines the credibility of such mandates and is an unhealthy trend that needs to be curbed. As such, Bank requests its customers to maintain adequate balance before accepting ECS debit mandate. If it is observed that practice of issuing ECS mandate persists in case of any customer, then such cases shall be dealt as

- mentioned here under.
- 8.4.2 With a view to enforce financial discipline among the customers, Bank has decided to introduce a condition for operation of accounts where customer is using ECS facility. That in the event of dishonour of ECS instructions, drawn on a particular account of the drawer on three occasions during the financial year for want of sufficient funds in the account, the presenting bank will delete the ECS instruction from the list. The Bank may also consider closing account at its discretion. However, in respect of advance accounts such as Cash credit account/ Overdraft account, the need for continuance or otherwise of these credit facilities and the cheque facility relating to these accounts shall be reviewed by appropriate authority higher than the sanctioning authority.
- 8.4.3 For the purpose of introduction of the condition mentioned as above in relation to operation of the existing accounts, Bank may at the time of accepting the ECS mandate, issue a letter advising the constituents about the new condition.
- 8.4.4 If an ECS instruction is returned for second time on a particular account of the drawer during the financial year, Bank shall issue a cautionary advice to the concerned constituent drawing his attention to aforesaid condition and consequential closure of the account in the event of ECS instructions being dishonoured on third occasion on the same account during the financial year.
- 8.4.5 ECS mandates returned for want of funds in respect of all the accounts shall be returned with the reason of return as “insufficient funds”.
- 8.4.6 Presently many centers ECS working is on RBI platform, which will shift to NACH platform. New mandate in prescribed format is to be registered with NPCI with effect from 31/03/2015. The same is available with branch.

Note: - If account is having cheque book facility and NACH/ ECS mandate is also registered, than incident of dishonour will be taken in to account for both dishonour of cheque and failed NACH/ ECSs, branch may consider for closing of account after serving 30 days’ notice to the customer in event of subsequent dishonour of cheque/ NACH/ ECS mandate in the account.

8.5 Levy of Cheque Return Charges

- 8.5.1 Cheque return charges shall be levied only in cases where the customer is at fault and is responsible for such returns. A list of objections where customers are not at fault is given hereunder.
- 8.5.2 Cheques that need to be re-presented without any recourse to the payee, shall be made in the immediate next presentation clearing not later than 24 hours (excluding holidays) with due notification to the customers of such re-presentation through SMS alert, mail etc.
- 8.5.3 List of Objections where Customers are not at Fault (as detailed in Annexure D to Uniform Regulations and Rules for Bankers’ Clearing House)

Code No.	Reason for Return
33	Instrument mutilated; requires Bank's guarantee
35	Clearing House stamp/date required
36	Wrongly delivered/not drawn on us
37	Present in proper Zone
38	Instrument contains extraneous matter
39	Image not clear; present again with paper
40	Present with document
41	Item listed twice
42	Paper not received
60	Crossed to two banks
61	Crossing stamp cancelled
62	Clearing stamp not cancelled
63	Instrument specially crossed to another bank
67	Payee's endorsement irregular/requires collecting bank's confirmation
68	Endorsement by mark/thumb impression requires attestation by Magistrate with seal
69	Advice not received
70	Amount/Name differs on advice
71	Drawee bank's fund with sponsor bank insufficient (applicable to sub-members)
72	Payee's separate discharge to bank required
74	Pay order requires counter signature
75	Required information not legible/correct
80	Bank's certificate ambiguous/incomplete/required
81	Draft Lost by issuing Office: confirmation required from issuing office
82	Bank/Branch blocked
83	Digital Certificate validation failure
84	Other reasons-connectivity failure
87	'Payee's a/c Credited' - Stamp required
92	Bank excluded.

8.6 Charging of Interest on Cheques Returned Unpaid where Instant Credit was already afforded

- 8.6.1 If a cheque sent for collection for which immediate credit was provided by the Bank is returned unpaid, the value of the cheque will be immediately debited to the account.
- 8.6.2 No interest is to be charged to the customer for the period between the date of outstation cheque and its return unless the Bank had remained out of funds on account of withdrawal of amount. Interest where applicable would be charged on the notional overdrawn balances in the account had credit not been given initially.
- 8.6.3 If the proceeds of the cheques were credited to the Saving Bank Account and were not withdrawn, the amount so credited will not qualify for payment of interest when the cheques are returned unpaid.
- 8.6.4 If proceeds were credited to an Overdraft/Loan account, interest shall be recovered at the rate of 2% above the interest rate applicable

to the overdraft/loan from the date of credit to the date of reversal of the entry if the cheque/instrument was returned unpaid to the extent the bank was out of funds.

9. Service Charges

9.1 Schedule of Service Charges

Sr. No	Collection of Cheques/DDs	Collection of Cheques/DDs
1.	Local Clearances of Cheques/DDs drawn Within the same Grid and At Par Instruments	Free
2.	Outstation Cheques/ DDs Cheques drawn on different Grid and outside the Grid Centre.	Details as per service charges on deposits
3.	Cheques for Collection- Returned Unpaid(Outward): Local Cheques Outstation Cheques	Details as per service charges on deposits

9.2 Concessions /Exemption/ free collection facility

- Ex-Servicemen to meet their present requirements
- Government Department attached to Ministry of Commerce/Food & Civil Supplies/Textiles & State Govt. Department/Railways/Defence etc.
- Religious, Welfare, Service & Charitable Institution, if they are exempted from payment of Income Tax
- At par collection of cheques (only cheques issued by Government representing subsidy under Government sponsored schemes).
- At par collection of salary bills of teachers employed in Govt. run schools
- Blind, Physically Handicapped, Disabled persons and institutions set up for their benefits
- Cheques deposited by DRDA, Farmers Co-operative Societies sponsored by our Bank, Primary Agricultural Societies banking with our bank
- Free collection for Prime Minister's Relief Fund/Chief Minister's Relief Fund/National Defence Fund
- Dividend Warrants, Interest Warrants and Refund Orders for amount up to Rs. 500/-
- Gift cheques of our Bank to be collected at par
- Collection of pension cheques of pensioners of Central/State Govts. and Armed Forces
- Collection of cheques of Freedom Fighters

9.3 Concessions to RRBs sponsored by our Bank

- Third Party Cheques/instruments drawn on PSBs and collected by RRBs
- Third Party Cheques tendered by PSBs and collected by RRBs

9.4 Concession to Staff and Ex-staff

- Collection of Cheques/Instruments: FREE

10. Force Majeure

The Bank shall not be liable if any transaction does not fructify or may not be completed or for any failure on part of the Bank to perform any of its obligations contemplated hereunder if performance is prevented, hindered, or delayed by a Force Majeure event (defined below) and in such case its obligations shall be suspended for so long as the Force Majeure lasts.

"Force Majeure Event" means any event due to any cause beyond the reasonable control of the Bank, including without limitations, unavailability of any communication systems, breach, or virus in the processes or payment or delivery mechanism, sabotage, fire, flood, explosion, natural disasters or other "Acts of God", war, damage to the bank's facilities or of its correspondent bank(s), civil commotion, strikes or industrial action of any kind, riots, insurrection, war, acts of government, computer hacking, unauthorized access to computer data and storage devices, computer crashes, malfunctioning in the computer terminal or the systems getting affected by any malicious, destructive or corrupting code or program, mechanical or technical errors/failures or power shut down, faults or failures in telecommunication etc. which prevents it from performing its obligations within the specified service delivery parameters.

11. Record Keeping

The Bank will preserve the physical instruments in their custody and the images of cheques received under CTS securely for a period of ten years as required under Procedural Guidelines for CTS. Further, the Bank shall retain such documents as may be required in terms of the Bank's Board approved Policy on Preservation of Records. The Bank shall affix the "CLEARED" stamp on the physical paid instruments.

12. Customer Grievances Redressal

Bank has a structured Customer Grievances Redressal Policy displayed in its web site. Any customer having grievances against the bank on any of the above grounds or having complaints due to non-payment or inordinate delay in the payment or collection of cheques will be redressed as per our Customer Grievances Redressal Policy.

SECTION - F

Dealing with Incidents of Frequent Dishonour of Cheques and Failed NACH (National Automated Clearing House) & ECS (Electronic Clearing Service)

Background:

RBI vide their Notification no.DBOD.NO.Leg.BC.59/09.07.005/2009-10 dated 9th November,2009 advised that frequent instances of dishonour of cheques of value less than Rs.1 crore is a matter of great concern and that banks need to take appropriate action in those accounts where such dishonour of cheques occur. RBI has advised the steps laid down in paragraph 15.4 vide their Master Circular DBR NO.Leg.BC.21/ 09.07.006/2015-16 dated 01st July, 2015 for dishonour of cheques of Rs. 1 crore and above. (*Format of Comprehensive Notice Board as per shall be separately disseminated along with a copy of the approved Master Policy by Branch Banking / Compliance Department*). However, the RBI has mentioned that it is not necessary to extend all steps laid down in paragraph 15.4 of their circular for smaller cheques and banks can have their own approach to deal with recalcitrant customers and can have their Board approved policy for dealing with incidents of frequent dishonour of cheques of value less than Rs.1.crore. RBI has also advised that the policy should also deal with matters relating to frequent dishonour of NACH/ECS mandates. RBI has further advised modification in procedure vide notification no. RBI/2016-17/33 DBR.No.Leg.BC.3/09.07.005/2016-17 dated 04th August, 2016 that it has been decided to leave it to the discretion of the banks to determine their response to dishonour of cheques of the account holders. RBI has advised Banks to put in place an appropriate policy approved by the Board or its Committee taking into consideration the need to prevent misuse of the cheque drawing facility and also to avoid penalizing customers for unintended dishonour of cheques.

1. Accordingly, the policy has been drawn for dealing with incidents of frequent dishonour of Cheque for value Rs. 1 Crore and above as well as for value below Rs.1 crore and failed NACH/ ECS. Section 138 of the Negotiable Instruments Act, 1881(N.I. Act) deals with the dishonour of cheque for insufficiency of funds etc. in the account and prosecution in respect of dishonoured cheque(s). The above provision is applicable for cheques only. Cheque as per N.I. Act, 1881, is a bill of exchange drawn on a specified banker and not expressed to be payable otherwise than on demand and it includes the electronic image of a cheque and a truncated cheque. A cheque in the electronic form means a cheque which contains the exact mirror image of a paper cheque, and is generated, written and signed in a secured system ensuring the minimum safety standards with the use of a digital signatures (with or without biometric signature) and asymmetric crypto system. A truncated cheque means a cheque, which is truncated during the course of the clearing cycle, either by the clearing house or by the branch/bank paying or receiving payments, immediately on generation of an electronic image for transmission, substituting further physical movement of the cheque in writing. Dishonour of cheque is governed by the provisions of N I

(Negotiable Instrument) Act, 1881 whereas the matter of failed NACH/ ECS mandate (the dishonour of electronic fund transfer for insufficiency of funds in the account) is governed by the Section 25 of Payment and Settlement System Act, 2007.

2. Pursuant to recommendation of the Joint Parliamentary Committee (the JPC) into the “Stock Market Scam”, RBI had advised that the extant instructions relating to return of dishonoured cheques have to be followed by the branches in respect of dishonoured cheques returned from the transactions of “Stock Exchanges.” Accordingly, the extant instructions relating to return of all dishonoured cheques have been reviewed
3. Branches are already following the existing procedure for return of dishonoured cheques to the customer immediately after its return from the clearing cycle along with a cheque return slip stating therein the reason for return of cheque, one of those is “insufficient fund”. However, there were no specific guidelines to take corrective steps to prevent recurrence of such instances. Therefore, it was considered necessary by the RBI to streamline the procedure to be followed by the banks in addition to the existing instruction in respect of dishonoured cheques for want of funds.
4. The procedure to be followed for dealing with frequent dishonour of cheque and failed NACH/ ECS is outlined in the following paragraphs:

A. PROCEDURE FOR DEALING WITH INCIDENTS OF FREQUENT DISHONOUR OF CHEQUES OF VALUE RS. 1 CRORE AND ABOVE AS WELL AS BELOW Rs. 1 Crore.

- i. **Returning time for dishonoured cheques:** The dishonoured instruments are required to be returned / dispatched to the customer promptly without any delay, in any case within 24 hours of dishonour.
- ii. **Procedure for return/dispatch of dishonoured cheques:**
 - a) The collecting branch should return dishonoured cheques presented through clearing houses, strictly as per the return discipline prescribed for respective clearing house in terms of Uniform Regulations and Rules for Bankers' Clearing Houses. The collecting branch on receipt of such dishonoured cheques should dispatch it immediately to the payees / account holders within 24 hours of receipt of the instruments. The Customer, will be informed by SMS over registered mobile number about returning of cheque giving reference Number of dispatch for facilitating the tracking of delivery.
 - b) In relation to cheques presented directly to the drawee branch across the counter for settlement of transaction by way of transfer between two accounts of the same branch / inter – branch, branch should return such dishonoured cheques to the payees/ holders same day/or next day, in case of dishonour due to insufficiency of fund .
 - c) Cheques dishonoured for want of funds in respect of all accounts should be returned along with a memo indicating therein the reason for dishonour as "insufficient funds".

iii. Dealing with incidents of frequent dishonour

- a) With a view to enforce financial discipline among the customers, a condition for operation of Savings Bank/ Current Account (SB/CA) account with cheque facility will be

- incorporated that in the event of dishonour of a cheque/NACH/ECS due to lack of funds/insufficient funds drawn on a particular account of the drawer on 4 occasions during the financial year, no fresh cheque book would be issued from any of the channels. In case of unintended dishonour of cheques, the branch concerned will analyse such cases so as to ensure that it does not result into penalising the customer for such unintended dishonour of cheques. The branch may close the account after issuing 30 days' notice to the customer on subsequent dishonour. PBBU & SMEBU/TBU will arrange to incorporate in their Master Circular for Savings Bank/ Current Account respectively for operating guidelines and such conditions will also be incorporated in account opening form.
- b) The branch may consider closing Savings Bank account/Current account at its discretion, after proper notice to the customer recording the reason of closure of account with reporting to Controller at monthly intervals. However, in respect of advances accounts such as cash credit account, overdraft account, and the accounts may be treated as stressed accounts and dealt with accordingly. The decision for issuance of cheque book and/ or continuation of credit facilities may be reviewed by appropriate authority.
 - c) For the purposes of introduction of the condition mentioned at (a) and (b) above in relation to operation of the existing accounts, branch may, at the time of issuing new cheque book, obtain a letter from the constituents regarding acceptance of the new condition for operation of account. In case, request for issue of cheque book is raised through INB/CINB, the system will be amended to make provision for accepting the conditions before final submission. The condition may also be incorporated in the Account Opening Forms as declaration from the constituent.
 - d) If a cheque is dishonoured for a 3rd time during a financial year in respect of cheques mentioned in para (a) above on a particular account of the drawer during the financial year, a system generated Cautionary Advice will be sent to the concerned constituent by SMS on his registered mobile number or email and also a system generated letter on his recorded address drawing his/her/their attention to aforesaid conditions, advising him/her/them about the consequential stoppage of cheque facility in the event of cheque being dishonoured on next occasion on the same account during the financial year.
 - e) If an account is having cheque book facility and NACH/ ECS mandate is also registered, then the incidents of dishonour will be taken into account for both dishonour of cheque and failed NACH/ECS for computing the number of dishonour of cheques and failed NACH/ECSs.
 - f) Branch may consider for closing the account after serving 30 days' notice to the customer in the event of subsequent dishonour of cheque/ NACH/ECS mandate in the account.
 - g) For follow up, the details of system generated e-mails/SMS/Letters to Customers will be placed in Branch Report Folder.
 - h) BID will develop Dash board with view rights restricted to BM/ACCTT, CM (Compliance & Risk) at RBO and also to CM (GB) at Administrative Office, to ensure compliance of all the above points (a to g).
 - i) Weekly and monthly MIS reports (as a part of CBS reports) containing extract of all incidents of cheque/NACH/ECS dishonoured for 3rd time and 4th time, in a financial year will be generated by CBS and sent to the Controllers in prescribed format which will be disseminated along with a copy of this policy. Controllers will follow up with the branches

and submit compliance report at quarterly intervals to DGM (B&O), for onward submission to LHO.

B. Dishonour of NACH / ECS (Debit) Mandate: Section 25 of The Payment and Settlement Systems Act, 2007

- a) **ECS (Debit)** is a scheme under which an account holder with a bank can authorize an ECS user to recover an amount at a prescribed frequency or otherwise by raising a debit in his account. The ECS user has to collect an authorization, which is called ECS mandate for raising such debits. These mandates have to be endorsed by the bank branch maintaining the account.
- b) **National Automated Clearing House (NACH)** is a payment system operated by National Payments Corporation of India (NPCI) on the lines of ECS, where Corporations and Banks are members. The physical mandates are obtained by Corporates/ Sponsor Banks and sent to NPCI through Mandate Management System (MMS). The destination Banks receive the mandates through MMS and authorise the same in their CBS. On the strength of the mandates, the future debits are raised by Sponsor Banks. Banks now stop acceptance of ECS mandates and only NACH mandates are accepted. ECS system is now being migrated to NACH by RBI.
- c) **Prosecution:** As per Section 25 of the Payment and Settlement Systems Act, 2007, where an electronic funds transfer initiated by a person from an account maintained by him cannot be executed on the ground that the amount of money standing to the credit of that account is insufficient to honour the transfer instruction or that it exceeds the amount arranged to be paid from that account by an agreement made with a bank, there is provision to prosecute such person as per the above act.
- d) **Procedure for handling failed NACH/ ECS**
 - i. If a Destination Branch (the bank branches where the Destination Account holders maintain their bank account from which NACH/ ECS utility payments are debited.) is not in a position to debit a particular transaction for insufficiency of funds, it should report the same with a Return Memo to the Service Branch/Main Branch on the same day with the details of failed NACH/ ECS, in any case not later than 24 hours of the returned /un-debited ECS processed in the Clearing House.
 - ii. NACH transactions are presently processed centrally at CCPC Mumbai. In case of return of NACH transaction, a return file is generated at NPCI and the Sponsor Bank will give the return memo to customer on the strength of return reason code in return file.
 - iii. On receipt of the un-debited NACH/ ECS from all concerned branches/ banks, the Service Branch of the Destination Bank would flag off or mark off the relevant debit items in the tape or floppy as unpaid.
 - iv. It would be the responsibility of the Sponsor Bank (Branch) (refer to the bank/branch which had agreed to act as the agent of the User company i.e. utility-companies insurance/corporations/Collection Service Provider/ Govt. departments, or any institution receiving/collecting payments from a large number of branches/ credit banker etc.) to advise the User regarding failed NACH/ ECS debit.
 - v. If a User makes use of NACH/ ECS mechanism for receiving payment from the same set of beneficiaries every quarter/month or at more frequent intervals, and there is frequent return of debit NACH/ ECS, in such cases, after return of the NACH/ECS, the Sponsor Bank has the responsibility to intimate the User in addition to the Destination Account

- vi. Holders regarding termination of NACH/ ECS mandate.
- vi. In case of failed NACH/ECS due to insufficiency of funds, a communication from the Destination branch is to be sent to the customer (Destination Account Holder) intimating him that in case of failed NACH/ ECS for 4 times in a financial year or otherwise, the branch at its sole discretion may advise the sponsor bank/branch for cancellation of all mandates given for the particular account in case of SB/CA, whereas for Cash Credit accounts, a review may be put up to appropriate authority higher than the sanctioning authority in the matter. The branch should also send the caution memo after 3rd NACH/ ECS failure in a financial year to the concerned User of NACH/ ECS for whom the NACH/ ECS was registered.
- vii. If an account is having cheque book facility in addition to NACH/ ECS mandate, then the incidents of dishonour will be taken into account for both dishonour of cheques and failed NACH/ECS for computing the number of dishonour of cheques/NACH/ ECS mandate. On reaching the threshold, no cheque book will be issued from any channels and no NACH mandate will be allowed to be registered in the CBS.
- viii. Branch may consider for closing of account after serving 30 days' notice to the customer after subsequent NACH/ ECS failure, even though the account is not having any cheque book facility and only NACH/ECS has been registered.
- ix. The Controller of the branch has to ensure compliance of above procedure so that no laxity is allowed in delayed reporting of such failed NACH/ECS. In case of any findings of such circumstances and non- compliance / non-adherence of instructions/ guidelines stated hereinabove, suitable disciplinary action will be initiated against the erring staff as per the service conditions governing to them.
- x. Information / documentary proof of failed NACH/ECS should be provided, if requisitioned by any court/consumer forum.

C. INFORMATION ON DISHONOURED CHEQUES/FAILED NACH/ ECS

- i. Data in respect of each dishonoured cheque for amount of Rs.1 crore and above, and below Rs.1 crore and all cheques drawn in favour of stock exchanges should be made part of bank's MIS on constituents and concerned branches should report such data cheque wise & account wise to their respective controller separately.
- ii. Data in respect of all failed NACH/ECS should be made part of Bank's MIS on constituents and concerned branch should report to their respective controllers.
- iii. Reporting: The information is to be reported to the Branch Controller in the prescribed formats (*To be circulated by Branch Banking Department*) who would prepare a consolidated report to be placed before the Senior Management of the Bank at quarterly intervals.
- iv. The CBS System should generate the cautionary advice for dishonoured cheques/ failed NACH/ECS.
- v. The IT-CBS Team shall provide the report pertaining to dishonour of cheque/NACH/ECS to the branches as well as Branch Banking Department for onward submission to ACB every quarter.

D. FRAMING APPROPRIATE PROCEDURE FOR DEALING WITH DISHONoured CHEQUES

- i. The appropriate procedure for dealing with dishonoured cheques have been devised with inherent preventive measures and checks to prevent any scope for collusion of the staff of the bank or any other person, with the drawer of the cheque for causing delay in or withholding the communication of the fact of dishonour of the cheque to the payee/holder or the return of such dishonoured cheque to him.
- ii. For the purpose of recording dishonour status of the cheque, every cheque received at the paying branch /clearing CPCs/Service Branch must be recorded in the system, whether balance is available in the account or not and in no case, it should be returned without referring cheques to the “Cheque referred & returned Register” where cheque is being returned for insufficient balance in the account
- iii. In no case, the cheques at paying branch/Clearing CPCs/Service Branch should be withheld to ensure deposit of sufficient balance in the account by the account holder /party concerned to meet the fund requirement of the cheque.
- iv. The Controller of the branch has to ensure compliance of above procedure so that no laxity is adopted / no internal collusion of staff in concealing the dishonour of the cheque or delayed reporting/returning of the cheque. In the event of finding of any such circumstance, the internal guidelines for dealing with staff accountability for dereliction in duty by the staff will be dealt with. Accordingly, Officers and staff should be cautious enough to adhere to such guidelines and ensure strict compliance thereof to achieve aforesaid objective of effective communication and delivery of dishonoured cheque to the payee.

E. RECOVERY OF SERVICE CHARGES ON DISHONOUR OF CHEQUES / NACH/ECS

Recovery of such charges will be ensured as per extant instructions on Service Charges enforce. Returning of Cheque over the counter will also be recorded in the system as rejected transaction and applicable service charges will be levied.

F. GENERAL

For the purpose of adducing evidence to prove the fact of dishonour of cheque on behalf of a complainant (i.e. payee / holder of a dishonoured cheque) in any proceeding relating to dishonoured cheque before a court, consumer forum or any other competent authority, branch should extend full co-operation, and should furnish him/her documentary proof of the fact of dishonour of cheque(s).

SECTION - G

Door-Step Banking for Senior Citizens and Differently-Abled

Introduction

Reserve Bank of India advised Banks to have a scheme for providing services of the doorstep of its customers with the approval of the Board. This document enumerates a comprehensive policy setting up a framework within which the Doorstep Banking services would be provided to the customer.

RBI guidelines on Doorstep Banking were issued in 1993, 2005, 2007 and 2017. This policy documents takes references from these circular as a guiding reference.

Definition

The term “Door Step Banking” shall include the following services:

- Pick up of cash for deposit into own accounts.
- Pick up of instrument (cheques / Remittance forms) for credit to own account.
- Delivery of cash by withdrawal from own accounts.
- Delivery of Demand draft and pay order issued by debit to own account.
- Submission of KYC document by Senior citizen (Citizens aged over 60 years) and differently-abled
- Any other service which RBI Guides from time to time.

Customer

The term customer will be defined as a resident account holder maintains a savings or a current account with UNITY Bank.

The door step banking service will be offered only on working days of a branch to those customers who satisfy the following conditions. The list of branches where the services are offered shall be displayed on the website of the Bank.

- Single account holders and Joint Account Holders with Either or Survivor/ Former or Survivor
- All the KYC document in procession of the bank are in current and there are no deferrals pending on account of documentation
- The account is operative in nature
- Inoperative account holders can activate the Door step banking after activating the account post submission of the necessary documents.
- All relevant application / forms are signed by the customer for availing such facility.

Operating guidelines

Type of service	Savings (individuals)	Senior Citizen / Differently Abled	Current Account Customers
Cash Pickup	20,000 per instance	20,000 per instance	5 lacs per instance
Cash Delivery	20,000 per instance	20,000 per instance	5 lacs per instance

Subject to change from time to time as per banks policy.

The Door step banking service can be offered by the bank through any of the following means.

- By Banks own regular staff
- Outsourcing the operations to a Cash management vendor who have national / regional presence with a good track record. The outsourcing to such vendor will be governed by the outsourcing policy of the bank.
- Through banking correspondents empaneled with the bank.

Services provided through outsourcing or through banking correspondents will be through a mutually signed agreement detailing the terms and conditions including charges for executing these services, turnaround time.

Process of service delivery

The service request for Door-Step delivery can be received at the branch or through any secure convenient channel like phone banking, IVR, Internet Banking, Mobile Banking or call center where the requests are authenticated using TPIN or any other acceptable authentication methodology.

- The service will be offered across all the branches of Unity Bank
- These services will be rendered to the customer by the bank ONLY at customer's premises or residence, as per the address registered with the Bank
- Requests made through branches before 11:00 a.m. will be attended on the same day. Requests made post 11:00 a.m. will be attended on the next working day
- The limits of cash pickup and delivery will be decided by bank from time to time. This may vary from type of account held to different variant within a single type of accounts. A representative grid but which are subject to change on the limits on cash delivery / pickup are detailed below. #
- Cash collected from the customer will be issued an acknowledgement by way of receipts / Registered (Mobile no's) SMS / Registered e – mail.
- For instruments like cheques the customers will be informed about the probable date of credit into the account through suitable means like SMS (To registered mobile no.) – Email id – (registered with the bank).
- Use of technology is encouraged to credit / debit the customer on real time basis.
- The bank will make true efforts (On Best effort basis) to complete the request on the day of on-boarding of the request before 11 am. However, in scenarios where the bank is unable to complete the request on the same day in spite of receiving the instruction before 11 am , the customer will be informed accordingly, to avoid further inconvenience.

Service Charges

- Service charges for door step banking if any will be levied on customers account basis a pre-agreed schedule of charges communicated through an official communication / brochures / schedule of charges / web site etc.
- The Bank may decide to charge the customer differentially basis the cost it incurs in delivering such services or by different variant of account or by size of the relationship with the bank.
- Any change in the service charges will be intimated to customers through any of the modes
 - Websites
 - Mobile banking alerts
 - Notice Boards
 - SMS / email to registered email id or registered mobile numbers
- The Bank shall inform at least 1 month in advance on any change to the schedule of charges on account of door step banking services.

Force Majeure

The Bank shall not be liable to compensate customers for delayed credit or delayed delivery / non-delivery of services for reasons beyond the control of the Bank [including but not limited to civil commotion, sabotage, lockout, strike or other labour disturbances, accident, fires, natural disasters or other “Acts of God”, war, damage to the bank’s facilities or of its correspondent bank(s), absence of the usual means of communication or all types of transportation, etc.] that prevent the bank from performing its obligations within specified service delivery parameters.

SECTION - H

Safe Deposit Lockers

1. Introduction

1.01 The Bank provides Safe Deposit Locker facility to the customers. It is one of the subsidiary / ancillary services rendered by the Bank. This facility is extended to the customers, depositors or borrowers of the Bank. Generally, the Bank provides this facility in the branches (where premises are situated at the ground floor) and an adequate space for building a strong room / safe room is available. The place where the lockers are housed must be secured enough to protect against hazard of rain/flood water entering and damaging the lockers in contingent situations & the said area is properly secured to prevent criminal break-ins.

1.02 Extending locker facility is not a banking business. However, banks are permitted to extend this facility to its customers by way of ancillary service. Therefore, the relationship between the Bank and the locker holder is that of lessor and lessee (hirer and hiree).

1.03 As a hirer, the Bank is bound to look after the safety of the locker and exercise due care.

1.04 The Bank is entitled to prescribe annual rent as well as security deposit. It can exercise its right not to allow locker operations unless annual rent is paid.

1.05 In default of payment of rent, the Bank can break open the locker and exercise lien on the articles found in the locker for the rent due and also charge for breaking open the locker and expenses incurred towards replacement of the lock and key.

1.06 As a lessee, the customer has an obligation not to keep chemicals, hazardous items or substance that emanates poisonous gas. He is also obliged not to use it for any illegal activity.

1.08 The locker holder is responsible to operate the locker with due care and not to allow anyone to dabble with his locker.

1.09 The locker holder is entitled to operate the locker at his wish during the banking hours.
He is bound to keep unencumbered deposit as security deposit, as stipulated by the Bank and pay the annual rent in advance.

2. Types of Lockers & their Functionality

2.01 There are several companies, which manufacture and supply Safe Deposit Lockers. Some of the reputed companies are Godrej, Steelage, etc.

2.02 Generally, breadth & width of the vault are uniform whereas their height differs from company to company or vault to vault.

2.03 Each vault contains several lockers of different size. Generally, the size of the lockers is indicated by means of 'A', 'B', 'C'.....'O'. The capacity of the locker 'A' to 'O' varies from company to company.

2.04 The rent of the locker generally depends on the size of the locker irrespective of its make.

2.05 The manufacturers provide two sets of master key, which is common to all the lockers in the safe deposit vault / vaults supplied by them.

2.06 Each locker has got a separate key distinct from keys of other lockers. These keys contain number as well as Bank's identification code. However, keys of the old lockers may not contain Bank's identification code.

2.07 Apart from master key and specific locker key, the manufacturer has provided one more hole in the locker. It is a dummy hole and does not contain any lock. If the locker holder wants to put his own lock, the manufacturer will provide the same, the cost of which should be borne by him.

2.08 The master key is always with the Bank.

2.09 The manufacturer does not provide duplicate set of locker keys.

2.10 In order to operate the locker, the master key, which is in the custody of the Bank, should be inserted. Thereafter, the locker key, which is in the custody of the locker holder, can be applied to open the locker.

2.11 Once the locker is opened, master key can be removed from the locker hole. The locker holder can close the locker with his locker key.

2.12 In case key of a locker is lost, there is no alternative than to break open the locker, as its duplicate keys are not manufactured by the company. The breaking open of the locker and supplying a fresh set of locks & keys are undertaken only by the concerned manufacturer and not by anybody else. The hirer/s shall bear the cost of breaking open of the locker and replacement of lock and key.

3. Who can be a Locker Holder?

3.01 The existing customers or customers who are not having any other banking relationship with the bank may be given the facilities of Safe deposit locker after complying with the CDD criteria under the Master Direction-Know Your Customer (KYC) Directions, 2016 (as updated from time to time) and subject to ongoing compliance.

3.02 The constitution of the locker holder may be:

- (a) An individual
- (b) Two or more individuals jointly.
- (c) Partnership firms
- (d) Joint Stock Companies
- (e) Registered Associations or Clubs
- (f) Trust or Charitable Institutions, registered with the Charity Commissioner.
- (g) Societies registered under Co-operative Societies Act of the State.
- (h) HUF (Hindu Undivided Family)

3.03 A locker can be hired by two or more individuals. In such cases, all the hirers should execute the Agreement.

3.04 Mode of Operations

- Singly – by the Lessee. In the event of demise of Lessee, access will be granted to the Nominee.

If no nomination has been given, access will be granted to the legal heir/s of the Lessee.

- Either or Survivor - by either or survivor of the Lessees.
- Anyone or Survivor - by any one of the Lessees or any one of the survivors or the last survivor.
- Jointly – by all jointly.
- In the event of demise of any of the lessees, where nomination has been made, the Bank shall permit joint access to the locker for removal of the contents by surviving lessees together with the nominee of the deceased lessee.
- In the event of demise of any of the lessees, where nomination has not been made, the Bank shall permit joint access to the locker for removal of the contents by surviving lessees together with the legal heirs of the deceased lessee.
- By the duly constituted agent of a Sole Lessee or Joint Lessees together, provided such authority by way of valid Power of Attorney (POA) executed in favour of the agent, is duly recorded in the books of the Safe Deposit Department of the Bank. In event of death of the Sole Lessee or any of the Lessees, the validity of the Agent (Attorney holder) stands automatically extinguished.
- In case of death of the surviving or last surviving Lessee and where no nominations have been made or in the event of demise of the nominee, the settlement of claim shall be made in favour of the Legal Heirs in terms of Bank's extant policy.

3.05 Any one of them can cancel the operational instruction, in which case the default mode of operation shall be "All Jointly".

3.06 If the instruction for operation is "Jointly", all the locker holders should operate the locker jointly. All of them should sign the 'Request for Locker Access' slip.

3.07 In case of Partnership Firm, all the partners, in their wisdom, may jointly permit, in writing, one or more partners to apply for and operate the locker and execute the necessary documents on behalf of the firm. Subsequently, in case any one of the partners of the firm countermands such permission for operating the locker, thus evidencing a possible dispute amongst the partners, then the operation of the locker shall forthwith be stopped and all the partners of the firm notified in writing (against acknowledgement) citing reasons therefor and intimating them that the locker shall henceforward be operable only on JOINT basis by all the partners until fresh operational mandate, signed by all the partners, is made available to the Bank.

3.08 In case of legal entities such as Joint Stock Companies, Registered Clubs, Associations and Trusts and Co-operative Societies, the resolution authorizing a person (s) to apply for and operate the locker and execute the necessary documents on behalf of such legal entities, should be obtained. All the formalities connected with the opening a deposit account such as obtaining of copy of Memorandum and Articles of Association, Certificate of Incorporation, Bye laws, etc., should be complied with.

3.09 For hiring a locker in the name of Trustee/s on behalf of a Trust, permission of the Corporate Office should be taken, since the powers of the trustee/s are duly incorporated in the Trust Deed and they vary from Trust to Trust. Care should be taken to study their powers. Access to the locker can be allowed as per the instructions of the Corporate Office.

3.10 Safe deposit locker can be hired by an illiterate, singly or jointly. It is preferable that an illiterate person and a literate person jointly hire a locker where the locker is operated by the literate person.

4. Letting Out a Locker

4.01 Locker holder can be allotted to an existing customer of the Bank maintain Savings Bank, Current account, Overdraft against deposits or tangible securities, etc. or customers who are not having any other banking relationship with the bank. Branch shall request the customer to open CASA account for collection of rent if they are not having any other banking relationship with the Bank. This account should not be allowed to be closed during the pendency of locker Agreement.

4.02 In case of legal entity such as proprietary concerns, partnership firms, trusts & cooperative societies, etc., they should maintain Current Account and not Savings Bank Account.

4.03 The Bank is bound to allot the lockers as per the waiting list for lockers. The Bank also reserves its right to make out of turn allotment to the extent of 20% of the total availability to the valued customers of the Bank.

4.04 At the time of allotting a locker, the locker holder should execute a stamped agreement in a prescribed format. Cost of the requisite stamp duty should be borne by the locker holder. *(Format of the Locker Agreement shall be separately circulated by Branch Banking / Compliance Department)*

4.05 The Agreement inter alia, lays down terms & conditions / covenants of leasing of lockers. The locker holder should be requested to go through the terms & conditions of the Agreement and understand them before executing the Agreement.

4.06 The locker holder may be advised to avail 'Nomination' facility. While doing so, the guidelines given under Nomination, should be adhered to.

4.07 Safe Deposit Locker is generally leased for a period of one year. The hirer is given an option to renew the lease. The lease may be renewed for a further period of three years.

4.08 The Rent of lockers is fixed depending upon size of the locker and also the location of the branch premises.

4.09 The rent is payable in advance. Normally, one year rent is payable in advance.

4.10 The locker holder should also keep Security Deposit by way of Term Deposit, amount of which should not be less than three years' locker rent. The security deposit should stand in the name of the locker holder. In case of joint holder, deposit should also stand in the joint name.

4.11 Accepting security deposits in the name of Third Party should be totally avoided.

4.12 The security in the form of National Savings Certificates, Government Bonds, etc., is not acceptable.

4.13 The Security Deposit should be kept for a period of one year, as lease period is for a period of one year only. The deposit so kept will fetch interest at prevailing rate as on the date of letting out the locker or renewal thereof. The periodical interest may be credited to the operative account of the hirer.

4.14 Even though lease period is only for one year, Agreement need not get executed every year. An ordinary letter requesting the Bank to renew the lease should be taken at least once in three years.

4.15 The deposit so received is kept under separate product codes indicating that it is a security deposit. This deposit cannot be either prematurely withdrawn or encumbered in any manner, during the tenancy of the locker to which it is given as a security. Since it is a separate product, deposit receipt can be handed over to the locker holder.

4.16 The amount of Security Deposit and the rent on locker for various sizes will be determined by the Corporate Office from time to time.

4.17 The Bank reserves its right to revise the rent at any time, even during the pendency of the lease period. However, the revision will be prospective and not retrospective.

4.18 If the locker is surrendered before the expiry date, the rent for the remaining period may be refunded by debiting "Rent Received on Lockers". While refunding the rent amount, the rent for the full quarter should be taken into consideration. For the purpose of calculating the rent due from the locker holder, part of the quarter should be considered as full. For e.g., if the locker is surrendered within 7 months of its allotment / renewal, the rent should be collected for the 3 quarters and last quarter's rent should be refunded.

4.19 A credit voucher should be prepared for the rent. The period of rent to be collected as mentioned earlier is for a minimum period of one year. Simultaneously, the fixed deposit receipt should also be prepared and the Bank's lien thereon is automatically noted in the Deposit Master.

4.20 A locker may be allotted to the locker holder and hand over the key of the locker to him against his / their acknowledgement. In case of joint holders, the acknowledgement of key should be given by both / all the joint holders. Handing over the locker key to a third party should be totally avoided. Therefore, the hirer or hirers should be personally present at the Branch to sign the Agreement and acknowledge the key.

4.21 At the time of handing over the key, the Branch official should give him a copy of the Agreement as well as the receipt for having paid locker rent in advance.

4.22 Particulars of the locker holder, number of the locker allotted to him and key number of the locker along with the details of security should be entered in the master. These entries should be authorized by Executive / Senior Executive / Manager.

4.23 The Locker holder should be requested to keep the locker key in a safe & secure manner. He should ensure that the key does not land in the hands of unscrupulous person.

4.24 Once all the formalities are complete, the locker holder/s is / are free to operate the locker thereafter.

4.25 The papers such as application for allotment of locker, Locker Agreement & nomination papers should be filed in a serial order, locker number-wise

5. Nomination

5.01 Nomination facility is made available to the locker holder. A passport size photo of the nominee attested by the customer may be obtained from the customers, at his/her option and preserved in the records.

5.02 Legal provisions governing the Nomination and release of contents of the locker, in case of death of the locker holder, is governed by the provisions of Banking Regulation Act, 1949 and the Rules made here under:

5.03 Some of the rules of "Nomination" are as under:

(a) The locker holder who desires to avail Nomination facility should apply for it in a prescribed form. *(The Formats for making / modifying cancellation of Nomination shall be separately disseminated by Branch Banking / Compliance Department)*

(b) Nomination facility is available only to an individual.

(c) Nomination facility is not available for lockers hired by the firms, companies, trusts, etc.

(d) In case of sole hirer of a locker, nomination shall be made in favour of only one individual.

Where a locker is hired by two or more individuals jointly and the locker is to be operated under the joint signatures of two or more of such hirers, such hirers may nominate one or more persons to whom, in the event of the death of such joint hirer or hirers, the bank may give, jointly with the surviving joint hirer or joint hirers, as the case may be, access to the locker and liberty to remove the contents of such locker.

(e) Where the locker holder has more than one locker in his name, one nomination application can be obtained for all the lockers. However, if the nomination is already accepted / made for lockers hired subsequently, fresh application should be accepted.

(f) Where a locker is hired by two or more individuals jointly and the same is to be operated under joint signatures of two or more such hirers, such hirers may nominate one or more persons.

(g) Cancellation of the said nomination should be made by the sole hirer or, as the case may be, the joint hirers of a locker. *(The Formats for making / modifying cancellation of Nomination shall be separately disseminated by Branch Banking / Compliance Department)*.

(h) Variation of nomination is to be made by the sole hirers or, as the case may be, the joint hirers of a locker. *(The Formats for making / modifying cancellation of Nomination shall be separately disseminated by Branch Banking Department)*

(i) In case of illiterate locker hirers, nomination should be attested by two witnesses.

(j) The nomination is required to be registered in the record of the Bank.

6. Operation of Lockers

6.01 The operation of the locker is allowed during the banking hours.

6.02 Before permitting a locker holder to operate a locker, his identity should be established by asking him the key number, locker number and verifying the signature in the application form with that of specimen signature card. *(The format of request for allowing operation of a locker shall be separately disseminated by Branch Banking Department)*.

6.03 The concerned Officer / Executive should accompany him to the locker room and request him to insert his key to the locker and then apply the Master key. Once the locker is open, the concerned official should leave the locker room to maintain privacy.

6.04 Once the locker holder finishes his work, the official should verify whether the hirer had not left any item outside the locker and locked the safe deposit locker properly, before leaving the locker room.

6.05 Request for locker operation should be serially numbered and filed in a separate file titled 'Locker Operation' file.

6.06 During the operation of the locker, the official should not allow the other locker holders or any other person to enter the locker room.

6.07 Entry of unauthorized persons in the locker room should not be permitted.

6.08 Every operation in the locker by the locker holder should be entered in the Master indicating date, time, name of the locker holder, key no., entry and exit time.

6.09 If the locker remains inoperative for more than three years for medium risk category or one year for higher risk category, the Branch should contact the locker holder requesting him/her either to operate the locker or surrender the same. This exercise should be done even if the locker holder has paid the rent in advance or is paying the rent regularly.

6.10 Where lockers have remained inoperative for a period of seven years and the locker-hirer cannot be located even if rent is being paid regularly the bank shall be at liberty to transfer the contents of the locker to their nominees/legal heir or dispose of the articles in a transparent manner, as the case may be, after complying with the documentation and other requirements in terms of the Bank's Policy on Settlement of Claims in respect of Missing Persons.

6.11 There may be some genuine reasons for not operating the locker. The locker holder may be an NRI or his job is transferable or person who is going out of station for a considerable period. In such cases, he should give his reasons, in writing and intimate the probable date of arrival. In such cases, the Branch may continue with the locker.

6.12 In case the locker holder does not respond nor operate the locker, the Branch should initiate steps for breaking open the locker after giving him due notice.

7. Collection of Rent

7.01 The due date of the locker rent should be diarised.

7.02 Periodical rent due from the locker holder should be collected in time.

7.03 For the sake of convenience, standing instructions can be accepted and acted upon as and when the rent is due.

7.04 For the purpose, prior intimation should be sent to the locker holders. *(The draft of the letter to be sent shall be separately disseminated by the Branch Banking Department).*

7.05 The Rent received is accounted for on accrual basis and not on receipt basis. Therefore, the rent received in respect of lockers is credited to '6032-Advance Rent on Locker'.

7.06 Accepting rent in advance allowed for maximum period of three years and the rent amount should be kept in '6032-Advance Rent on Locker'.

7.07 In spite of prior intimation, the rent may be due; in that event send the reminder within a week of its due date. *(The draft of the letter to be sent shall be separately disseminated by the Branch Banking Department).*

7.08 No rent should be allowed to be due for more than 3 months.

7.09 When the rent is in arrears, the locker holder should not be allowed to operate the locker. For the purpose, a sticker should be pasted on the locker to indicate that the locker rent is due.

7.10 In case the locker holder defaults in payment of rent in advance, the Bank reserves its right to not to allow operation in the locker till arrears of rent are paid.

7.11 Even after lapse of six months the rent is still in arrears, a second reminder should be sent. *(The draft of the letter to be sent shall be separately disseminated by Branch Banking Department).*

7.12 Efforts must be made to contact the locker holder through SMS/Email/ Telephone or personal visit.

7.13 If any change in the address is notified by the locker holder the same should be entered in the Master, after complying with the KYC Norms and verifying the authenticity of the letter.

7.14 When a locker holder expresses his desire to surrender the locker and returns the key, his signature should be obtained in Letter of Release in the Locker Agreement.

7.15 Simply accepting the key without obtaining the signature in the Agreement and giving acknowledgement should be totally avoided.

8. Breaking Open of Lockers

8.01 In spite of regular follow up for collection of rent, the locker holder may not turn up and pay the rent, due to several reasons. Some of the reasons may be-

- (1) Change of residence
- (2) Death
- (3) Has already removed the articles and is not interested in continuing.
- (4) May be an N.R.I.
- (5) Shifted to an outstation.

8.02 Once the rent is due for more than three years in a row, steps should be taken to open to break open the locker.

8.03 Before initiating the steps for breaking open the locker, the Bank shall send the locker holder a Notice with a request to pay the arrears of rent within 15 days of receipt of the same letter. *(The draft format of the Notice to be sent, shall be separately disseminated by Branch Banking Department).*

8.04 If the rent is not paid within 15 days even after receipt of the first notice, a final notice should be sent to him. The locker holder should be specifically informed that the Bank had earlier sent several notices and this is the final notice. He should be requested to pay the rent for a specified period, failing

which the Bank would be constrained to break open the locker without further notice. *(The draft format of the final Notice to be sent, shall be separately disseminated by Branch Banking Department).*

8.05 The letter should be sent to the last known address of the locker holder by Registered Post with Acknowledgement Due. The A. D. or the undelivered letter without opening should be kept on records.

8.06 The Branch should prepare a list of locker holders, who have not paid locker rent for last three years in spite of repeated reminders & the final notice and send the same to the Corporate Office and seek their permission to initiate process of breaking open the locker.

8.07 After receipt of permission from the Corporate Office, the Branch send a letter to the Manufacturer and fix up time & date for breaking open the locker. *(The Format of the said letter shall be separately disseminated by Branch Banking Department).*

8.08 Once the date & time for breaking open the locker is fixed; the locker holder should be informed that the Bank has made an arrangement for opening the locker. He should be requested to pay the rent before the stipulated period lest the locker be opened. *(The Format of the said letter shall be separately disseminated by Branch Banking Department).*

8.09 On the appointed day, the locker be opened by the manufacturer in the presence of two independent witnesses and the Branch Head.

8.10 The 'Yadast' of Articles, Cash, etc. should be prepared in quadruplicate. The 'Yadast' should be signed by all the witnesses and the Branch Head. *(The Format of the 'Yadast' shall be separately disseminated by Branch Banking Department).*

8.11 'Yadast' is also required to be prepared even if nothing is found, duly signed by all the concerned.

8.12 Articles, cash, etc., if any, found in the locker should be put in a cloth bag / box, duly sealed. The packet should contain one copy of the 'Yadast'. The details such as locker number & name of the locker holder should be clearly mentioned on the bag / box. The particulars of breaking open of the locker should be entered in a Register. Format of which is given below:

Sr. No.	Name of the Locker Holder	Locker No.	Date of Breaking open	Particulars of Articles, if any found	Remarks	Initials of the Officer concerned

8.13 Bank shall also record a video of the break open process together with inventory assessment and its safe keep and preserve the same so as to provide evidence in case of any dispute or Court case in future.

8.14 Bank shall also ensure that the details of breaking open of locker should be updated in Locker Module system.

8.15 The locker holder should be informed of breaking open of the locker. He should be informed of the following:

- 1) Breaking open of the locker specifying the date & time.
- 2) Termination of Locker Agreement.
- 3) Furnishing the details of the Articles, if any, found in the locker by enclosing the copy of the 'Yadast'.
- 4) Appropriation of security deposit, if any, towards rent & other charges.
- 5) In case there is a surplus after appropriating the security deposit, enclose a pay order for the surplus.
- 6) If there is a deficit, the Branch shall send the customer a letter with a request to pay the deficit amount. *(The Format of the said letter shall be separately disseminated by Branch Banking Department).*

8.16 The locker holder may be specifically advised to take delivery of the articles, if any found in the locker, after paying outstanding rent & charges due to the Bank.

8.17 If nothing is found in the Locker, the locker holder should be informed that the locker is empty and to pay the arrears of rent & other charges.

8.18 The sealed packet containing articles found in the locker should be sent to Corporate Office along with the 'Yadast' for its safe custody in consultation with branch controllers at Corporate Office. The copy of letter addressed to the locker holder should also accompany the bag / box.

8.19 Breaking open of lockers should be undertaken even though security deposit is available. Adjusting the security deposit for the rent due and keeping the locker alive should be totally avoided. Security deposit amount can be adjusted towards rent and other charges due, only after breaking open of lockers.

8.20 After breaking open the locker, the manufacturer should be requested to provide a fresh set of lock & key. Thereafter, the same locker can be let out to any other person.

8.21 If any extraneous item is found, such as arms, hazardous chemicals, etc., the Corporate Office should be contacted immediately and with their permission, a complaint with the Police may be lodged.

8.22 If cash is found, 'Yadast' should clearly mention number of the notes and their denominations. The amount due to the Bank should be recovered from the cash so found. The details of the cash taken out to recover the dues of the Bank should be clearly mentioned in the 'Yadast'.

8.23 If locker holder approaches to claim the articles, the articles may be delivered to him, provided

- (a) his identity is established.
- (b) he makes a request in writing.
- (c) he makes the payment of arrears of rent & other charges.
- (d) he acknowledges the receipt of the contents without any conditions.

8.24 After lapse of a period, if the dues of the Bank still remains unpaid the Corporate Office may think of auctioning the articles, after complying with certain formalities.

8.25 The Branch should endeavour to recover the dues even after breaking open the locker

8.26 Keeping in abeyance the opening of the locker on account of NPA borrower, insanity or insolvency of the locker holder, or on the plea that he is criminally involved / in jail, etc., should be totally avoided. Guidance of Corporate Office may be obtained in such matters.

8.27 Instances are not wanting where customer may lose the key and request the Bank for breaking open the locker. In such cases, the following steps should be taken:

- (a) The locker holder should inform the Bank about loss of the key in writing.
- (b) He should pay up-to-date rent.
- (c) He should undertake to pay all the charges for breaking open the locker.
- (d) He should make an advance payment.
- (e) He should be present at the time of breaking open the locker.
- (f) He should acknowledge receipt of the contents of the locker.
- (g) In case he requests for a separate locker, he should comply with all the formalities of letting out the locker.
- (h) In case he requests for a locker in lieu of the present one, he should comply with all the formalities connected with letting out a locker.

8.28 The locker holder may request for continuance of the locker, which can be considered favourably.

8.29 Apart from taking the acknowledgement of the locker holder for receipt of the contents, his signature should also be taken on the Attendance Register under the narration 'locker broken open as per hirers request dated and letter of discharge dated.....'

8.30 Breaking open the locker in absence of locker holder who has lost the key, or his authorized agent should not be undertaken. The fact that the locker holder was absent should be recorded in the request letter.

8.31 In exceptional circumstances, locker holder who failed to turn up on the first occasion, may again approach the Bank for breaking open the locker. In which case, the Branch may arrange for opening locker after collecting all the charges including the charges for previous visit of the manufacturer.

8.32 Nominee of the legal heirs who were permitted to access to locker and take delivery of its content may also request for breaking open the locker. In such cases, the procedure laid down herein above should be adopted.

8.33 All the papers connected with breaking open the locker including the copy of 'Yadast' should be filed in a separate file called 'Locker broken open'.

9. Settlement of Claim

Bank shall settle the claims in respect of deceased locker hirers and shall release contents of the locker to locker survivor(s)/ Nominee(s), as the case may be, within a period not exceeding 15 days from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claimant(s) with reference to nomination, to the Bank's satisfaction. Bank shall report to the customer service committee of the Board, at appropriate intervals, on an ongoing basis, the details of the number of claims received pertaining to deceased locker/hirer(s) and those pending beyond the stipulated period, with reasons therefor. Customer Service Committee of the Board of the Bank shall review the settlement of claims and make suggestions to ensure that the claims are settled as early as

possible unless there is any litigation pending before the Courts or any difficulty is being faced in identifying the true claimant with reference to nomination.

Procedure for settlement of Claim:

9.01 The legal representatives/Nominee should submit the claim application for the access to the contents of the locker along with necessary documents / declaration.

9.02 They should produce the locker key and pay the arrears of rent at the time of submitting the claim application.

9.03 In case the key is not available, they should request for break open the locker and undertake to pay break opening charges.

9.04 All the papers received from nominee/ legal heirs of the locker holder complete in all respect, should be submitted to Corporate Office with the Branch recommendation.

9.05 On receipt of claim sanction from the Corporate Office, nominee/ the legal heirs should be called upon for execution of necessary documents and take delivery of contents of the locker.

9.06 If nominee/ legal heirs are in possession of the key, the locker should be opened in their presence and inventory of items found in the locker should be prepared, which should be signed by the Branch Head, an Officer and also nominee/ legal heirs.

9.07 The contents of the locker should be delivered to the legal representatives / nominee against their acknowledgment and after obtaining the necessary papers as mentioned in the claim sanction letter.

9.08 In case death of the locker holder is within the knowledge of the Branch, it should send notice to the legal heirs or nominee, as the case may be, calling upon them to pay the arrears of rent and surrender the key, if the same is in their possession.

9.09 The legal heirs or nominee should also be informed that in the event of non-compliance, the Bank would take steps to break open the locker, dispose off the contents, if any and recover the rent due.

9.10 If the legal heirs / nominee do not respond, the Branch may proceed to break open the locker adopting usual procedure for break open.

9.11 In case the Branch is unable to ascertain the name & address of legal heirs / nominee even after making local enquiry, a 'Public Notice' may be released before proceeding to break open the locker.

9.12 In the case of death of any one of the joint hirers where the locker is "Jointly Operated" and where no nomination has been made by the hirers, the Bank shall permit Joint access to the surviving hirer/s together with the heirs / legal representatives of the deceased joint hirer/s" subject to complying with the prescribed documentation formalities of the Bank. The Locker facility shall thereafter be closed and withdrawn. If the persons receiving the claim settlement wish to avail of locker facility, the same would be a new contract and accordingly, fresh agreement would have to be executed with KYC documentation

9.13 In case the locker was hired jointly with instructions to operate it under joint signatures and the locker hirer / hirers nominate(s) person/s, in the event of the death of any of the locker hirers, the Branch

should give access to the locker and liberty to remove the contents jointly to the survivor/s and the nominee/s.

9.14 In case locker is hired jointly with survivorship clause, such as E/S, F/S, Any one or survivor or any other survivorship clause, the Branch should follow the mandate, in the event of death of one or more of the locker hirers.

9.15 If the nominee is a minor, the Branch should ensure that the contents of the locker are delivered to a person, who is legally competent to receive the articles on behalf of the minor. However, before delivery of the articles, an inventory thereof should be prepared and duly witnessed.

9.16 At the time of delivery of contents of the locker to the nominee/s, Branches should make it clear to him / them that access to the locker is given to him / them as a trustee of the legal heirs of the deceased locker holder.

9.17 The Branches need not entertain claim of the legal heirs of the deceased locker holder/s, where nominee is appointed. In case of nominee is also dead, the legal heirs of the deceased Lessee can claim the access to the locker.

9.18 If the legal representatives desire to dispute the claim of the nominee, they have only alternative to move the competent Court and bring a restraint Order. Unless & until the Order is received, the Branch is bound to allow access to the locker to the nominee.

9.19 In case the legal representatives / nominee(s) desire to continue with the locker, the Branch should obtain fresh Agreement with them, after adhering to KYC norms.

9.20 The Branches need not open sealed / closed packets found in the locker while releasing them to the nominee(s) and surviving locker holders.

10. Compensation Policy / Liability of Bank

10.01 The Bank is liable for any loss or damage to the contents of the lockers due to their negligence as bank owe a separate duty of care to exercise due diligence in maintaining and operating their locker r safety deposit systems. The duty of care includes ensuring proper functioning of the locker system, guarding against unauthorized access to the lockers and providing appropriate safeguards against theft and robbery. Further, Bank shall adhere to the Master Directions on Frauds for reporting requirements about the instances of robberies, dacoities, thefts and burglaries.

10.02 The Bank shall not be liable for any damage and/or loss of contents of locker arising from natural calamities or Acts of God like earthquake, floods, lightning and thunderstorm or any act that is attributable to the sole fault or negligence of the customer. Bank shall however, exercise appropriate care to their locker systems to protect their premises from such catastrophes.

10.03 It is the responsibility of Bank to take all steps for the safety and security of the premises in which the safe deposit vault are housed. It has the responsibility to ensure that incidents like fire, theft/burglary/robbery, dacoity, building collapse do not occur in the bank's premises due to its own shortcomings, negligence and by act of commission. In instances, where loss of contents of locker are due to incidents mentioned above or attributable to fraud committed by its employee(s), the bank's liability shall be for an amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker.

11. Miscellaneous

11.01 The locker room should be kept clean & tidy. Stationery items, Unused Articles, unwanted furniture / fixture should not be kept in the locker room.

11.02 Locker room should contain certain basic facilities like ladder, dressing table with mirror.

11.03 Instances are not wanting where the customer may inadvertently leave the locker key or leave certain articles outside the locker before leaving the premises. Therefore, the official attending to the locker should check the locker room to ensure that locker is properly locked, keys are taken away and nothing is left outside the locker. This should be done immediately after exit of the locker holder from the locker room.

11.04 In spite of exercising the caution, articles may be found in the locker room, in which case, the procedure laid down by the Bank should be followed as laid out in the SOPs

11.05 In case of attachment and recovery of the contents in the locker of a customer by any authority acting either under the order of the Court or any other Competent Authority vested acting either the order of the Court or any other Competent Authority vested with the power to pass such order, the Bank shall co-operate in execution and implementation of the orders.

11.06 The bank shall verify and satisfy itself about the order and the connected documents received for attachment and recovery of the contents in a locker. The customer shall be informed by the letter as well as SMS/email to the registered email id/phone no. that the Government Authorities have approached for attachment & recovery or seizure of the locker. An inventory of the contents of locker seized & recovered by the Authority shall be prepared in the presence of such Govt. Authorities, two independent witnesses & an officer of the bank & shall be signed by all. A copy of the inventory may be forwarded to the customer to the address available in the bank's record or handed over to the customer against acknowledgement.

11.07 Bank shall also record a video of the break-open process & the inventory assessment, wherever legally permissible, and preserve the video to produce as evidence in case of any dispute or court or fraud case in future.

11.08 The balancing of the vacant locker should be extracted once in three months. The number of keys on hand should tally with number of vacant lockers. If key of any locker is not found, earnest efforts must be made to locate the same, besides reporting the matter to the Corporate Office. The Branches should maintain a proper record of keys of the lockers, which are not issued.

11.09 The balancing activity should also be undertaken at the time of handing over and taking over the keys of the lockers / strong room.

11.10 The Bank may levy charges for operating the locker in excess of a particular limit. In the event of Corporate Office prescribing the charges, the same may be recovered from the locker holder in addition to the locker rent.

11.11 A separate module for Safe Deposit Lockers is available in the System. The Branches are advised to make use of locker. Every visit to the Branch for locker operation should be properly recorded.

11.12 The shifting of lockers may take place on account of various reasons such as merger/closure/shifting of branch warranting physical relocation of the lockers, the bank shall give public notice in two newspapers (including one local daily in vernacular language). In that event, due notice to be given to the locker holders at least two months in advance along with options for them to change or close facility or to remove the contents of the lockers for a short period so as to enable the Bank to shift the lockers without causing any damage to locker contents. The guidelines / instructions given by the Corporate Office in this regard should be followed in toto, without fail.

SECTION - I

Customer Grievance Redressal Mechanism

1. Introduction

In the present scenario of competitive banking, excellence in customer service is the most important and effective tool for sustained business growth. Customer complaints are part of the business life of any corporate entity. This is more so for banks because banks are service oriented organizations.

Unity Small Finance Bank Limited (hereinafter referred to as “**the Bank**”) believes that providing prompt and efficient service is essential not only to attract new customers, but also to retain existing ones. The Bank shall strive to provide the highest quality of customer service to ensure continued customer satisfaction, retention, and sustained growth of business. It shall also operationalize a mechanism for effective redressal of customer grievances.

This policy document aims at minimizing instances of customer complaints and grievances through proper service delivery and review mechanism and to ensure prompt redressal of customer complaints and grievances. The review mechanism should help in identifying shortcomings in product features and service delivery. The bank's policy on grievance redressal follows the under noted principles. The policy document would be made available at all branches. The concerned employees should be made aware about the complaint handling process.

2. Objective

The objective of this Policy is to provide a framework, to enable the Bank to address Customer Complaints, Grievances and Redressal through grievance mechanism.

The Bank, through a comprehensive Customer Grievance Redressal Policy, intends to put in place systems, procedures, and review mechanism for minimizing instances of customer complaints and grievances and to ensure their prompt redressal. The key objectives of this policy are as under:

- Ensure unbiased, fair, and just treatment to customers, including both depositors and borrowers, on an ongoing basis
- Consistently assess the impact of services in order to serve clients better
- Provide clients formal and informal channels for feedback and suggestions
- Put in place a formal grievance redressal mechanism for clients and educate customers on such mechanism
- Ensure speedy and efficient resolution of customer issues with adherence to basic principles of transparency and integrity
- Educate the customers about alternate escalation mechanisms within and outside the Bank, for resolution of the complaints / issues if they are not satisfied with the Bank's response
- Ensure that there is a mechanism for compensating customers for any financial loss incurred by them on account of service gaps
- Protect customers against fraud, deception, or unethical practices.

3. Applicability

The policy document shall cover the details of grievance redressal mechanisms for customers and the procedures that the employees of the Bank need to follow when such a complaint arises or received. The policy shall apply to employees of the Bank as well as Business Correspondents (BCs)/ Agents and shall be applicable in respect of all customers catered to by branches or by BCs/ Agents/ business partners of the Bank. The policy shall cover all the products and services offered by the Bank including third party products distributed by the Bank.

4. Governance Structure

In line with RBI Guidelines, the Bank will put in place a grievance redressal mechanism at three levels i.e., the Board, Senior Management and Branches. The Customer Service Committee at the Board level shall assess and review the overall implementation of customer service policies and initiatives. The Standing Committee on Customer Service at Senior Management level shall serve as a micro level executive committee for driving the implementation of customer service policies and initiatives. It shall act as a bridge between the various units of the Bank and Customer Service Committee of the Board. The Branch Level Customer Service Committee shall act as a formal channel of communication between the customers and the Bank at the branch level. Branch Level Customer Service committees have been formed at all branches of the Bank. Bank also conducts monthly branch level customer meetings; this forum encourages customer to share their feedback and experience with the Bank. Feedback from these sessions is recorded and taken up for implementation. Customers shall directly approach the Corporate office of the Bank for any grievances/ complaints.

Banks shall review customer service / customer care aspects in the bank and submit a detailed memorandum in this regard to the Board of Directors, once every six months and initiate prompt corrective action wherever service quality / skill gaps have been noticed.

4.1 Customer Service Committee of the Board

The Committee shall include experts and representatives of customers as invitees and may also invite the Managing Director & Chief Executive Officer (MD & CEO)/ equivalent position and the Chairman of the Board to attend the meetings as and when such need arises. The Committee shall meet at least four times a year to review customer service/ customer care aspects, and to understand the difficulties faced by the customers and to get feedback on ways to improve customer service.

For Committee meetings, any two members of the above-mentioned membership shall form a quorum. Each Committee meeting shall be attended by a director, the Principal Nodal Officer (PNO) / Grievance Redressal Officer/ Nodal Officer, CBO and any one of CRO, CCO, CIO or COO.

The primary responsibilities of the Committee are as follows:

- Review and approve Customer Grievance Redressal Policy of the Bank
- Review details and types of complaints, ombudsman awards, implementation etc., and the time taken by the bank to resolve the said complaints. While examining the customer complaints data, the Committee shall also review staff accountability aspects.
- Take regular input on customer experience and service delivery from the Standing Committee on Customer Service, which in turn shall obtain inputs from Branch Level Customer Service Committees/ any other such committee/ PNO/ Grievance Redressal Officer and give suitable recommendations on key areas of improvement.

- Review the audit findings on quarterly basis of the services rendered to the customers
- Review results of survey of customer satisfaction and decide on steps for improvements in quality of customer service
- Review the details of the number of claims received pertaining to deceased depositors/ locker-hirers (if applicable) and those pending beyond the stipulated period, giving reasons
- Assess various types of customer/borrower complaints. Analyse the trend of such cases to ensure timely closure of complaints and taking steps to prevent recurrence of complaints of similar nature.
- Review Banking Ombudsman (BO) awards on a periodic basis, address systemic deficiencies brought out by these awards and report cases with delayed implementation of more than 3 months to the Board through the Customer Service Division with reasons for delay in facilitating necessary remedial action on priority
- On a quarterly basis, review the position of the complaints against the Bank with the BO offices/ Consumer Courts/ Courts and analyse the reasons for these complaints not getting resolved by the Bank itself and suggest measures for reducing the TAT for resolution of complaints.
- Ensure correct disclosure of the customer complaints in the financial statements.
- Review the minutes of the Standing Committee on Customer Service

4.2 Standing Committee on Customer Service

- The Standing Committee on Customer Service meets on a quarterly basis and is chaired by the MD & CEO of the Bank and in his absence same shall be chaired by PNO/ Grievance Redressal Officer. This includes the senior management of the Bank and non-officials (customer, preferably a senior citizen) as its members.
- The Internal Ombudsman, shall be a special invitee to the meeting. The Standing Committee on Customer Service shall meet on a periodic basis to review the implementation of customer service initiatives across the Bank.
- For Committee meetings, the minimum quorum shall be at least 3 members of the above-mentioned membership.

The primary responsibilities of the Committee shall be as under:

- Analyse the complaint received – number, nature, turnaround time, systemic deficiencies noticed, and improvements required
- Ensuring timely and effective compliance of the RBI instructions on customer service
- Obtaining independent feedback on the quality of customer service to ascertain if the action taken by the Bank are in tune with the spirit and intent of such instructions
- Reviewing existing practices and procedures which may lead to frequent customer complaints, and initiate necessary corrective actions on an ongoing basis to improve these procedures
- Submitting the report/minutes of the meeting to the Customer Service Committee of the Board covering the areas reviewed, procedures/ practices identified and simplified
- Examining the quarterly reports submitted by the Branch Level Customer Service Committees and providing relevant feedback to the Customer Service Committee of the Board.

4.3 Branch Level Customer Service Committees

The Branch Level Customer Service Committee shall act as a formal channel of communication

between the customers and the Bank at the branch level. Branch Level Customer Service committees have been formed at all branches of the Bank. Bank also conducts monthly branch level customer meetings; this forum encourages customer to share their feedback and experience with the Bank. Feedback from these sessions is recorded and taken up for implementation. Customers shall directly approach the Corporate office of the Bank for any grievances/complaints.

4.4 Customer Service Division

A Customer Service Division (CSD) under Operations vertical shall have the overall responsibility of customer service. The primary responsibility of CSD shall be as under:

- Perform root cause analysis of customer complaints
- Placing minutes to Standing Committee on Customer Service, capturing customer grievances, cases of delay and other difficulties faced by customers and customer feedback/suggestions to improve customer service.
- Enable the Standing Committee to examine the inputs/suggestions and provide relevant feedback to the Customer Service Committee for necessary policy/procedural action.

4.5 Grievance Redressal Officer and Principal Nodal Officer (PNO)

The PNO at the Head Office level shall be the point of contact with whom the BO, Indian Banks' Association (IBA) and RBI can liaise for resolution of customer complaints.

The CSD shall ensure that following details are displayed in the branches and on the website of the Bank.

- Details of Principal Nodal Officer/ Regional/ Zonal Nodal officers alongwith the complete address, telephone / fax number, email address, etc
- Contact details of the BO Offices of the respective areas
- Grievance Redressal Mechanism

5. Complaints Handling and Resolution Process

A 'complaint' means a representation in writing, through electronic means/telephone or oral containing a grievance alleging deficiency in banking service as mentioned in clause 8 of the Banking Ombudsman Scheme, 2006.

5.1 Types of Complaints

- **Transaction related:** In the areas of deposit/ cash / opening of account/ transfer of account/ closure of account/ claims on deceased depositors' accounts/ TDS /service charge, etc.
- **Branch related:** Basic facilities to customers/ ambience/ Customer service area/ long queue, etc.
- **Staff related:** Alleged harassment, misbehaviour /use of rude language, alleged bribery etc.
- **Lending related:** Delayed disbursements, modifications in terms and conditions of sanction, excessive follow-up for collections, improper behaviour of recovery agents, discrimination based on gender, caste, religion, loan frauds and such other lending related complaints
- **Technology related:** Disputed ATM transaction/ POS transaction/ Internet banking transaction/Mobile banking transaction/ RTGS/ NEFT
- **Business Correspondent related:** Misbehaviour/ use of rude language, mis-selling of

products, levy of fees/ commission/ additional charges, technology related issues at BC outlets, non-availability of the BC agents at field level, denial of services to customers, etc.

The customer complaints received by the Bank shall be categorized based on the criticality and severity of the complaint, which shall be guided by the Bank's Standard Operating Procedures (SOPs). While all categories of grievances shall be dealt with the same urgency and speed, the resolution provided, and the action taken may vary based on the severity.

The Bank's grievance redressal mechanism provides for a comprehensive framework for registration, tracking, resolution, and analysis of customer complaints. A robust review mechanism shall assist the Bank in identifying and resolving gaps in the customer service, product features and the delivery of the products through its own branches and BCs/ agents.

5.2 Registration & Tracking of Complaints

1. The customer shall be able to register the complaint through multiple channels which may include:
 - Complaint form/ suggestion box
 - Complaints register or oral complaints at the branch
 - Written or verbal complaints from customers at centre meetings, compulsory group trainings, exit interviews, etc.
 - Complaint calls to the Branch, / helpdesk number
 - Grievances received through emails or through internet or mobile banking
 - Complaints received through BO, BCSBI, RBI, Centralized Public Grievance Redress & Monitoring System (CPGRAMS) of the Government of India
 - Complaints received through physical letter and Social Media
2. The customer shall be given an acknowledgement of his complaint instantly by way of a reference number, in case of complaints received on Customer service email id and in branches. All customer complaints received through digital channels shall be acknowledged through emails/ SMS. In case of complaints received on RBI CMS portal and by way of emails from RBI, the Bank shall ensure that the complaints are responded within stated timelines.
3. A copy of the complaint shall be sent to the Customer Service Division - Head Office of the Bank. The PNO shall ensure that the complaints are resolved within the timelines as stipulated in the SOPs, if the complaints are received through complaint/ suggestion box or complaint register. For any customer complaints received through alternate channels such as customer care numbers, website, or emails or through external channels such as BO, BCSBI or CPGRAMS, the PNO shall ensure that the complaints are assigned to the respective business units responsible for resolution within the stipulated timelines as specified in the SOPs.
4. The Customer Service Division shall maintain a register for all complaints received alongwith timelines and actions taken for resolution.

5.3 Resolution of Complaints / Grievances

- The PNO shall monitor the resolution of complaints and ensure that these complaints are not escalated.

- The customer grievance escalation mechanism shall be displayed in the branches and on the website.
- The timeframe for resolution of complaint shall be communicated to the customers and in case, additional time shall be required for redressing the grievance, an interim response shall be sent to the customers.
- The PNO shall review the classification and allocation of complaints to respective departments and check whether the resolution is complete and correct.

5.4 Escalation of Complaints

The Bank shall adopt a four-tier approach for handling escalation of complaints/ grievances by the customers. Escalation of customer complaints/ grievances shall be handled in a structured manner as under:

Level of Escalation	Official to be approached	Mode of communication
Level 1	Centralised Customer Care team/ Regional Nodal Officers	Call/ E-mail/ Physical mode
Level 2	Level 2 Escalation Officer	Call/ Email
Level 3	Principal Nodal Officer (PNO) / Grievance Redressal Officer (Central)	Call/ Email
Level 4	Reserve Bank of India- Integrated Ombudsman	Online (through portal)/ Email/ Physical forms (via post/ hand-delivered complaints)

Please note:

1. The Bank shall put in place an escalation matrix, duly approved by the Board, from time to time. This approved matrix shall specifically contain the names, designations, address and contact details of the designated officials.
2. The Bank shall inform the customers that if the customer is not satisfied with the resolution provided by the centralized customer care team or regional nodal officers or if the customer does not hear from us in 7 days, they may approach the Level 2 Escalation Officer.
3. If the customer is not satisfied with the resolution provided by the Level 2 Escalation Officer or if the customer does not hear from us in 15 days, the Bank shall inform the customer that he may approach the PNO/ Grievance Redressal Officer (Central) . The Bank shall ensure that appropriate efforts are made to resolve the escalated complaints within the Bank itself. In case of inability to resolve the complaint within the Bank, appropriate reasons shall be documented for non-resolution of such complaints.
4. If the customer is not satisfied with the resolution provided by the PNO/ Grievance Redressal Officer (Central) or if the customer does not hear from us in 30 days, then the customer may escalate his grievance to the banking ombudsman within one month from the date of such intimation. The Bank shall endeavor to redress all customer grievances through its internal grievance redressal mechanism.

6. Customer Compensation

The Bank shall compensate the customer for financial losses, if any, in the following cases only after proper verification:

- Erroneous/ unauthorized debit to customer account
- Failed transactions through remote delivery channels where the amount is debited to customer account
- Failure to execute direct debit/ ECS debit instructions
- Payment made under cheque after acknowledging stop payment instructions
- Delayed collection of local/ outstation cheques
- Lost cheques/ instruments while in transit, during clearing or at the Branch
- Violation of code by the Banks' staff or agent
- Mis-selling of third-party products
- Delay in credit to customer's account

The procedure for the pay-out of compensation amount shall be in line with the Bank's Customer Compensation Policy. The pay-out of compensation shall be approved as per the approval matrix outlined in the Delegation of Financial Authority approved by the Board.

7. Reporting Requirements

PNO/ Grievance Redressal Officer (Central) shall place to Customer Service Committee of the Board/ Standing Committee on Customer Service a report containing the following key aspects, on a periodic basis, including but not limited to the:

- Gaps in implementation of code of conduct towards customers
- Changes required in products/ services/ procedures to improve customer service
- Instances of mis-selling of products
- Position of complaints against the Bank with BO & Consumer Courts
- Root cause analysis of the top five complaints category for each quarter.

SECTION - J

Customer Compensation, Protection & Liability Policy

1. INTRODUCTION

Unity Small Finance Bank Limited (hereinafter referred to as “the Bank”) believes in fair treatment to its customers and providing responsive banking service. The Bank promotes ethical behaviour based on the principles of integrity and transparency by staff towards its customers. The Bank seeks to offer quality customer service and shall endeavour to ensure that the customers do not face any challenges while utilizing any of the Bank’s products or services.

Taking into account the risks that arise out of unauthorized debits to customer accounts owing to customer negligence/ bank negligence/ banking system frauds/ third party breaches, the Bank shall ensure that the systems and procedures followed in the bank are designed in way that the customer feels safe about carrying out electronic banking transactions

In case of any customer grievances, the customer shall be free to voice his grievances through the Grievance Redressal machinery. This policy seeks to document the principles on which customers will be compensated for any defect/ deficiency in products/ services.

This policy covers only compensation for actual financial loss, if any, which customer might incur due to deficiency in the services offered by the Bank, which can be measured directly. The commitments under this policy are without prejudice to any right the Bank will have in defending its position before any forum duly constituted to adjudicate banker-customer disputes.

2. OBJECTIVES

The objective of this Policy is to establish a system, which will enable the Bank to compensate the customer for any direct financial loss the customer might have incurred due to deficiency in services on the part of the Bank or any act of omission or commission directly attributable to the Bank.

The policy document shall cover the details of the procedure the employees of the Bank need to follow when compensation is to be paid in respect of any complaint/grievance. The policy will cover all the products and services offered by the Bank including third party products distributed by the Bank.

The key objectives of the Customer Compensation Policy are to:

- Put in place a comprehensive document in which compensation under other policies are covered

- Lay down a framework for compensating customers in different types of scenarios without demur, which is in line with the regulatory requirements
- Ensure that the Bank employees at all levels are aware of the policy of the Bank in this regard, so that dealing with the customers is uniform across geography and types of customers and is based on transparent standards/procedures.
- Communicate clearly to the customer that the Bank shall be liable only to the extent of direct financial loss suffered by the customer and the timelines within which the customer shall be compensated.
- Communicate in a fair and transparent manner the framework of customer protection (including mechanism of creating customer awareness on the risks and responsibilities involved in electronic banking transactions), customer liability in cases of unauthorized electronic banking transactions and compensation payable to the customer on account of unauthorized electronic banking transactions (within defined timelines).

This policy document shall include the compensation relating to the following:

- Erroneous debits arising on fraudulent or other transactions through any channel.
- ECS direct debits/ other debits to accounts.
- Payment of cheques after acknowledgement of 'Stop Payment' instructions
- Payment of interest for delays in cheque collection
- Cheques/ Instruments lost in transit/ in clearing process or at branches
- Transaction of 'at par' instruments of co-operative banks
- Issue of Duplicate Draft and Compensation for Delays
- Delay in crediting amounts of failed ATM transactions
- Delay in affording credits and/ or returning of electronic transactions
- Credit cards
- Loss or damage to the contents of safe deposit lockers
- Force Majeure
- Other unauthorized actions of the Bank leading to a financial loss to customer
 - Delay in release of securities/ documents/ title deeds
 - Mis-selling of third-party products
 - Timelines for payment of compensation amount
 - Violations of Code by the Bank's agents

3. SCOPE

The customer may approach Branch Manager/ Relationship Manager or through any other medium provided by the Bank about the dissatisfaction or defect/ deficiency in the products/ services that is being utilized. Alternatively, the customer may highlight his grievances through the customer care helpline or through dedicated email addresses. Apart from the internal channels, the customer may also point out the defects/ deficiencies in products/ services through external channels such as the RBI Integrated Banking Ombudsman (BO). Customers shall be educated and encouraged to approach the Banks grievance redressal machinery before approaching any external agencies.

The customer complaints shall be dealt with as per the procedure outlined in the Customer Grievance Redressal Policy and Escalation Matrix. Upon investigation of the complaint, if the customer has been found to be unfairly treated or has been subject to any unauthorized actions of the Bank staff or his

account has been debited wrongly, the customer shall be compensated in line with the principles as laid down in this policy.

4. GOVERNANCE STRUCTURE

In line with RBI guidelines, the Bank has a governance mechanism for review and monitoring of grievances at three levels i.e. the Board, Senior Management and Branches which has been elaborated in the Bank's Customer Grievance Redressal Policy. The Customer Service Committee at the Board level, shall assess and review the overall implementation of customer service policies and initiatives. The Standing Committee on Customer Service at Senior Management level, shall serve as a micro level executive committee for driving the implementation of customer service policies and initiatives and shall act as a bridge between the various units of the Bank and Customer Service Committee of the Board. The Branch Level Customer Service Committee, shall act as a formal channel of communication between the customers and the Bank at the branch level. Further, the Bank has in place a Board approved Customer Grievance Redressal Policy and Escalation Matrix and all the complaints shall be dealt in accordance with the same.

5. GRIEVANCE REDRESSAL DIVISION & PRINCIPAL NODAL OFFICER

The Bank shall form a Customer Service Cell to oversee the level of customer service provided by the Bank and also the implementation of the customer complaint handling mechanism for the entire bank. This cell shall be headed by a Principal Nodal Officer (PNO) (Head – Customer Service) who shall review on monthly basis the cases where customer compensation proceedings were initiated. The PNO shall identify and study trends and report such trends and other key matters to the Standing Committee on Customer Service.

6. INTERNAL OMBUDSMAN

The Internal Ombudsman of the Bank, who is the focal point for the Internal Grievance Redressal System, shall ensure that all complaints which are rejected or partially accepted by the Bank are examined and he/she shall facilitate resolution/settlement/agreement of such grievances through conciliation and mediation between the Bank and the aggrieved party or by passing an Advisory in accordance with the Scheme. The detailed policy guidelines pertaining to Internal Ombudsman shall be in line with RBI Master Direction – Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023.

7. STRENGTHENING OF SYSTEMS AND PROCEDURES

Broadly, the electronic banking transactions can be divided into two categories:

- i. Remote/ online payment transactions (transactions that do not require physical payment instruments to be presented at the point of transactions e.g. internet banking, mobile banking, card not present (CNP) transactions), Pre-paid Payment Instruments (PPI)
- ii. Face-to-face/ proximity payment transactions (transactions which require the physical payment

instrument such as a card or mobile phone to be present at the point of transaction e.g. ATM, POS, etc.)

The Bank shall ensure to have systems and procedures to make customers feel safe about carrying out electronic banking transactions. To achieve this, bank shall put in place:

- i. appropriate systems and procedures to ensure safety and security of electronic banking transactions carried out by customers;
- ii. robust and dynamic fraud detection and prevention mechanism;
- iii. mechanism to assess the risks resulting from unauthorised transactions and measure the liabilities arising out of such events;
- iv. appropriate measures to mitigate the risks and protect themselves against the liabilities arising therefrom; and
- v. a system of continually and repeatedly advising customers on how to protect themselves from electronic banking and payments related fraud.

8. LIMITED LIABILITY OF A CUSTOMER

8.1. Zero Liability of a customer

A customer's entitlement to zero liability shall arise where the unauthorised transaction occurs in the following events:

- i. Contributory fraud/ negligence/ deficiency on the part of the Bank (irrespective of whether or not the transaction is reported by the customer).
- ii. Third party breach where the deficiency lies neither with the Bank nor with the customer but lies elsewhere in the system, and the customer notifies the Bank within three working days of receiving the communication from the Bank (by SMS alert, email or letter) regarding the unauthorised transaction.

8.2. Limited Liability of Customer

- i. A customer shall be liable for the loss occurring due to un-authorised transactions in the following cases: In cases where the loss is due to negligence by a customer, such as where he has shared the payment credentials, the customer will bear the entire loss until he reports the un-authorised transaction to the Bank. Any loss occurring after the reporting of the un-authorised transaction shall be borne by the Bank.
- ii. In cases where the responsibility for the un-authorised electronic banking transaction lies neither with the Bank nor with the Customer, but lies elsewhere in the system and when there is a delay (of four to seven working days after receiving the communication from the Bank) on the part of the Customer in notifying the Bank of such a transaction, the per transaction

liability of the Customer shall be limited to the transaction value or the amount mentioned in Table 1, whichever is lower.

Table 1	
Maximum Liability of a Customer under Para 7 (ii) of RBI Circular - Customer Protection – Limiting Liability of Customers in Unauthorised Electronic Banking Transactions, dated July 6, 2017.	
Type of Account	Maximum Liability (Rs.)
<ul style="list-style-type: none"> • BSBD Accounts 	5,000
<ul style="list-style-type: none"> • All other SB accounts • Pre-paid Payment Instruments and Gift Cards • Current/ Cash Credit/ Overdraft Accounts of MSMEs • Current Accounts/ Cash Credit/ Overdraft Accounts of Individuals with annual average balance (during 365 days preceding the incidence of fraud)/ limit up to Rs.25 lakh • Credit cards with limit up to Rs.5 lakh 	10,000
<ul style="list-style-type: none"> • All other Current/ Cash Credit/ Overdraft Accounts • Credit cards with limit above Rs.5 lakh 	25,000

- iii. Further, if the delay in reporting is beyond seven working days, the customer liability shall be determined by the relevant committee of the Bank to decide about the payment of compensation in respect of such cases on merits. The maximum compensation that shall be paid to the customers in such cases shall be up to INR 25,000 or such value as decided by the relevant committee on case to case basis.
- iv. Overall liability of the customer in third party breaches, , where the deficiency lies neither with the Bank nor with the customer but lies elsewhere in the system, is summarised in the Table 2:

Table 2	
Summary of Customer's Liability	
Time taken to report the fraudulent transaction from the date of receiving the communication	Customer's liability (₹)
Within 3 working days	Zero liability
Within 4 to 7 working days	The transaction value or the amount mentioned in Table 1, whichever is lower
Beyond 7 working days	As per policy

The number of working days mentioned in Table 2 shall be counted as per the working schedule of the home branch of the customer excluding the date of receiving the communication.

8.3. Reversal Timeline for Zero Liability/ Limited Liability of customer

On being notified by the customer, the amount involved in the un-authorized electronic transaction shall be credited (shadow reversal) to the customer's account within 10 working days from the date of such notification by the customer (without waiting for settlement of insurance claim, if any). The Bank at its discretion may decide to waive off any customer liability in case of un-authorized electronic banking transactions even in cases of customer negligence. The credit shall be value dated to be as of the date of the un-authorized transaction.

8.4. Miscellaneous

Further, the Bank shall ensure that:

- i. Complaints are resolved and liability of the customer, if any, established within such time, as may be specified in the bank's Board approved policy, but not exceeding 90 days from the date of receipt of the complaint, and the customer is compensated as per abovementioned provisions;
- ii. Where the Bank is unable to resolve the complaint or determine the customer liability, if any, within 90 days, the compensation as prescribed, is paid to the customer;
- iii. In case of debit card/ bank account, Bank shall ensure that the customer does not suffer loss of interest, and in case of credit card, the customer does not bear any additional burden of interest.

9. OBLIGATIONS OF THE CUSTOMER

- i. Customer shall mandatorily register valid mobile number with the Bank where he/she will get an alert for all financial electronic debit transactions.
- ii. Customer shall regularly update his/her registered contact details as soon as such details are changed. Any failure of customer to update the Bank with changes shall be considered as customer negligence. Any unauthorized transaction arising out of this delay shall be treated as customer liability.
- iii. Customer should co-operate with the Bank's investigating authorities and provide all the necessary documentation i.e. proof of transaction success/ failure etc. and should also file a police complaint and provide copy of the same to the Bank.
- iv. Customer must not share sensitive information (such as Debit Card details & PIN, CVV, Net-Banking Id & password, OTP etc.) with anyone, including bank staff.
- v. Change ATM/ Debit Card/ Credit Card PIN frequently, at least once a month
- vi. Press the 'Cancel' key before moving away from the ATM and should remember to take the card and transaction slip.
- vii. Report lost/ stolen ATM card to card- issuing Bank immediately.
- viii. Customer must protect his/her device (Laptop/Desktop etc.) as per the best practices, including updation of latest anti-virus software on the device.
- ix. Customer shall go through various instructions and awareness communication sent by the bank on secured banking i.e. through SMS etc.
- x. Customer must verify transaction details from time to time in his/her bank statement and raise query with the bank as soon as possible in case of any mismatch.

10. RECOGNITION OF DEFICIENCY AND COMPENSATION

10.1. Erroneous debits arising on fraudulent or other transactions through any channel

- In case of any fraudulent / unauthorized / erroneous encashment/debit to a customer account, the Bank shall reverse the entry with value-dated credit to the deposit / overdraft / loan account of the customer, immediately on being detected / informed, after due verification and further compensate its customer without demur if it is evident that an irregularity/ fraud / unauthorized/erroneous debit has taken place in the account of the customer. The amount of compensation shall be the amount of debit along with the direct financial loss (savings bank interest, waiver of interest in a loan account or waiver charges on account of non-maintenance of balance or dishonour of cheques/ ECS/ NACH/ NEFT/ RTGS due to insufficient balance on account of such debit) as applicable, to the customer. The customer should approach the Bank within a maximum period of 45 days from the date of erroneous debit.
- In case the process of verification of the debit reported to be erroneous by the customer doesn't involve any third party, the Bank will try to complete the process of verification within 7 days from the date of reporting of such erroneous debit. In case the verification process involves a third party, the Bank will ensure to complete the process of verification within 1 month from the date of reporting of such erroneous debit.
- The Bank reserves its right to debit the account for reversing the amounts in case a wrong credit is posted to a customer's account without payment of any compensation.

10.2. Reporting of unauthorized transactions by customers to the Bank.

- a) Customers will be mandatorily registered for SMS alerts and wherever available registered for e-mail alerts, for electronic banking transactions. The SMS alerts shall mandatorily be sent to the customers, while email alerts may be sent, wherever registered.
- b) The customers will be advised to notify the Bank of any unauthorised electronic banking transaction at the earliest after the occurrence of such transaction, and informed that the longer the time taken to notify the Bank, the higher will be the risk of loss to the bank/ customer. To facilitate this, the Bank will provide customers with 24x7 access through multiple channels (at present a dedicated toll-free helpline is available) for reporting unauthorised transactions that have taken place and/ or loss or theft of payment instrument such as card, etc.
- c) The Bank will also enable customers to instantly respond by "Reply" to the SMS and e-mail alerts and the customers will not be required to search for a web page or an e-mail address to notify the objection, if any.
- d) Further, a direct link for lodging the complaints, with specific option to report unauthorised electronic transactions shall be provided by the Bank on home page of the website <https://www.theunitybank.com>.
- e) The loss/ fraud reporting system shall also ensure that immediate response (including auto response) is sent to the customers acknowledging the complaint along with the registered complaint number.
- f) The communication systems used by the Bank to send alerts and receive their responses thereto will record the time and date of the message sent and receipt of customer's response, if any, to the Bank. This shall be important in determining the extent of a customer's liability.

- g) The Bank will not offer facility of electronic transactions, other than ATM cash withdrawals, to customers who do not provide mobile numbers to the Bank.

On receipt of report of an un-authorised transaction from the customer, the Bank will take immediate steps to prevent further un-authorised transactions in the account.

11. NATIONAL AUTOMATED CLEARING HOUSE (NACH), DIRECT DEBITS/ OTHER DEBITS TO ACCOUNTS

- If the Bank fails to carry out the direct debit/ NACH instructions of customers for reasons which can be directly attributable to the Bank, the Bank shall compensate the customer to the extent of direct financial loss, if any, . The customers will be compensated at the prevailing fixed deposit interest rate for the period between the due date of direct ECS debit and the date of actual debit carried out by the Bank.
- In case of ECS Direct Debits/ other debits which are towards payments of Equated Monthly Installments (EMI), the Bank will reimburse the customer, the penal interest and/or late payment charges, if any, after production of necessary proofs and thorough investigation of the same. The compensation for such financial losses will, however, be restricted only to reimbursement of actual expenses incurred by the customer e.g. penalty/interest paid by the customer to normalize the repayment schedule which got disturbed on account of delay/failure in carrying out the instruction.
Electronic payment such as RTGS/ EFT/ NEFT instruction will be governed by the applicable terms and conditions as communicated to the customer.
- If the Bank levies any service charges or other fees which are not as per the tariff schedule, terms and conditions governing the product and/ or the agreement of the Bank with the customer, the Bank shall reverse the charges after verification (only if it is not in accordance with the agreed terms and conditions and compensate the customer for any direct financial loss as decided by the relevant committee.

12. PAYMENT OF CHEQUES AFTER ACKNOWLEDGEMENT OF ‘STOP PAYMENT’ INSTRUCTIONS

In case a cheque is debited after ‘Stop Payment’ instructions have been received and acknowledged by the Bank, the Bank shall reverse the transaction within 2 working days from the date of reporting by the customer and give value-dated credit to the customer’s account. The Bank shall also compensate the customer towards the direct financial loss, if any, suffered by the customer on account of such debit as decided by the relevant committee.

13. PAYMENT OF INTEREST FOR DELAYS IN CHEQUE / INSTRUMENT COLLECTION

The Bank shall compensate the customer in case of any delay in collection or realisation of local and/ or outstation cheques in the form of interest on the amount of the instrument if there is any delay in giving credit beyond the stipulated time period.

a. Local Cheques:

Local cheques are subject to the clearing process of clearing cycle for the respective location. Cheques accepted across counter and collection boxes in the branch premises before the cut-off time will be presented for clearing on the same day. Cheques deposited after the cut-off time and in collection boxes outside the branch premises will be sent for clearing the next day.

The Bank shall pay interest, at the applicable savings account rate, to the customer on the cheque amount in case there is a delay in giving credit beyond the specified time period. Such interest shall be paid without any demand from customers in all types of accounts. There shall be no distinction between instruments drawn on the Bank's own branches or on other banks for this purpose of payment of interest on delayed collection.

b. Outstation Cheques

The Bank shall pay interest for delayed collection at the following rates:

- Applicable Savings Bank rate for the period of delay beyond 7/10/14 days for State Capitals / major cities / other locations as the case may be in collection of outstation cheques.
- Where the delay is beyond 14 days interest will be paid at the rate applicable for term deposit for the respective period.
- In case of extraordinary delay, i.e. delays exceeding 90 days interest will be paid at the rate of 2% above the corresponding Term Deposit rate.
- In the event the proceeds of cheque under collection were to be credited to an overdraft/loan account of the customer, interest will be paid at the rate applicable to the loan account. For extraordinary delays, interest will be paid at the rate of 2% above the rate applicable to the loan account.

c. Payment of interest for Delays in collection of bills

The Bank shall pay interest to the lodger for the delayed period in respect of collection of bills at the rate of 2% p.a. above the rate of interest payable on balances of Savings Bank accounts. The delayed period should be reckoned after making allowance for normal transit period based upon a time frame of 2 days each for (i) Despatch of bills; (ii) Presentation of bills to drawees (iii) Remittance of proceeds to the lodger's bank (iv) Crediting the proceeds to drawer's account

Note: At certain locations where the Bank has no branches, the instrument will be directly sent for collection to the drawee bank or collected through a correspondent bank. On account of any unjustified delays on part of the drawee bank in sending proceeds, the Bank will not be liable to pay any compensation to the customer, beyond 14 working days.

14. CHEQUES/ INSTRUMENTS LOST IN TRANSIT/ IN CLEARING PROCESS OR AT BRANCHES

- If a cheque/ instrument accepted for collection is lost in transit or in clearing process or at the Branch, the Bank shall immediately inform the accountholder so that the drawer can be informed to record stop payment. The Bank shall also request the customer to ensure that other cheques issued by him/her are not dishonoured due to non-credit of the amount of the lost cheque/instrument.

- If the cheque/instrument has been lost at the paying bank's branch, the collecting bank will have a right to recover the amount, including charges / interest expenses, reimbursed to the customer for the loss of the cheque/instrument from the paying banker.
- The Bank shall pay interest for the period exceeding the stipulated cheque collection period (7/ 10/ 14 days) at the applicable savings bank rate.
- In addition, the Bank shall pay interest on the amount of the cheque for a further period of 15 days at the savings bank rate to provide for likely further delay in obtaining duplicate cheque/ instrument and collection thereof.
- The Bank shall also compensate the accountholder for any direct charges at actuals up to Rs. 500/- that the customer might incur in getting duplicate cheques/instruments, upon production of relevant documentary proof.

15. TRANSACTION OF 'AT PAR INSTRUMENTS' OF CO-OPERATIVE BANKS

Bank will not honour cheques drawn on current accounts maintained by other Bank with it unless arrangements are made for funding against cheques issued. The co-operative bank from whose account the cheques have been issued would be responsible to compensate the cheque holder for non-payment/ delayed payment of cheques in the absence of adequate funding arrangement.

16. ISSUANCE OF DUPLICATE DRAFT AND COMPENSATION FOR DELAYS

- In case of loss of demand draft, the Bank shall issue a duplicate draft, in lieu of lost draft within a fortnight from the receipt of such request. For any delay beyond the stipulated period, the Bank shall pay interest at the rate applicable for fixed deposit of corresponding maturity as compensation to the customer, provided the request for the duplicate demand draft is made by both the purchaser and the beneficiary jointly and the documentation formalities are completed. The compensation shall not be available if the draft is endorsed to third parties.
- It may be noted that duplicate draft, in lieu of lost draft, up to and including ₹ 5,000/- may be issued to the purchaser on the basis of adequate indemnity and without insistence on seeking non-payment advice from drawee office irrespective of the legal position in this regard, within a fortnight of receipt of such request. In default of the same, compensation shall be payable at the rate mentioned above.

17. DELAY IN AFFORDING CREDIT AND/ OR RETURNING ELECTRONIC TRANSACTIONS

- If the Bank fails to meet the RBI /ACH (Automated Clearing House) prescribed timelines with respect to NEFT/ ECS/ ACH transactions, the Bank shall compensate the customer to the extent of penal interest at the RBI LAF (Liquidity adjustment facility) Repo Rate plus 2% from the due date of credit till the date of actual credit for any delayed credit to the customer's account. Penal interest shall be credited to the beneficiary's account even if no claim is lodged.

- In case of delay in credit on the same day for RTGS transactions, compensation shall be paid to the customer for one day. In the event of any delay or loss on account of error, negligence or fraud on the part of an employee of the Bank in the completion of funds transfer pursuant to receipt of payment instruction by the Bank leading to delayed payment to the customer, the Bank will pay compensation at current RBI LAF Repo Rate plus 2% for the period of delay.
- In the event of delay in return of the funds transfer instruction for any reason whatsoever, the Bank will refund the amount to the remitter together with interest at the current RBI LAF Repo Rate plus 2% till the date of refund. In case of delay in return of funds on the same day for RTGS transactions, compensation shall be paid to the remitter for one day.

18. DELAY IN CREDITING AMOUNTS OF FAILED ATM TRANSACTIONS

- In case if there is a debit to the customer's account but the cash is not dispensed through the ATM and the account is wrongfully debited, the Bank shall be liable to reverse the transaction within a maximum of T + 5 days from the date of receipt of the customer complaint.
- Further, the Bank shall compensate the customer if the transaction is not reversed within the stipulated time period at Rs. 100, per day beyond T+5 days. Bank shall pay such compensation together with the amount of the failed ATM transaction. This compensation shall be credited to the customer's account automatically without any claim from the customer, on the same day when the Bank affords the credit for the failed ATM transaction. Such compensation shall be affected to the customer's account suo moto, without waiting for a complaint or claim from the customer.

19. CREDIT CARDS

- Where it is established that the Bank had issued and activated a credit card/ existing card has been upgraded without written/ digital consent of the customer and if the card is activated by the Bank without the cardholder's consent (intent for use by cardholder shall also be considered as cardholder's consent), the Bank would not only reverse the fees/ charges levied by the Bank immediately but also pay a penalty without demur to the customer amounting to twice the value of charges reversed in this regard.
- Operation of credit card account shall be in accordance with the Bank's credit card terms and conditions. Transactions reported as erroneous by customers in respect of credit card operations, which require specific reference to a merchant establishment will be handled as per Chargeback rules laid down by Visa/ MasterCard/ Rupay /NPCI. The Bank will provide explanation and, if necessary, documentary evidence to the customer within a maximum period of 60 days.
- In case Bank is unable to process customer closure request within 7 working days, it shall result in a penalty of ₹500 per day of delay payable to the customer, till the closure of the credit card provided there is no outstanding in the Credit card account.

20. LOSS OR DAMAGE TO THE CONTENTS OF SAFE DEPOSIT LOCKERS

Liability of Bank arising from natural calamities like earthquake, flood, thunderstorm, lightning etc. or due to sole negligence of the customer -Bank shall not be liable for any damage and/or loss of

contents of locker arising from natural calamities or Acts of God like earthquake, floods, lightning and thunderstorm or any act that is attributable to the sole fault or negligence of the customer.

Liability of Bank arising from events like fire, theft, burglary, dacoity, robbery, building collapse or in case of fraud committed by the employees of the Bank - In instances where it is established that the loss of contents of locker are due to incidents mentioned above or attributable to fraud committed by its employee(s), the Banks' liability shall be for an amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker.

21. DELAY IN CREDIT/PAYMENT OF PENSION

RBI has issued a circular that in case of genuine delay in payment of pension, the Bank will pay Bank rate plus 2% for the entire delayed period to the pensioner without asking for the same.

22. OTHER UNAUTHORISED ACTIONS OF THE BANK LEADING TO A LOSS TO CUSTOMER

a. Delay in release of securities/ documents/ title deeds

(A) Other than Personal Loans:

The Bank shall return the original security documents submitted by the borrower within 15 days of repayment of all dues by the borrower, including principal amount, interest, EMI, costs, service charges, and all other amounts due as per the loan agreement. The Bank shall retain the right to set off for settlement of any other claim, after giving due notice about the pending claims and shall retain the securities/ documents/ title to mortgaged property as continuing security till the relevant claim is settled/paid.. In case of delay on behalf of the Bank in return of securities/ documents/ title deeds to mortgaged property beyond 15 days of repayment of all dues agreed to or contracted, the Bank will pay compensation of Rs. 100/- per week subject to a maximum of Rs. 500.

(B) Personal loans*:

- In case of delay in releasing of original movable/ immovable property documents or failing to file charge satisfaction form with relevant registry beyond 30 days after full repayment/ settlement of loan, the Bank shall communicate to the borrower reasons for such delay. In case where the delay is attributable to the Bank, it shall compensate the borrower at the rate of ₹5000/- for each day of delay.
- In case of loss/ damage to original movable/ immovable property documents, either in part or in full, the Bank shall assist the borrower in obtaining duplicate/ certified copies of the movable/ immovable property documents and shall bear the associated costs, in addition to paying compensation as indicated above. However, in such cases, an additional time of 30 days will be available to the Bank to complete this procedure and the delayed period penalty will be calculated thereafter (i.e. after a total period of 60 days).
- The compensation to be provided above shall be without prejudice to the rights of a borrower to get any other compensation as per any applicable law.

** As defined in Annex to the Circular on 'XBRL Returns – Harmonization of Banking Statistics' dated January 04, 2018.*

(C) However, the Bank will not pay any compensation to the borrower(s)/guarantor(s) under the following cases:

- Force Majeure events as detailed in this Policy
- Any delay on part of the borrower(s)/guarantor(s). E.g. Unavailability or delay in producing identity verification proofs by borrower(s)/guarantor(s).
- In case the borrower(s)/guarantor(s) have changed their residential/ mailing address/phone numbers and have not communicated the same to the Bank, due to which the Bank is unable to contact them for collection of securities/documents/title deeds to the mortgaged property.

In case the Bank receives any complaint/claim/demand from the borrower(s)/guarantor(s), legal heirs, executors, successors, joint owners/holders, etc. communicating about inter se disputes and/or not to hand over the title documents or hand over the same to particular person(s), etc., the Bank will direct the parties to resolve their disputes and thereafter approach the Bank with a joint application signed by all concerned for release of such title documents or obtain necessary direction from competent authority/court. Until then the Bank will not be liable to release securities/documents/title deeds to the borrower(s)/guarantor(s) and hence will not be liable to pay any compensation to any party in this regard.

b. Mis-selling of third-party products

With respect to mis-selling, the Bank shall take appropriate steps to investigate any disputes related to distribution of third party products and ascertain if there were any violations. The relevant committee shall decide the compensation if any payable in respect of such cases on merits subject to claim by the customer.

c. Erroneous Debits arising on fraudulent or other transactions

- (i) The bank shall exercise vigilance against unscrupulous persons opening accounts for the purpose of using them as a conduit for fraudulent collection and encashment of payment instruments or using them as a conduit for routing of transactions for receipt and transfer of funds, by ensuring strict adherence to guidelines and procedures for opening of accounts, monitoring and reporting of suspicious / fraudulent transactions/ events. The Bank shall have necessary controls in place and adopt due diligence measures to prevent opening of such accounts especially in the name/s similar to already established concern/s.
- (ii) In case of any such events, the Bank shall carry out proper investigation in the matter, taking care to avoid unwarranted debit of drawers' accounts.
- (iii) Besides in cases of the above kind, the bank shall restore funds promptly to customers in bona-fide cases but and shall not defer such action till completion of either departmental action or police interrogation.

Therefore,

- (i) In case of any fraud, if the Bank is convinced that an irregularity / fraud has been committed by its staff towards any constituent, the Bank shall at once

- (ii) acknowledge its liability and pay the just claim, in cases where the bank is at fault, the customer shall be compensated without demur.
- (iii) In cases where neither the bank is at fault nor the customer is at fault but the fault lies elsewhere in the system, the Bank will compensate the customer up to a limit of Rs. 5000/- Such compensation will be paid only once for every Customer Identification Number (CIN). .

23. VIOLATIONS OF CODE BY THE BANK'S AGENTS

- In the event of receipt of any complaint from the customer that the Bank's authorised representatives such as Direct Sales Associates (DSAs), Debt Collection Agencies (DCAs) etc. have engaged in any improper conduct or acted in violation of any Code adopted by the Bank, the Bank shall take appropriate steps to investigate and to handle the complaint. The relevant committee shall decide the compensation payable if any in respect of such cases on merits

24. COMPENSATION TO CUSTOMERS FOR DELAYED UPDATION / RECTIFICATION OF CREDIT INFORMATION

- In case of delayed updation/ rectification of credit information, the Bank shall be liable to pay ₹100 per calendar day in case the complaint raised by the complainant is not resolved within a period of 30 calendar days from the date of the initial filing of the complaint by the complainant with the Bank/ Credit Information Company (CIC).

Explanation:

- i. A complainant may request a CIC or Bank to update the credit information by making an appropriate correction, addition or otherwise, and on such request the Bank or CIC shall take steps to update the credit information within 30 days after being requested to do so.
 - ii. Bank shall forward the corrected particulars of the credit information to the CIC or complainant within a period of 21 days from the date when the Bank was informed about the inaccuracy in the credit information.
 - iii. An overall limit of 30 days to resolve/ dispose of the complaint shall apply. In effect, the Bank should forward the corrected particular within 21 days and the CIC should make the required changes within the remainder 9 days.
- Bank shall be liable to pay compensation to the complainant if the Bank has failed to send the updated credit information to the CICs by making an appropriate correction or addition or otherwise within 21 calendar days of being informed by the complainant or a CIC.
 - Bank shall advise the complainant of the action taken on the complaint in all cases, including the cases where the complaint has been rejected. In cases of rejection, the reasons for rejection shall also be provided by the Bank.
 - Compensation to be provided by the CICs/ the Bank to the complainant (for delayed resolution beyond 30 calendar days of filing the complaint) should be apportioned among the Bank/ CICs concerned on a proportionate basis.
 - When the grievance/ complaint involves inaccurate credit information provided by more than

one Bank/ Credit institution, the complaint shall be registered by the complainant with the concerned CIC. The CIC shall coordinate with all the Banks/ Credit institutions concerned and furnish the complainant with a comprehensive resolution of the grievance.

- When the complaint has been received and registered by a CIC and there has been a delay in the resolution of the complaint, the CIC shall inform the concerned Bank/ Credit institution and the complainant after the final resolution, regarding total delay (in calendar days) and the amount of compensation to be paid by the Bank and/ or CIC.
- When the complaint has been received and registered by the Bank and there has been a delay in the resolution of the complaint, the Bank shall inform the concerned CIC(s) and the complainant after the final resolution, regarding today delay (in calendar days) and the amount of compensation to be paid by the Bank and/ or CIC(s).
- In case of the above scenarios, the date of resolution of the grievance shall be the date when the rectified Credit Information Report has been sent by the CIC or the Bank to the postal address or email ID provided by the complainant.
- Bank shall credit the compensation amount to the bank account of the complainant within 5 working days of the resolution of the complaint.
- In case of wrongful denial of compensation by the Bank or CIC, the complainant can approach RBI Ombudsman, under the Reserve Bank- Integrated Ombudsman Scheme, 2021. However, in case such wrongful denial of compensation by Bank are not yet covered under the Reserve Bank- Integrated Ombudsman Scheme, 2021, the complainant can approach Consumer Education and Protection Cell (CEPC) functioning from Regional Offices of RBI.

25. HARMONISATION OF TURN-AROUND TIME (TAT) AND CUSTOMER COMPENSATION FOR FAILED TRANSACTIONS USING AUTHORISED PAYMENT SYSTEMS

1. In terms of regulatory directives issued by RBI vide Circular No. DPSS.CO.PD No.629/02.01.014/2019-20 dated 20.09.2019, the Bank shall adhere to the framework for turn-around-time (TAT) for customer compensation got failed transactions using authorised payment systems. While the prescribed TAT is the outer limit for resolution of failed transactions, the bank shall endeavour towards quicker resolution of such failed transactions.
2. Wherever financial compensation is involved, the same shall be effected to the customer's account suo moto, without waiting for a complaint or claim from the customer.
3. Customers who do not get the benefit of redress of the failure as defined in the TAT, can register a complaint to the Banking Ombudsman.

25.1 General Instructions covering the TAT:

- **The principle behind the TAT is based on the following:**
If the transaction is a 'credit-push' funds transfer and the beneficiary account is not credited while the debit to originator has been affected, then credit is to be affected within the prescribed

time period failing which the penalty has to be paid to the beneficiary. If there is delay in initiation of a transaction at the originator bank's end beyond the TAT, then penalty has to be paid to the originator.

- A 'failed transaction' is a transaction which has not been fully completed due to any reason not attributable to the customer such as failure in communication links, non-availability of cash in an ATM, time-out of sessions, etc. Failed transactions shall also include the credits which could not be affected to the beneficiary account on account of lack of full information or lack of proper information and delay in initiating a reversal transaction.
- Terms like, Acquirer, Beneficiary, Issuer, Remitter, etc., have meanings as per common banking parlance.
- 'T' is the day of transaction and refers to the calendar date.
- 'R' is the day on which the reversal is concluded, and the funds are received by the issuer / originator. Reversal should be affected at the issuer / originator end on the same day when the funds are received from the beneficiary end.
- The term bank includes non-banks also and applies to them wherever they are authorised to operate.
- Domestic transactions i.e., those where both the originator and beneficiary are within India are covered under this framework.

26. TURN AROUND TIME (TAT) AND CUSTOMER COMPENSATION FOR FAILED TRANSACTIONS USING AUTHORISED PAYMENT SYSTEMS

The TAT and customer compensation for failed transactions using authorised payment system shall be separately annexed to the policy. The TAT / compensation payable may subject to change from time to time as may be notified by RBI. The Standing Committee for Customer Service is hereby authorised to update the TAT and Compensation as when required as per RBI Guidelines. (Refer Annexure I)

27. TIMELINES FOR PAYMENT OF COMPENSATION AMOUNT

If the Bank is liable to pay any compensation under this policy, the same will be paid to the customer within 7 days from the completion of the investigation or in the case of failed electronic transactions using authorised Payment Systems, the timelines specified by RBI (Refer Section 7 of this policy).

28. BURDEN OF PROOF

- The burden of proving customer liability in case of un-authorized electronic banking transactions shall lie on the Bank.
- The Bank has a process of second factor authentication for electronic transactions, as regulated by the Reserve Bank of India. Bank has onus to prove that all logs / proofs / reports for

confirming two factor authentications is available. Any unauthorized electronic banking transaction which has been processed post second factor authentication known only to the customer would be considered as sufficient proof of customer's involvement / consent in effecting the transaction.

29. FORCE MAJEURE

The bank shall not be liable to compensate customers for delayed credit if some unforeseen event (including but not limited to civil commotion, sabotage, lockout, strike or other labour disturbances, accident, fires, natural disasters or other "Acts of God", war, damage to the bank's facilities or of its correspondent bank(s), absence of the usual means of communication or all types of transportation, etc. beyond the control of the bank prevents it from performing its obligations within the specified service delivery parameters.

30. DISPLAY OF POLICY

The policy shall be displayed on the Bank's website along with the Policy on Customer Grievance Redressal.

31. REPORTING AND MONITORING REQUIREMENTS

- i. The Banks shall put in place a suitable mechanism and structure for the reporting of the customer liability cases to the Board or one of its Committees. The reporting shall, *inter alia*, include volume/ number of cases and the aggregate value involved and distribution across various categories of cases viz., card present transactions, card not present transactions, internet banking, mobile banking, ATM transactions, etc.
- ii. The Standing Committee on Customer Service (SCCS) shall periodically review the unauthorised electronic banking transactions reported by customers or otherwise, as also the action taken thereon.
- iii. SCCS shall also review the functioning of the grievance redress mechanism and take appropriate measures to improve the systems and procedures.
- iv. All transactions pertaining to payment of customer compensation shall be reviewed by the Bank's internal auditors.
- v. In cases where payment of customer compensation is established through process of Court/Banking Ombudsman / Consumer Forum or other authorised mechanism or sufficient documentary records that the Bank is at fault, the Bank would compensate the customer appropriately as per the orders of such authorities.
- vi. In case if the verification of the erroneous entry does not require verification from a third party, the Bank shall arrange the verification of the entry within 7 working days from the date of reporting the erroneous debit. However, if the verification involves a third party, the Bank shall ensure completion of the verification process within 1 month from the date of reporting of the erroneous debit.

Half yearly reporting on customer compensation cases to be submitted to the CSCB:

S. No.	Reasons for compensation	No. of cases received for payment of compensation	No. of cases where compensation has been paid	Total Amount of Compensation Paid (Rs)
1	Erroneous Debits arising on fraudulent or other transactions			
2	Payment of interest for delays in collection			
3	Payment of interest for delay in issue of duplicate demand draft			
4	Delay in crediting amounts of failed ATM transactions			
5	Cheques/Instruments lost in transit / in clearing process or at branches			
6	Delay in affording credits and/ or returning of electronic transactions			
7	Delay in execution of hot-carding of debit/credit cards			
8	Force Majeure			
9	Delay in release of securities/ documents/ title deeds			
10	Mis-selling of third-party products			
11	Violation of timelines for payment of compensation amount			
12	Violations of Code of Commitment to Customer by the Bank's agent			
13	Any other un-authorized actions of the Bank leading to a financial loss to customer			
	TOTAL			

32. RECORD KEEPING

All the documents and records as applicable will be maintained as per Record Management Policy.

33. POLICY REVIEW AND UPDATES

This policy will be reviewed on an annual basis or earlier, if required for incorporating changes and regulatory updates, if any.

32. Regulatory References	
1.	RBI Master Circular on Customer Service – No. RBI/2015-16/59 DBR No.Leg.BC. 21/09.07.006/2015-16 dated July 1, 2015
2.	RBI Notification on Integrated Ombudsman Scheme 2021 No. CEPD. PRD.No. S873/13.01.001/2021-22 dt. 2.11.21
3.	RBI Notification on Harmonisation of Turn Around Time (TAT) and customer compensation for failed transactions using authorised Payment Systems, Ref.No. RBI/2019-20/67 DPSS.CO.PD No.629/02.01.014/2019-20 dated September 20, 2019. RBI CEPD - RBI Initiatives for Consumer Protection (https://www.rbi.org.in/scripts/FS_Overview.aspx?fn=2745).

ANNEXURE I

Sl. no.	Description of the incident	Framework for auto-reversal and compensation	
		Timeline for auto-reversal	Compensation payable
I	II	III	IV
1	Automated Teller Machines (ATMs) including Micro-ATMs		
a	Customer's account debited but cash not dispensed.	Pro-active reversal (R) of failed transaction within a maximum of T + 5 days.	₹ 100/- per day of delay beyond T + 5 days, to the credit of the account holder.
2	Card Transaction		
a	Card to card transfer Card account debited but beneficiary card account credited.	Transaction to be reversed (R) latest within T + 1 day, if credit is not affected to the beneficiary account.	₹ 100/- per day of delay beyond T + 1 day.
b	Point of Sale (PoS) (Card Present) including Cash at PoS Account debited but confirmation not received at merchant location i.e., charge-slip not generated.	Auto-reversal within T + 5 days.	₹ 100/- per day of delay beyond T + 5 days.
c	Card Not Present (CNP) (e-commerce) Account debited but confirmation not received at merchant's system.		

Sl. no.	Description of the incident	Framework for auto-reversal and compensation	
		Timeline for auto-reversal	Compensation payable
I	II	III	IV
3	Immediate Payment System (IMPS)		
a	Account debited but the beneficiary account is not credited.	If unable to credit to beneficiary account, auto-reversal (R) by the Beneficiary bank latest on T + 1 day.	₹100/- per day if delay is beyond T + 1 day.
4	Unified Payments Interface (UPI)		
a	Account debited but the beneficiary account is not credited (transfer of funds).	If unable to credit the beneficiary account, auto-reversal (R) by the Beneficiary bank latest on T + 1 day.	₹100/- per day if delay is beyond T + 1 day.
b	Account debited but transaction confirmation not received at merchant location (payment to merchant).	Auto-reversal within T + 5 days.	₹100/- per day if delay is beyond T + 5 days.
5	Aadhaar Enabled Payment System (including Aadhaar Pay)		
a	Account debited but transaction confirmation not received at merchant location.	Acquirer to initiate "Credit Adjustment" within T + 5 days.	₹100/- per day if delay is beyond T + 5 days.
b	Account debited but beneficiary account not credited.		
6	Aadhaar Payment Bridge System (APBS)		
a	Delay in crediting beneficiary's account.	Beneficiary bank to reverse the transaction within T + 1 day.	₹100/- per day if delay is beyond T + 1 day.
7	National Automated Clearing House (NACH)		
a	Delay in crediting beneficiary's account or reversal of amount.	Beneficiary bank to reverse the uncredited transaction within T + 1 day	₹100/- per day if delay is beyond T + 1 day.
b	Account debited despite revocation of debit mandate with the bank by the customer.	Customer's bank will be responsible for such debit. Resolution to be completed within T + 1 day.	

Sl. no.	Description of the incident	Framework for auto-reversal and compensation	
		Timeline for auto-reversal	Compensation payable
I	II	III	IV
8	Prepaid Payment Instruments (PPIs) – Cards / Wallets		
a	Off-Us transaction The transaction will ride on UPI, card network, IMPS, etc., as the case may be. The TAT and compensation rule of respective system shall apply.		
b	On-Us transaction Beneficiary's PPI not credited. PPI debited but transaction confirmation not received at merchant location.	Reversal effected in Remitter's account within T + 1 day.	₹100/- per day if delay is beyond T + 1 day.

SECTION - K

Rules of Nomination and Settlement of Claims in respect of Deceased Customers and Missing Persons

Part 1 - Introduction

Branches receive requests for settlement of claims from the nominees or legal heirs in respect of deceased customers as well as persons reported missing. The intent of this policy is to lay down clear guidelines with respect to claim settlement of deceased depositors and missing persons both in respect of deposits and lockers.

Part 2 – Guidance to the customers on advantages of nomination facility / survivorship mandate.

2.1 Nomination facility

- Nomination Facility is an ideal tool to mitigate hardships of common persons in settlement of claims in the event of death of the account holder.
- Nomination facility simplifies the procedure for settlement of claims of deceased depositors as banks get a valid discharge by making payment of the balance outstanding in a depositor's account at the time of his death or delivering contents of locker or articles kept in safe custody to the nominee.
- Nomination is optional for bank customers. It is therefore necessary that nomination facility is popularized and customers are made aware of its advantages while opening a deposit account or opting for the lockers.
- Member Banks should inform account holder about the availability of nomination as a voluntary facility and recommend his/her availing the option. Nomination facility, if availed, would ensure smooth settlement of claim to the nominee.
- It should also be made clear to the depositor(s) that nomination is introduced solely for the purpose of simplifying the procedure for settlement of claims of deceased depositors and nomination facility does not take away the rights of legal heirs on the estate of the deceased. The nominee would be receiving the stock from the bank as a trustee of the legal heirs.

General Guidelines on Nomination

- a. Nomination facility is intended only for individuals including a sole proprietary concern.
- b. There cannot be more than one nominee in respect of single/joint deposit account.
- c. Banks may allow variation/cancellation of a subsisting nomination by all the surviving depositor(s) acting together. This is also applicable to deposits having operating instructions “Either of Survivor”.
- d. It may be noted that in the case of a joint deposit account the nominee’s right arises only after the death of all the depositors.

2.2 Survivorship Mandate

- ❖ A joint account opened as "Either or Survivor" or "Anyone or Survivors" or "Former or Survivor" or "Latter or Survivor" will permit the surviving account holder(s) to have unimpeded access to the credit balance in the account for withdrawal if one of the co-account holders dies.
- ❖ If the mandate of survivorship is given / provided, the survivor(s) can give a valid discharge to the bank in the case of "Either or Survivor" / "Anyone or Survivors" and "Former or Survivor" / "Latter or Survivor" joint accounts.
- ❖ In short, payment to survivor(s) can be made in the normal course subject to the only rider that there is no order from a competent court restraining the bank from making such payment.

2.3 Customer Guidance and Publicity

All customer interfacing staff members shall sensitize customers on the advantages of availing Nomination facility / survivorship mandates in jointly held accounts. The website of the Bank shall display the salient points of this Policy on settlement of claims in respect of deceased and missing customers. The proforma of the claim application forms along with the list of documents required to process the claims, shall be suitably displayed on the website.

Part 3 – Settlement of claims in various types of accounts / facilities.

3.1. Single Account with or without nomination

3.1.1 Savings Account/Current Account

With Nomination:

The balance outstanding will be paid to the nominee on verification of his/her identity (Officially Valid Documents (OVD) as prescribed by RBI) and proof of death of depositor

Without Nomination:

The balance outstanding will be paid to the legal heirs (or any one of them as mandated by all of the legal heirs) on verification of the authority of the legal heirs and proof of death of depositor.

3.1.2. Term Deposit Account

With Nomination:

The balance outstanding will be paid to the nominee on verification of his/her identity (OVDs as prescribed by RBI) and proof of death of depositor on maturity of deposit.

Without Nomination:

The balance outstanding will be paid to the legal heirs (or any one of them as mandated by all the legal heirs) on verification of the authority of the legal heirs and proof of death of depositor on maturity of deposit.

3.1.3. Premature termination of Term Deposit Account

With Nomination:

Premature termination of term deposit account as per terms of contract will be permitted at the request of the nominee on verification of his/her identity (OVDs as prescribed by RBI) and proof of death of depositor.

Without Nomination:

Premature termination will be permitted on joint request by all legal heirs (or any of them as mandated by all the legal heirs) as per the terms of the contract on verification of the authority of the legal heirs and proof of death of depositor.

3.1.4. Safe Deposit Lockers

With Nomination:

The nominee will be allowed to access the locker and remove the contents on identification (OVDs as prescribed by RBI) and verification of proof of death of locker hirer. Before permitting the nominee to remove contents of the Safe Deposit Locker, the bank would prepare an inventory of the articles in the presence of nominee(s) and two independent witnesses. *(The Format for taking inventory shall be separately disseminated by Branch Banking Department).*

Without Nomination:

Legal heir(s) of the deceased locker hirer or a person mandated by the legal heir(s) will be allowed to access the locker and remove the contents on verification of proof of death of locker hirer. The legal heir(s) will have to produce documents to establish his / their identity. Before permitting legal heir(s) to remove contents of the Safe Deposit Locker the bank would prepare an inventory of the articles in the presence of legal heir(s)/mandate holder and two independent witnesses. *(The Format for taking inventory shall be separately disseminated by Branch Banking Department).*

3. 2. Joint Account of Individuals with or without nomination and without survivorship mandate (operated jointly)

3.2.1. Savings Account/Current Account

With Nomination:

a) In the event of death of one (or more but not all) of the joint account holders, the balance outstanding will be paid jointly to survivor(s) and the legal heirs of the deceased joint account holder (or any of them as mandated by all the legal heirs) against their joint claim on verification of the authority of the legal heirs and proof of the death of the depositors.

b) In the event of death of both / all joint account holders, the balance outstanding at the time of death of the depositors will be paid to the nominee on verification of his identity (such as OVDs as prescribed by RBI) and proof of death of depositors

Without Nomination:

a) In the event of death of one (or more but not all) of the joint account holders, the amount outstanding will be paid jointly to survivor(s) and the legal heirs of the deceased account holder (or any one of them as mandated by all the legal heirs) against their joint claim on verification of the authority of legal heirs and proof of death of depositor.

b) In the event of death of both/ all joint account holders, the balance outstanding will be paid jointly to the legal heir(s) of all the deceased depositors (or any of them as mandated by all the legal heirs) on verification of authority of the legal heirs and proof of death of the depositors.

3.2.2. Term Deposit Account

With Nomination:

a) In the event of death of one (or more but not all) of the joint account holders, the balance outstanding will be paid jointly to survivor(s) and the legal heirs of the deceased joint account holder (or any one of them as mandated by all the legal heirs) on verification of identity of the legal heirs and proof of death of the depositor on maturity of the deposit.

b) In the event of death of both / all the joint account holders, the balance outstanding at the time of death of the depositors will be paid to the nominee on verification of his/her identity (such as OVDs prescribed by RBI) and the proof of death of depositors on maturity of the deposit.

Without Nomination:

a) In the event of death of one (or more but not all) of the joint account holders, the balance outstanding will be paid jointly to the survivor(s) and the legal heir(s) of the deceased joint account holders (or any of them as mandated by all the legal heirs) against their joint claim on verification of authority of the legal heirs and proof of death of the depositor on maturity of the deposit.

b) In the event of death of both / all the joint account holders, the balance outstanding will be paid jointly to the legal heirs of all the deceased depositors (or any one of them as mandated by all legal heirs) on verification of authority of the legal heirs and proof of death of depositors on the maturity of the deposit.

3.2.3. Premature termination of Term Deposit Account

With Nomination:

a) In the event of death of one (or more but not all) of the joint account holders, premature termination will be permitted against joint request of the survivor(s) and the legal heir(s) (or any one of them as mandated by all legal heirs) as per the terms of contract on verification of identity of the legal heirs and proof of death of depositor.

b) Premature termination of term deposit account as per the terms of contract will be permitted at the request of the nominee on verification of his/her identity (such as OVDs as prescribed by RBI) and proof of the death of the depositors.

Without Nomination

a) In the event of death of one (or more but not all) of the joint account holders, premature termination will be permitted against joint request by the survivor(s) and the legal heir(s) of all the deceased depositors (or any one of them as mandated by all legal heirs) as per the terms of contract on verification of authority of legal heirs and proof of death of depositor.

b) In the event of death of both / all the joint account holders, premature termination will be permitted against joint request by all legal heirs of the deceased depositors (or any one of them as mandated by all legal heirs) as per the terms of contract on verification of authority of legal heirs and proof of death of depositors.

3.2.4. Safe Deposit Lockers

With Nomination:

- a) In the event of the death of one (or more but not all) of the joint locker hirers the nominee(s) will be jointly allowed to access the locker and remove the contents on identification and verification of proof of death of the locker hirer(s) along with the surviving hirer(s).
- b) In the event of death of both / all joint locker hirers the nominee(s) will be allowed to access the locker and remove the contents on establishing his/her/their identity and verification of proof of the death of the hirers.

Before permitting surviving hirer(s) and/or nominee(s) to remove contents of the Safe Deposit Locker, the bank would prepare an inventory of the articles in their presence along with two independent witnesses. *(The Format for taking inventory shall be separately disseminated by Branch Banking Department).*

Without Nomination:

- a) In the event of death of one (or more but not all) of the locker hirers, the surviving hirer(s) and legal heirs of the deceased hirer (or a person mandated by them) would be allowed to access the locker and remove the contents on verification of authority of legal heirs and proof of death of the hirer.
- b) In the event of death of both / all the joint locker hirers, all the legal heirs (or any one of them as mandated by all legal heirs) would be allowed to access the locker and remove the contents on verification of authority of legal heirs and proof of death of the locker hirers.

Before permitting surviving hirers and mandated legal heir(s) to remove contents of a Safe Deposit Locker, the bank would prepare an inventory of the articles in the presence of surviving hirers, mandated legal heir(s) and two independent witnesses. *(The Format for taking inventory shall be separately disseminated by Branch Banking Department).*

3.3. Joint account with mandate “Either or Survivor”/“Former or survivor”/ “Anyone or Survivors”/ “Latter or Survivor” - with or without nomination:

3.3.1 Savings Account / Current Account

With Nomination:

- a) In the event of death of one (or more but not all) of the depositors, the balance outstanding will be paid to survivor (s) on verification of proof of death of the depositor.
- b) In the event of death of both/all the joint depositors, the balance outstanding will be paid to the nominee on verification of his/her identity (such as OVDs prescribed by RBI) and proof of death of depositors.

Without Nomination:

- a) In the event of death of one (or more but not all) of the depositors, the balance outstanding will be paid to survivor on verification of proof of death of the depositor.

b) In the event of death of both/all the joint depositors, the balance outstanding will be paid jointly to the legal heirs (or any one of them as mandated by all the legal heirs) on verification of authority of legal heirs and proof of death of depositors.

3.3.2 Term Deposit Account

With Nomination:

a) In the event of death of one (or more but not all) of the depositors, the balance outstanding will be paid to survivor(s) on verification of proof of death of the depositors on maturity of deposit or as agreed at the time of opening of deposit.

b) In the event of death of all joint depositors, the balance outstanding will be paid to the nominee on verification of his/her identity (such as Election ID Card, PAN Card, Passport etc.) and proof of death of depositors on maturity of deposit or as agreed at the time of opening of deposit.

Without Nomination:

a) In the event of death of one of the depositors (or more, but not all), the balance outstanding will be paid to the survivors on verification of proof of death of the depositor on maturity of deposit or as agreed at the time of opening of deposit.

b) In the event of death of all joint depositors, the balance outstanding will be paid to the legal heir(s) of all the deceased depositors (or any one of them as mandated by all the legal heirs of joint holders) on verification of authority of legal heirs and proof of death of depositors on maturity of deposit.

3.3.3 Premature termination of Term Deposit Account with Nomination:

a) In the event of death of one (or more but not all) of the depositors, the survivor(s) will have the right to seek premature termination of term deposit account as per the terms of contract on verification of proof of death of the depositor.

b) In the event of death of all the joint depositors, the nominee will have right to seek premature termination of term deposit account as per the terms of the contract on verification of his/her identity (such as OVDs prescribed by RBI) and proof of death of depositors.

Without Nomination

a) In the event of death of one (or more but not all) of the depositors premature termination will be allowed against request from surviving depositor(s) as per the terms of the contract on verification of the proof of the death of the depositor.

b) In the event of death of all joint depositors, premature termination will be permitted against joint request by all legal heirs of the deceased depositors (or any one of them as mandated by all the legal heirs) as per the terms of contract on verification of authority of legal heirs and proof of death of depositors.

3.3.4 Safe Deposit Lockers

At present Banking Regulation Act, 1949 (Section 45 ZE) does not provide nomination facility in respect of lockers with “Either or Survivor” / “Former or Survivor”/“Anyone or Survivors”/ “Latter or Survivor” mandate. For operational guidelines in this regard, please refer to the Safe Deposit Locker policy.

Cases without Nomination:

- a) In the event of death of one (or more but not all) of the joint hirers, the surviving hirer(s) will be allowed to access the locker and remove the contents on verification of proof of death of the joint hirer(s).
- b) In the event of death of all the locker hirers, all the legal heirs of the deceased joint hirers (or any one of them as mandated by all legal heirs) would be allowed to access the locker and remove the contents on verification of the authority of legal heirs and proof of death of the locker hirers.

Before permitting the surviving hirers/legal heir(s) to remove contents of a Safe Deposit Locker, the bank would prepare an inventory of the articles in the presence of surviving hirers/legal heirs and two independent witnesses. Form for taking inventory is enclosed as *(The Format for taking inventory shall be separately disseminated by Branch Banking Department)*.

3.3.5. Safe Custody Articles

Generally, safe custody articles are not accepted in joint names. Even if accepted in joint names, nomination facility is not provided.

3.4. HUF Accounts – Death of Karta

In the event of death of a Karta, HUF account may be settled as under:

- a) Obtaining affidavit cum indemnity from surviving members and legal heirs with two guarantors confirming their acceptance to one of the members as a new Karta. Banks shall allow the new Karta to continue to operate the existing account on the basis of such documents, in HUF accounts having small balances (INR 2 lakh).
- b) Similar procedure to be followed in cases where account is to be closed and balance in the account to be paid to the new Karta.

Part 4 – Settlement of claims in respect of Missing Persons**4.1. Legal Position**

The settlement of claims in respect of missing persons would be governed by the provisions of Section 107/108 of the Indian Evidence Act, 1872. Section 107 deals with presumption of continuance and section 108 deals with presumption of death. As per the provisions of Section 108 of the said Act, presumption of death can be raised only after a lapse of seven years from the date of his/her being reported missing. As such, nominee/legal heirs have to raise an express presumption of death of the subscriber under Section 107/108 of the Indian Evidence Act before a competent court. If the court presumes that he/she is dead, then the claim in respect of a missing person can be settled as is done for any other deceased accounts.

4.2. Adoption of simplified procedures to avoid inconvenience and undue hardship to the common person**4.2.1. Simplified Procedures for Claims in respect of Missing Persons upto to Rs.100,000/-**

- To avoid undue hardship to the common persons, RBI has suggested that banks may follow a simplified procedure for settlement of claims up to a threshold limit having regard to the risk involved.
- Obtaining Court Order regarding presumption of death is costly, especially in cases where the credit balance in the account of a missing person is not large, and time-consuming affair. In order to avoid hardships to claimant(s), the bank has fixed threshold limit of Rs. 100,000/- (Rupees One Lakh Only) for this purpose.
- Consequently, in regard to claims involving total credit balance upto Rs. 100,000/- (Rupees One Lakh Only) and pertaining to accountholders who are not heard-of for 7 (Seven) years by those who would naturally have heard of him/her if he/she had been alive, the Bank shall consider settlement of the claims submitted by nominees/legal heirs of accountholders by obtaining the following documents:
 - Certified copy of First Information Report (“FIR”) lodged with the Police Station.
 - Certified copy of Final Report submitted by the concerned Police Authority stating that the accountholder is not traceable.
 - Letter of Indemnity jointly signed by the nominee/legal heirs, along with two sureties having net worth at least equal to the claim amount

The following should be taken care of

- The FIR should have been lodged with the Police Station within whose jurisdiction the accountholder has been found to be missing or has his/her permanent residence or has been residing for the immediately preceding one year.
- The FIR should relate to missing of the accountholder.
- The FIR should have been lodged by a person who would naturally have heard of him.
- The date of disappearance will be reckoned from the date of lodging FIR with the Police Authority.
- The amount of Rs. 100,000/- (Rupees One Lakh Only) would be arrived at by clubbing all accounts of the missing person, including the interest accrued thereon.

4.2.2. If the Claim Amount is over Rs. 100,000/- (Rupees One Lakh Only)

- The claimant(s) should submit to the Bank, true copy of the Order passed by the competent Court of Law.
- Certified copy of the Order should be made available for verification by the Bank official [and would be returned to the claimant(s) after verification].
- The steps for obtaining Court Order or producing copies of FIR in terms of this Process need not be insisted upon, if the claim relates to accountholders who are reported missing due to natural calamity or national disaster. Such claims should be settled with the approval given jointly by the Legal Department and Customer Service Department.

Part 5 – Procedure and Documentation

Simplification of the process for settlement of claims in deceased depositors' accounts

5.1 Documentation

Documents, which are required to be submitted along with the claim form:

- i Proof of death of depositor(s) or hirer(s).
- ii Proof of identification of nominee(s) wherever is applicable such as OVDs as prescribed by RBI etc., or any other satisfactory proof of identification acceptable to the bank or proof of authority of legal heir(s) wherever is applicable.

5.1.1 Branches/ dealing officials should exercise due care and caution in ascertaining the identity of legal heir(s) /nominee(s) and the fact of death of the account holder, through appropriate documentary evidence. If necessary, any official of the member banks shall visit the place of the depositors to enquire about the genuineness of such claims.

5.1.2 It should be made clear to the survivor(s)/nominee(s) that he / they would be receiving the payment from the member bank as a trustee of the legal heirs of the deceased depositor, i.e., such payment to him / them shall not affect the right or claim which any person may have against the survivor(s)/nominee(s) to whom the payment is made.

5.1.3 It should be noted that since payment made to the survivor(s) / nominee(s), subject to the foregoing conditions, would constitute a full discharge of the bank's liability, insistence on production of legal representation is superfluous and unwarranted and it would only serve to cause avoidable inconvenience to the survivor(s)/nominee(s). In such case, therefore, while making payment to the survivor(s)/nominee(s) of the deceased depositor, the member bank should not insist on production of succession certificate, letter of administration or probate, etc., or obtain any bond of indemnity or surety from the survivor(s)/nominee(s), **irrespective of the amount** standing to the credit of the deceased account holder.

5.2 Time Norms for settlement of claims

Branches / dealing officials shall ensure settlement of the claims in respect of deceased depositors and release payments to survivor (s)/ nominee in case of accounts with survivor/ nominee **within a period not exceeding 15 days** from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claimant(s) to the member bank's satisfaction. In the case of accounts without survivor/ nominee clause the claim should be settled within 1 month from the date on which the requisite documents have been submitted.

For deposits / Locker with nomination and / or survivorship, the settlement has to be done immediately within 15 days from the receipt of claim application subject to relevant supporting documentation.

5.3 Approving Authority for settlement of claims - Applicable for Deposits/ locker without nominations / Survivors

Keeping in view the objective of adhering to the prescribed time norms, the following officials are authorised to accord approval for settling the claims:

Level	Limit (Rs.)
1. Branch Head in the Grade of - <ul style="list-style-type: none">• VP• AVP	1,00,000

Level	Limit (Rs.)
<ul style="list-style-type: none"> • Sr. Mgr. • Mgr. 	
2. Departmental Heads, Corporate Office <ul style="list-style-type: none"> • Branch Banking • Operations • Retail Banking • Wholesale Banking • Private Banking • Wealth Management • 	Upto 10,00,000
3. MD & CEO	Full
4. President	Full

5.4.1 Payment of interest in case of term deposit accounts of deceased depositor(s) shall be done in terms of the Comprehensive Deposit Policy of the Bank.

5.4.2 Splitting of Term Deposit

If, on request from the claimant/s, the member bank agrees to split the amount of term deposit and issues two or more receipts individually in the names of the claimant/s, it shall not be construed as premature withdrawal of the term deposit, provided the period and aggregate amount of the deposit do not undergo any change.

5.5 Treatment of flows in the name of the deceased depositor

In order to avoid hardship to the survivor(s) / nominee of a deposit account, member banks may obtain appropriate agreement / authorization from the survivor(s) / nominee with regard to the treatment of pipeline flows in the name of the deceased account holder. In this regard, member banks could consider adopting either of the following two approaches:

- The bank could be authorized by the survivor(s) / nominee of a deceased account holder to open an account styled as 'Estate of Shri / Smt _____', the 'Deceased' where all the pipeline flows in the name of the deceased account holder could be allowed to be credited, provided no withdrawals are made.

OR

- The bank could be authorized by the survivor(s) / nominee to return the pipeline flows to the remitter with the remark "Account holder deceased" and to intimate the survivor(s) / nominee accordingly. The survivor(s) / nominee / legal heir(s) could then approach the remitter to effect payment through a negotiable instrument or through ECS transfer in the name of the appropriate beneficiary.

5.6 Safe Deposit Locker

Settlement of claims in respect of safe deposit lockers shall be done in terms of the Policy on Safe Deposit Lockers.

Annexure-1

In Summary - Settlement of Claims in Various types of Operational instructions

Deposits with Nomination

1. With Nomination										
S. No	Nature of Account	Single depositor	Joint A/c (operated jointly)		Joint A/c (Either or Survivor)		Joint A/c (Former/Latter or Survivor)		Joint Account (Anyone or Survivor/s)	
A	Savings A/c and Current A/c	On death of depositor - Nominee	I	On death of one or more depositor/s - Legal Heirs of deceased + Surviving depositors	I	On death of one depositor - Survivor	I	One death of former / Latter - Survivor	I	On death of one or more depositors - Survivor/s
			II	On death of all depositors - Nominee	II	On death of both depositors - Nominee	II	On death of both depositors - Nominee	II	On death of all depositors - Nominee
B	Term Deposit Account	- As above - (on maturity of deposit)	- I & II as above - (on maturity of deposit)		- I & II as above - (on maturity of deposit)		- I & II as above - (on maturity of deposit)		- I & II as above - (on maturity of deposit)	
C	Premature withdrawal of FD	- As above - (As per terms of contract)	- I & II as above - (As per terms of contract)		- I & II as above - (As per terms of contract)		- I & II as above - (As per terms of contract)		- I & II as above - (As per terms of contract)	

Account in the Name of	Operational Instructions	Nominee	Situation	What is to be done
A	Self	X	X dies	A can change the nomination
A	Self	X	A dies	X will receive the outstanding
A, B	Either or Survivor	X	A dies	Balance outstanding will be payable to B.
A, B	Either or Survivor	X	B dies	Balance outstanding will be payable to A.
A,B	Either or Survivor	X	A & B dies	X will receive the outstanding
A,B	Jointly	X	A dies	Payable to B and legal heirs of A jointly
A,B	Jointly	X	B dies	Payable to A and legal heirs of B jointly
A,B	Jointly	X	A & B dies	Payable to X

Without Nomination

2. Without Nomination										
S. No	Nature of Account	Single depositor	Joint A/c (operated jointly)		Joint A/c (Either or Survivor)		Joint A/c (Former/ Latter or Survivor)		Joint Account (Anyone or Survivor/s)	
A	Savings A/c and Current A/c	On death of depositor - Legal Heirs of person mandated by them	I	On death of one depositor - Legal Heirs of deceased + Survivor/s	I	On death of either depositor - Survivor	I	On death of either depositor - Survivor	I	On death of one or more depositor/s - Legal Heirs of deceased + Survivor/s
			II	On death of all depositors - Legal Heirs of all the depositors	II	On death of both depositors - Legal Heirs of both the depositors	II	On death of both the depositors - Legal Heirs both the depositors	II	On death of all depositors - Legal Heirs of all the depositors
B	Term Deposit Account	- As above - On maturity of deposit	- I & II as above - On maturity of deposit		- I & II as above - On maturity of deposit		- I & II as above - On maturity of deposit		- I & II as above - On maturity of deposit	
C	Premature withdrawal of FD	- As above - As per terms of contract	- I & II as above - As per terms of contract		- I & II as above - As per terms of contract		- I & II as above - As per terms of contract		- I & II as above - As per terms of contract	

Account in the Name of	Operational Instructions	Situation	What is to be done
A	Self	A dies	Outstanding will be payable to the legal heirs or any one of them mandated by all of the legal heirs
A, B	Either or Survivor	A dies	Outstanding will be payable to B
A,B	Either or Survivor	B dies	Outstanding will be payable to A
A,B	Either or Survivor	A & B dies	Jointly payable to legal heirs of A & B (or any of them mandated by all the legal heirs)
A,B	Jointly	A dies	Jointly payable to B and legal heirs of the A (or any one of them mandated by all the legal heirs).
A,B	Jointly	B dies	Jointly payable to A and legal heirs of the B (or any one of them mandated by all the legal heirs)
A,B	Jointly	A & B dies	Jointly payable to legal heirs of A & B (or any of them mandated by all the legal heirs)

Lockers with Nomination

Locker in the Name of	Operational Instructions	Nominee	Situation	What is to be done
A	Self	X	X dies	A can change the nomination
A	Self	X	A dies	X will be given access to the locker and liberty to remove contents
A,B	Jointly	X	A dies	B and X will be given access to the locker and liberty to remove contents jointly.
A,B	Jointly	X	B dies	A and X will be given access to the locker and liberty to remove contents jointly
A, B	Jointly	X	A & B dies	X will be given access to the locker and liberty to remove contents.
A,B	Jointly	X & Y	A dies	B along with X and Y will be given access to the locker and liberty to remove contents jointly
A, B	Jointly	X & Y	B dies	A along with X and Y will be given access to the locker and liberty to remove contents jointly.
A,B	Jointly	X & Y	A & B dies	X and Y jointly will be given access to the locker and liberty to remove the contents

Lockers without Nomination

Locker in the Name of	Operational Instructions	Situation	What is to be done
A	Self	A dies	Legal heirs of A or any of them mandated by any of them.
A, B	Either or Survivor	A dies	B will be given access to the locker and liberty to remove the contents.
A, B	Either or Survivor	B dies	A will be given access to the locker and liberty to remove the contents.

A,B	Either or Survivor	A & B dies	Legal heirs of A and B (or any one of them mandated by all legal heirs) will be given access to the locker and liberty to remove the contents.
A,B	Jointly	A dies	B and legal heirs of A (or any of them mandated by all legal heirs) will be given access to locker and liberty to remove the contents jointly.
A,B	Jointly	B dies	A and legal heirs of B (or any one of them mandate by all legal heirs) will be given access to locker and liberty to remove the contents jointly
A, B	Jointly	A & B dies	Legal heirs of A & B (or any of them mandated by all legal heirs) will be given access to locker and liberty to remove the contents.

SECTION - L

Regulatory References

1. RBI Press Release dated December 03, 2014 – “RBI Releases Charter of Customer Rights”.
2. RBI Master Circular on Customer Service
Ref. RBI/2015-16/59 DBR No.Leg.BC. 21/09.07.006/2015-16 dated July 1, 2015
3. RBI Notification on Mobile Banking transactions in India – Operative Guidelines for Banks
Ref. RBI/2016-17/17 DPSS.CO.PD.Mobile Banking. No./2/02.23.001/2016-2017 dt. July 1, 2016;
Updated as on November 12, 2021
4. RBI Notification on Dishonour of cheques
Ref. DBR.No. Leg.BC.3/09.07.005/2016-17 dated 04.08.2016.
5. RBI Notification - Customer Protection – Limiting Liability of Customers in Unauthorised Electronic Banking Transactions
Ref. RBI/2017-18/15 - DBR.No.Leg.BC.78/09.07.005/2017-18 dated July 6, 2017
6. IBA Bankers’ Guide for Customers with Special Needs and Persons with Disabilities: Rules, Directive and Acts – Dated November 2017
7. RBI Notification - Financial Inclusion- Access to Banking Services – Basic Savings Bank Deposit Account (BSBDA)
Ref. RBI/2018-19/206 - DBR.LEG.BC.No.47/09.07.005/2018-19 dated June 10, 2019
8. RBI Notification - Doorstep Banking Services for Senior Citizens and Differently Abled Persons
Ref. RBI/2019-20/203 - DOR.CO.Leg.BC.No.59/09.07.005/2019-20 dated March 31, 2020
9. RBI Notification - Strengthening of Grievance Redress Mechanism in Banks
Ref. RBI/2020-21/87 - CEPD.CO.PRD.Cir.No.01/13.01.013/2020-21 dated January 27, 2021
10. RBI Master Direction - Know Your Customer (KYC) Direction, 2016 2021)
Ref. DBR.AML.BC. No.81/14.01.001/2015-16 dt. 25.02.2016 updated as on 10.05.21
11. RBI Notification Safe Deposit Locker/Safe Custody Article Facility provided by the banks - Revised Instructions Ref. DOR.LEG.REC/40/09.07.005/2021-22 18.08.2021
12. RBI Notification - Review of Instructions on Interest on overdue domestic deposits
Ref: RBI/2021-22/66 - DoR.SPE.REC.29/13.03.00/2021-2022 dated July 02, 2021
13. RBI Notification on Integrated Ombudsman Scheme 2021
Ref. CEPD. PRD. No. S873/13.01.001/2021-22 dt. 2.11.21
14. Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016
RBI/DBR/2015-16/19 Master Direction DBR.Dir.No.84/13.03.00/2015-16 March 03, 2016
(Updated as on June 07, 2024)

15. Consolidated Circular on Opening of current accounts and CC/OD Accounts by Banks RBI Circular No. RBI/2022-23/27. DOR.CRE.REC.23/21.08.008/2022-23 April 19, 2022.
16. Inoperative Accounts /Unclaimed Deposits in Banks- Revised Instructions on RBI/2023-24/105 DOR.SOG (LEG).REC/64/09.08.024/2023-24 January 1, 2024.

Summary of Changes

Version no	Version Date	Section in which change is proposed	Summary of changes
1.1	February 8, 2023	Section I- Customer Grievance Redressal Mechanism	This section has been revised to include RBI regulation on providing acknowledgement for complaints instantly, as against 2 days which is currently specified. Apart from the above, no change has been suggested in this section.
2.0	May 3, 2023	(i) Added new section (ii) Section J- Customer Grievance Redressal Mechanism	(i) A new section on 'Citizen's Charter' has been added. (ii) Section J has been primarily revised due to change in escalation matrix.
2.1		Removed Section H – Issuance of Electronic Cards	Section H pertaining to Issuance of Electronic Cards is removed.
3.1	July 13, 2024	(i) Section I Customer Grievance Redressal Mechanism	4.2 Standing Committee on Customer Service: Defined the criteria for selection of non-official and 5.2 Registration & Tracking of Complaints: Included social media and letter as a channel of complaints.
		(ii) Changes made in Section D (2)	Point no: 6 pertaining to conditions on BSBDA account removed and point no 3: content has been revised.

		(iii) Changes made in Section D (1)	<p>Revised Provision / Clause</p> <p>II. Types of Deposits A. Demand Deposits 2. Current Account Need for discipline: Opening current accounts for borrowers who have already availed credit facilities in the form of Cash Credit (CC) / Overdraft (OD) from the banking system shall be undertaken strictly in terms of RBI Circular No. RBI/2022-23/27. DOR.CRE.REC.23/21.08.008/2022-23 April 19, 2022 on Consolidated Circular on Opening of current accounts and CC/OD Accounts by Banks.</p> <p>https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12293&Mode=0</p> <p>II. Types of Deposits A. Term Deposits</p> <p>The term deposit account holders at the time of placing their deposits can give instructions with regard to closure of deposit account or renewal of deposit for further period on the date of maturity. In absence of any written instructions about the disposal of the term deposit, the Bank reserves the right, at its discretion, to renew the deposit along with accrued interest thereon at prevailing rates of interest for a *similar tenor of the deposit which has matured.</p> <p>*rate applicable on the date of renewal/maturity</p> <p>Bulk Deposit : Single Rupee term deposits of Rupees three crore and above.</p> <p>Non callable deposits : Single Rupee term deposits of above Rupees one crore and above. Premature withdrawal is not permitted under any circumstances</p> <p>III. Account opening and operations of deposit accounts E. PAN requirement: In addition to the due diligence requirements under KYC norms, the Bank is required to obtain Permanent Account Number (PAN)* details or alternatively declaration in Form No. 60 as specified under the Income Tax Act / Rules. *compulsory in case of non-individual customers</p> <p>III. Account opening and operations of deposit accounts G. Other terms and conditions: For Saving Bank Account the Bank may also place restrictions on number of transactions, cash withdrawals, etc., for given period. Similarly, the Bank may specify charges for issue of additional cheque books, additional statement of accounts, duplicate pass book etc. All such details, regarding terms and conditions for operation of the accounts and schedule of charges for various services provided will be communicated to the prospective depositor while opening the account. Savings Bank Accounts can be opened for eligible person / persons and certain organizations /agencies (as advised by Reserve Bank of India (RBI) from time to time) Account is subject to verification, and</p>
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			<p>the Bank reserves the right to reject the request of the Applicant to open an Account without providing any reason. In the event where the documents submitted by the Applicants or Customers for opening an Account and/ or availing the Bank’s products and services or for processing the transactions thereon are incomplete or discrepant, The (“Unity SFB”) Bank shall notify such discrepancies and/or certain additional verification/ documentation requirements within a reasonable time through emails sent to the email ID of the Customer (as provided in the AOF). In case highlighted discrepancies remain unresolved or upon non-receipt of required documents within the stipulated time period, if any, the Bank, shall have the right to reject the AOF of the Applicant and in accordance with its policies and procedures, the Bank shall retain the application forms and documents provided therewith at the time of Account opening, including photographs and will not return the same to the Applicant in case of rejection of the said application. In such an event the Bank shall not be liable to pay interest on the amount of deposit and shall refund the money received, if any, to the source account.</p> <p>III. Account opening and operations of deposit accounts H. Other Banking Products & Services: i. Debit card: Bank may issue Debit cards to customers having Saving Bank/Current Accounts. Bank may charge on debit card usage within stipulated benchmark as per regulatory guidelines. Debit cards are issued in accordance with the Bank’s internal policy on Debit card, as approved by Board/ any other committee. The Schedule of charges structure for Debit cards is available on Bank’s website and is subject to revision from time to time</p> <p>III. Account opening and operations of deposit accounts H. Other Banking Products & Services: ii. Mobile, WhatsApp and Internet banking: The Bank may undertake Mobile Banking, WhatsApp Banking and Internet Banking, in accordance with the Bank’s policy.</p> <p>III. Account opening and operations of deposit accounts H. Other Banking Products & Services: iii. Access to own and other ATM network: The bank will make available its own ATM access as well as ATMs of other banks by participating in regulated and approved network by regulators and statutory authorities.</p> <p>III. Account opening and operations of deposit accounts H. Other Banking Products & Services: iv. Extension of alternate delivery channels: The Bank may offer choice of electronic channels (like NEFT and RTGS) to customers for conducting their banking transactions. Wherever such electronic facilities are offered as a part of the product/services, the Bank will obtain specific consent of the customers for availing the facility.</p> <p>III. Account opening and operations of deposit accounts I. Statement of Account: A statement of account will be provided by the Bank to Savings Account as well as Current Account Holders on a monthly basis as per the terms and</p>
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			<p>conditions applicable while opening the account. The statement of account maybe issued in a digital form to the customer and send to their registered email id on monthly basis. The customer may also have ability to download the statement of account by accessing the Internet Banking / Mobile Banking / WhatsApp Banking. Alternatively, the Bank may issue a Passbook to these account holders.</p>
			<p>III. Account opening and operations of deposit accounts J. Accounts operations i. Account in the name of a single individual: Savings accounts can be opened by an individual in his/her own name, known as account in single name wherein the mode of operation is Self.</p>
			<p>III. Account opening and operations of deposit accounts J. Accounts operations iii. Joint accounts a. Either or Survivor: If the account is in the name of two individuals say, A & B, either of them can operate the account in the normal course. 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 (in case of term deposit) or to the survivor on death of any one of the account holders. However, the signatures of both the depositors may have to be obtained, in case the deposit is to be paid before maturity.</p>
			<p>III. Account opening and operations of deposit accounts J. Accounts operations iii. Joint accounts b. Anyone or Survivor(s): If the account is in the name of two or more individuals say, A, B & C, any one of them can operate the account in the normal course. The final balance along with interest if applicable, will be paid to any of surviving account holders i.e. A or B or C, on the date of maturity (in case of term deposit). On the death of any one of account holder say A, the final balance along with interest, if applicable, will be paid to the surviving account holders i.e. B and C. On the death of any two of account holders, say A and B, the final balance along with interest, if applicable, will be paid to surviving account holder i.e. C. However, the signatures of all the depositors may have to be obtained, in case the deposit is to be paid before maturity.</p>
			<p>III. Account opening and operations of deposit accounts J. Accounts operation ii. Accounts of minors: On attaining the age of majority, the erstwhile minor should confirm balance in her/her account and if the account is operated by the natural guardian / legal guardian, fresh KYC documents, Photograph operating instructions, and specimen signature of erstwhile minor should be obtained and kept on record.</p>
			<p>III. Account opening and operations of deposit accounts J. Accounts operations</p>

			<p>iv. Power of Attorney: At the request of the depositor/s, the Bank will register power of attorney given by him/her/them authorizing another person to operate the account on his/her/their behalf. Account opening and closing will not be allowed by Power of Attorney.</p> <p>III. Account opening and operations of deposit accounts J. Accounts operations v. Mandate: At the request of the depositor/s, the Bank will register mandate given by him/her/them authorizing another person to operate the account on his/her/their behalf. This is applicable for NRI customers. Account opening and closing will not be allowed by mandate</p> <p>III. Account opening and operations of deposit accounts R. Account of Transgender person: 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. All transgender customers shall be treated equally to other male/ female customers without any discrimination.</p> <p>III. Account opening and operations of deposit accounts T. Account Closure: Customer who wishes to close the account :</p> <ol style="list-style-type: none"> 1) Have to submit account closure application signed by all Joint holders. 2) Customer has to surrender debit card if any issued. 3) Customer has to surrender unused cheque leaves. 4) Customer has to declare that he/she has delinked the account linked for financial credits & debits. <p>At the time of closure of account, Bank will check the surrender cheque leaves with unused cheque leaves in CBS, obtain a declaration if does not tally. Bank will check if the account is linked for locker rent & demat charges. Bank will recover unrecovered charges / debit balance if any. Bank can waive partly / fully unrecovered charges at its discretion.</p> <p>For service charges related to account closure refer Schedule of charges in Bank’s website. Service charges are subject to <u>change from time to time at the discretion of the Bank.</u></p> <p>IV. Interest Rate framework</p> <p>Bank shall pay interest on deposits of money (other than current account deposits) accepted by them or renewed by them in their Domestic, Ordinary Non-Resident (NRO) and Non-Resident (External) Accounts (NRE) on the terms and conditions specified in these directions:</p> <ol style="list-style-type: none"> a) The rates shall be uniform across all branches and for all customers and there shall be no discrimination in the matter of interest paid on the deposits, between one deposit and another of similar amount, accepted on the same date, at any of its offices. b) Interest rates payable on deposits shall be strictly as per the schedule of interest rates disclosed in advance. The bank
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			<p>shall maintain the bulk deposit interest rate card in their Core banking system to facilitate supervisory review.</p> <p>c) The rates shall not be subject to negotiation between the depositors and the bank.</p> <p>d) The interest rates offered shall be reasonable, consistent, transparent and available for supervisory review/scrutiny as and when required.</p> <p>e) All transactions, involving payment of interest on deposits shall be rounded off to the nearest rupee for rupee deposits.</p> <p>f) Deposits maturing on non-business working day</p> <ol style="list-style-type: none"> i. If a term deposit is maturing for payment on a non-business working day, Bank shall pay interest at the originally contracted rate on the original principal deposit amount for the non-business working day, intervening between the date of the maturity of the specified term of the deposit and the date of payment of the proceeds of the deposit on the succeeding working day. ii. In case of reinvestment deposits and recurring deposits, Bank shall pay interest for the intervening non-business working day on the maturity value.
			<p>IV Interest Rate framework</p> <p>A. Interest rate on domestic Current Account</p> <p>No interest shall be paid on deposits held in current accounts.</p> <p>Provided that balances lying in current account standing in the name of a deceased individual depositor or sole proprietorship concern shall attract interest from the date of death of the depositor till the date of repayment to the claimant/s at the rate of interest applicable to savings deposit as on the date of payment.</p>
			<p>IV Interest Rate framework</p> <p>B. Interest Rate on domestic Saving Deposits</p> <p>iii. Interest on savings bank accounts, including those frozen by the enforcement authorities, shall be credited on regular basis irrespective of the operational status of the account.</p>
			<p>IV. Interest Payments</p> <p>B. Interest on Term Deposits:</p> <p>(i) Term deposit interest rates are decided by the Bank within the general guidelines issued by the Reserve Bank of India from time to time. This includes additional interest rates for Resident Indian senior citizens and Bank shall at its discretion, allow additional interest at a rate not exceeding one per cent per annum over and above the card rate of interest on savings or a term deposits account of being bank's own staff as may be decided by the bank in terms of its internal policy.</p>
			<p>IV Interest Rate framework</p> <p>(i) Interest Rate on domestic Term Deposits</p> <p>(ii) Interest rates on term deposits shall vary only on account of one or more of the following reasons:</p> <ol style="list-style-type: none"> a. Tenor of Deposits: Bank shall have the freedom to determine the maturity/tenor of the deposit subject to the condition that minimum tenor of the deposit offered shall be seven days. b. Size of Deposits : Differential interest rate shall be offered only on bulk deposits. <p>Provided that differential interest shall not be applicable on deposit</p>

			<p>schemes framed on the basis of the Bank Term Deposit Scheme, 2006 or the deposits received under the Capital Gains Accounts Scheme, 1988.</p>
			<p>IV Interest Rate framework</p> <p>B. Interest Rate on domestic Term Deposits</p> <p>iii. In case of monthly deposit scheme, interest shall be calculated at discounted value for General customers and simple interest for Senior Citizens.</p>
			<p>IV Interest Rate framework</p> <p>B. Interest Rate on domestic Term Deposits</p> <p>iv. Interest on deposits repayable for less than 3 months or where the terminal quarter is incomplete, interest is calculated for completed months and further for incomplete month on actual number of days reckoning the year at 365 days.</p>
			<p>IV Interest Rate framework</p> <p>B. Interest Rate on domestic Term Deposits</p> <p>v. The interest is calculated reckoning the year at 365 days irrespective of a leap year</p>
			<p>IV Interest Rate framework</p> <p>B. Interest Rate on domestic Term Deposits</p> <p>vi. The rate of interest on deposits will be prominently displayed in the branch premises.</p>
			<p>IV Interest Rate framework</p> <p>B. Interest Rate on domestic Term Deposits</p> <p>x. Interest rate payable on deposits shall be strictly as per the schedule of interest rates disclosed in advance except for Bulk Deposits i.e. Single rupee term deposits of rupees three crore and above where the bank may, at its discretion, offer differential rates of interest, within the ambit of regulatory guidelines issued by RBI from time to time.</p>
			<p>VI. Premature withdrawal of Term Deposit:</p> <p>3. Bank levies premature penalty @ 1% p.a on the rate applicable for the period the deposit has remained with the bank or as decided from time to time. Further, the bank may, at its discretion, waive penalty for premature closure.</p>
			<p>VI. Premature withdrawal of Term Deposit:</p> <p>3. Interest on the deposit for the period that it has remained with the bank will be paid at the rate applicable to the period for which the deposit remained with the bank and not at the contracted rate</p>
			<p>VI. Premature withdrawal of Term Deposit:</p> <p>4. Term Deposits of below ₹ 3 Crores: For term deposits of below ₹ 3 crores, the Bank on request from the depositor shall allow withdrawal of deposit before completion of the period of the deposit agreed upon at the time of placing the deposit i.e. premature withdrawal will be allowed.</p>
			<p>VI. Premature withdrawal of Term Deposit:</p>

			<p>4. Term Deposits of ₹ 3 crores and above: For term deposits of ₹ 3 crores and above, where Bank offers both, deposits with/without premature withdrawal facility, customer shall be given the option to choose between the two facilities. For term deposits without premature withdrawal facility, the Bank may offer differential rate of interest. The Bank, shall, however disclose in advance the schedule of interest rate payable on term deposits. The Bank shall declare their penal interest rates policy for premature withdrawal of term deposit. While prematurely closing the existing deposit, interest will be paid for the period the deposit has remained with the Bank. The Bank shall make depositors aware of the applicable rate along with the deposit rate.</p> <p>VIII. Premature Renewal of Term Deposit:</p> <p>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</p> <ol style="list-style-type: none"> i. The depositor approaches for premature closure before 7 days from the start date of deposit, then the deposit shall be renewed with retrospective maturity date, since no interest is paid. ii. The depositor approaches for premature closure on or after 7 days for renewing the Term deposit for a longer period than the original contract then while prematurely closing the deposit, interest on the deposit for the period it has remained with the bank will be paid at the rate applicable on the date of deposit to the period for which the deposit remained with the bank and not at the contracted rate. Further, the bank may, at its discretion, levy penalty for premature closure of an existing deposit at such rates as may be decided by the bank from time to time. <p>XII. Interest rates on Rupee Deposits-Non-Residents</p> <p>A. Interest on deposits of money accepted or renewed under NRE/NRO deposit scheme shall be on the terms and conditions specified in the ensuing paragraphs:</p> <ol style="list-style-type: none"> a. The interest rates shall be subject to the conditions laid down in these Directions. b. Interest rates on savings deposits under Non-Resident (External) Rupee (NRE) Deposit / Ordinary Non-Resident (NRO) Deposits shall be in accordance with Directions. c. Interest rates on NRE/NRO term deposits shall vary only on account of one or more of the following reasons: <ol style="list-style-type: none"> (i) Tenor of Deposits: Banks shall have the freedom to determine the maturity/tenor of the deposit subject to the condition that minimum tenor of NRE term deposits shall be one year and that of NRO term deposits shall be seven days. (ii) Size of Deposits : Differential interest rate shall be offered only on bulk deposits
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			<p>d. Interest rates on NRE/ NRO deposits shall not be higher than those offered by the banks on comparable domestic rupee term deposits.</p> <p>e. The benefit of additional interest rate on deposits on account of being bank's own staff or senior citizens shall not be available to NRE and NRO deposits.</p> <p>f. Interest on savings deposits shall be credited at quarterly or shorter intervals.</p> <p>B. Prohibition on marking lien : Scheduled Commercial Banks shall not mark any type of lien, direct or indirect, against NRE saving deposits except for statutory requirement</p> <p>C. Penalty on premature withdrawal of NRE deposits There shall be a comprehensive policy on penalties for premature withdrawal of NRE term deposits approved by the Board of Directors or any committee of the Board to which powers have been delegated, subject to the following:</p> <p>a. The components of penalty shall be clearly brought to the notice of the depositors at the time of acceptance of the deposits.</p> <p>b. No penalty for premature withdrawal shall be levied, where depositors of the branch as mentioned in section of this direction desires premature withdrawal of deposit consequent to the transfer of business to another bank.</p> <p>D. Interest payable on the NRE term deposit account of deceased depositor : In case the claimants of an NRE term deposit account of a deceased depositor are residents, the deposit on maturity shall be treated as a domestic rupee term deposit and interest shall be paid for the subsequent period at a rate applicable to a domestic term deposit of similar maturity.</p>
			<p>XIII. Others: G. Dormant / Inoperative Account: Accounts which are not operated by the customer for a period of two years will be classified as Dormant / Inoperative in the interest of the depositor as well as the Bank. Activation of such dormant accounts will be done on receiving a request in writing from the customer. The depositor can request the bank to activate the account for operating it after complying with the regulatory guidelines and the banks internal guidelines in this regard.</p>
			<p>XIII. Others: H. Inactive Account: Accounts which are not operated by the customer for a period of one year will be considered as inactive accounts in the interest of depositor as well as the Bank. An intimation letter shall be sent to the depositor on account turning inactive. Customer can activate the account by performing a financial transaction in the account.</p>
			<p>XIII.Others I.Unclaimed Deposits: These are accounts which have not been operated upon for ten years. Such accounts are transferred to RBI</p>

			<p>under the “The Depositor Education and Awareness Fund Scheme, 2014”.</p> <p>Unclaimed Deposit Reference Number (UDRN)- It is a unique number generated through Core Banking Solution (CBS) and assigned to each unclaimed account/ deposit transferred to DEA Fund of RBI. The number shall be such that the account holder or the bank branch where account is maintained, cannot be identified by any third party.</p> <p>In an effort to play a more pro-active role in finding the whereabouts of the account holders of unclaimed deposits, the list of such accounts which are inoperative for ten years or more will be displayed on our Bank’s website. For Individual Customers, the list displayed on the website will contain the names of the account holder(s) and his/her address in respect of unclaimed deposits. For Non-Individual Customers, the list so displayed on the website will contain the names of the Entity and its address in respect of unclaimed deposits. Customers / claimants in respect of such accounts are required to contact the Bank to submit their claims with supporting documents as may be directed by the Bank.</p> <p>1. Review of Accounts</p> <ol style="list-style-type: none"> i. Bank shall undertake atleast an annual review in respect of accounts, where there is no customer induced transactions for more than a year. In cases where there is no explicit mandate to renew the term deposit, the bank should review such accounts if the customers have not withdrawn the proceeds after maturity or transferred these to their savings/current account in order to prevent such deposits from becoming unclaimed. The bank shall inform the account/deposit holders through letters or email or SMS (if the email and mobile number are registered with the bank) that there has been no operation in their accounts/deposits in the last one year, as the case may be. The alert messages shall invariably mention that the account would become ‘inoperative’ if no operations are carried out during the next one year and, the account holder would be required to submit KYC documents afresh for reactivating the account in such case. ii. If the letters are returned undelivered or no response is received through registered email, the bank shall immediately undertake an enquiry to find out the whereabouts of account holder or his/her nominee/legal heirs in case the account holder is deceased iii. In case any response is received from the account holder giving the reasons for not operating the account, the bank shall continue to classify the account as operative for one more year and the account holder shall be advised to operate the account within a period of one year (herein after referred to as ‘extended period’). In case the account holder still fails to operate the account within the extended period, the bank shall classify the said account as inoperative account after the expiry of the extended period. iv. For the purpose of classifying an account as ‘inoperative’, only customer induced transactions and not bank induced transactions shall be considered. There may be instances
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			<p>where the customer has given a mandate like Standing Instructions (SI)/ auto-renewal instructions and there are no other operations in the Savings /Current account or the Term Deposit. These transactions shall also be treated as customer induced transactions.</p> <p>v. The classification of an account as inoperative shall be for a particular account of the customer and not with reference to the customer. In case a customer is maintaining multiple accounts/deposits with a bank, all such accounts/deposits shall be assessed individually for the purpose of classifying them as inoperative account/ unclaimed deposit, as the case may be.</p> <p>vi. In case the account holder is not carrying out transaction and the account is - inoperative due to shifting of primary account to another bank, the account holder may be requested to provide the details of the new bank account with authorisation to enable the bank to transfer the balance from the existing bank account.</p> <p>2. Customer Awareness</p> <p>1. The bank shall provide on their website as well as at their branches, the information on the process for activation of the inoperative account/ unclaimed deposits and claiming the balances therein. Necessary claim forms and documents may be made available for the benefit of customers.</p> <p>2. The bank shall conduct public awareness and financial literacy campaigns regularly to educate the members of public about the activation of inoperative accounts/unclaimed deposits and the prescribed procedure to claim amounts lying therein by a depositor or his/her nominee/ legal heir in case of deceased depositor.</p>
3.1	September 19, 2024	(i)Section Customer Grievance Redressal Mechanism	I 4.1 Customer Service Committee of the Board Revised quorum for Committee meeting