



The Goa Urban Co-operative Bank Ltd.
(Registered Office : Dr. Atmaram Borkar Road, Panaji-Goa, 403 001)
SCHEDULED BANK

POLICY ON BANK DEPOSITS

Recommended for Approval of BOD in BOM meeting dated :	24th May 2024
Approved in the BOD meeting dated :	24th May 2024

POLICY ON BANK DEPOSITS

PREAMBLE:

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

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

While adopting this policy, the bank, being a co-operative bank, reiterates its commitment to individual customers. This document is a broad framework under which the rights of common depositors are recognized. Detailed operational instructions on various deposit schemes and related services will be issued from time to time.

Validity of the Policy:

- i. The present policy will be valid from 1st May 2024 as approved by the Board of Directors in the meeting held on 24th April 2024 and shall remain in force till the date of next review.
- ii. The deposit policy may be reviewed and modifications, if any may be incorporated by the Board of Directors and the same will be circulated to the branches.
- iii. In case of exigencies and to be in line with regulatory/ statutory guidelines the The Managing Director is empowered to approve changes /modifications/ amendments relaxations / exemptions, if any, required to be made in the policy and issue necessary guidelines and same will be placed before the Board for ratification.

2. TYPES OF DEPOSIT ACCOUNTS:

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

A. "Demand Deposit" means a deposit received by the Bank, which is withdrawable on demand.

- i. **"Savings Bank Deposit"** means a form of Demand Deposit which is subject to restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the Bank, during any specific period.

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

B. “Term Deposit” means a deposit received by the Bank for a fixed period – withdrawable only after the expiry of the fixed period; subject to terms & conditions stipulated by the Bank, from time to time and include deposits such as Fixed Deposit with option of payment of interest on monthly, quarterly or on due date / Fixed Deposit Reinvestment/ Monthly Recurring Deposit (MRD)/Sahakar Nidhi Deposit (SND) /Bulk Term Deposit (Non-Callable) means Single Rupee term deposits of Rupees one crore and above.

“Non-Callable Term Deposit” means term ‘deposits without premature withdrawal option’. Premature closure of non-callable term deposit can only be allowed in circumstances as given below:

i) Death of depositor/first depositor in case of joint account ii) Bankruptcy of the depositor/s iii) In case of specific order from Government/Regulator iv) In case of court order v) In case of any other special circumstances/exigencies. vi) For the case mentioned in point no (v) the power for premature closure of non-callable deposits will be vested with the Board of Directors of the Bank.

Bank may introduce any new product or modify any existing product during the year with due approval by the Board of Directors or any concerned authority duly authorized by Board of Directors.

3. ACCOUNT OPENING AND OPERATIONS OF DEPOSIT ACCOUNTS

A) The Bank, before opening any deposit account, will carry out due diligence as required under “Know Your Customer” (KYC) guidelines issued by RBI and prevention of money laundering Act and/ or such other norms or procedures as per the Customer Acceptance Policy / KYC & AML Policy of the bank. If the decision to open an account of a prospective depositor requires clearance at a higher level, reasons for any delay in opening of the account will be informed to him/her and the final decision of the Bank will be conveyed at the earliest to him/her.

B) The bank is committed to provide basic banking services to disadvantaged sections of the society. Banking services will be offered to them through No Frill / Basic Savings Bank Account with relaxed customer acceptance norms as per regulatory guidelines.

C) The account opening forms and other material would be provided to the prospective depositor by the Bank. 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.

D) Customer also can avail other banking product services which may be offered by bank from time to time when permitted by the authority like:

1. Debit card- Bank may issue Debit cards to customers having Saving Bank/Current Accounts. Bank may charge on debit card transactions within stipulated benchmark as per regulatory guidelines. To encourage the debit card usage, Bank may lower the Merchant

Discount Rate. Bank may formulate a comprehensive debit card issuance policy including policy on co-branded debit cards with the approval of Boards and issue debit cards to our customers in accordance with the policy.

2. Mobile and Internet banking- Bank has formulated Mobile Banking Policy which has been approved by the board with perceived risks and mitigation measures proposed to be adopted before launching the scheme. Bank has defined the per transaction limits based on risk perception with the approval of Board. Use of mobile banking services for cross border inward and outward transfers is strictly prohibited.

E) The regulatory guidelines require Bank to categorize customers based on risk perception and prepare profiles of customers for the purpose of transaction monitoring. Inability or unwillingness of a prospective customer to provide necessary information/details could result in the bank not opening an account.

F) Inability of an existing customer to furnish details required by the bank to fulfill statutory obligations could also result in closure of the account after due notice(s) is served to the customer.

G) For deposit products like Saving Bank (SB) A/c and Current Deposit (CD) A/c, the Bank may stipulate certain minimum balance to be maintained as part of the terms and conditions governing operations of such accounts which will be displayed on the branch notice board/Website. Failure to maintain minimum balance in the account may attract levy of charges as specified by the Bank from time to time, with prior notification to customer of minimum 30 days, requesting to maintain the required balance, failing which charges will be levied. Accordingly, if the requisite balance is not maintained in the savings bank account/ Current Deposit Account, the penal charges may be levied by the system after the completion of the quarter and the same will be notified to the customer through SMS (provided the SMS alert facility is availed by the customer). The minimum balance charges in Saving Bank account and current deposit account will be displayed on Bank's website and is subject to revision from time to time.

H) For SB A/c, Bank may also place restrictions on the number of transactions, cash withdrawals, etc., for a given period. Similarly, the Bank may specify charges for issue of cheque books, additional statements of accounts, duplicate pass book, folio charges, etc. All such details, regarding terms and conditions for operation of the accounts and schedule of charges for various services provided is available on Bank's website and are subject to revision from time to time.

I) The Bank will not open any new account where the identity of the customer matches with banned entities such as individual terrorists or terrorist organizations etc. The list of such suspected entities is updated in AML package and available in branches.

J) Opening of Accounts

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

With reference to Master Directions issued by the Reserve Bank of India, Co-operative banks shall not 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.

SCHEDULE- I

(1)	Primary Agricultural Credit Society which is being financed by the co-operative 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
(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)	<u>Institutions other than those mentioned herein above and whose entire income is exempt from payment of Income-tax under the Income-Tax Act, 1961</u>
(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

Current Accounts can be opened by Individuals/Proprietary Concerns/ Partnership Firms/ LLP/ Private & Public Limited Companies/HUFs/Specified Associations/ Societies/ Trusts, Charitable and Religious Institutions etc. as permitted by Reserve Bank of India from time to time.

Term Deposits

Term Deposits Accounts can be opened by individuals / Proprietary Concerns/ partnership firms / Private and Public Limited Companies / HUFs/ Specified Associations / Societies / Trusts, Charitable and Religious Institutions, Departments of Authority created by Government (Central or State), Limited Liability Partnership etc. as permitted by Reserve Bank of India from time to time.

The general information on various Deposits & Interest rates offered by our Bank is available on Bank's website www.gucb.co.in

K) The due diligence process, while opening a Deposit Account involves satisfying about the identity of the person, verification of address, satisfying about his/her occupation and source of income and obtaining recent photograph of the person/s opening/operating the account. As per the provisions of the Prevention of Money Laundering Act, 2002 and the rules made there under by the Government, as well as guidelines issued by Reserve Bank of India (RBI) on KYC from time to time, obtaining identification documents for every customer is mandatory and introduction by a 3rd party is not a substitute for KYC documentation. The 'No frill Saving Bank Account's'/ Basic Savings Bank Account's would be subject to RBI guidelines on Know Your Customer (KYC) / Anti-Money Laundering (AML) for opening of bank accounts issued from time to time. If such account is opened on the basis of simplified KYC norms it would be subject to conditions stipulated for such accounts as indicated in Circulars/ guidelines on 'KYC norms / AML standards / Combating of Financing of Terrorism (CFT) / Obligation of banks under PMLA, 2002' issued from time to time.

L) In addition to the due diligence requirements, under KYC norms, the bank is required by law to obtain Permanent Account Number (PAN) or General Index Register or alternatively declaration in Form No. 60 or 61 as specified under the Income Tax Act / Rules and PMLA Rules.

M) Deposit Accounts can be opened by an individual in his own name (status: known as Account in single name) or by more than one individual in their own names (status: known

as Joint Account). SB A/c can also be opened by a minor, jointly with Natural or Legally Appointed Guardian or with Mother, as the Guardian (status: known as Minor's Account).

N) Operation in Joint Account – The Joint Account opened by more than one individual can be operated by any single individual or by more than one individual, jointly. The mandate for operating the A/c can be modified with the consent of all A/c Holders. The SB A/c opened by a minor, jointly with natural guardian/ guardian can be operated by natural guardian/guardian only till the minor attains the majority. On attaining the majority, the required KYC documents of the erstwhile minor will be obtained and kept on record and thereafter the account shall be allowed to be operated by the erstwhile minor.

O) The Joint A/c Holders can give any of the following mandates for the disposal of balances in their account :

i) **“Either or Survivor”**: If the account is held by two individuals, say A & B, the final balance along with interest, if applicable, will be paid to either of account holder i.e. A or B, on date of maturity (in case of Term Deposits) or to survivor on death of anyone of the A/c Holders.

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

iii) **“Anyone or Survivor/s”** : If the A/c is held by more than two individuals, say A, B and C, the final balance along with Interest, if applicable, will be paid to any one if all of them are alive or to the survivor/s on the death of any of the A/c Holders. On the death of any one of account holders say A, the final balance along with interest, if applicable, will be paid to any two of the surviving accountholders i.e. B or C. On the death of any two of account holders say A and B, the final balance along with interest if applicable, will be paid to surviving accountholder i.e. C.

iv) **“Operated Jointly”**: Accounts which has operational instructions “operated jointly”, the operations and all the instructions in this account shall be accepted under joint signatures of all account holders. The above mandate will be applicable to or become operational only on or after the date of maturity in case of term deposits. This mandate can be modified only by the consent of all the a/c Holders.

Now if the joint depositors prefer premature withdrawal of term deposits in accordance with the mandate of ‘Either or Survivor’, ‘Anyone or Survivor’ or ‘Former or Survivor’, bank may allow premature withdrawal of term deposits to the surviving depositor/s without seeking concurrence of legal heirs of the deceased deposit holder, provided all the depositors have given a specific joint mandate for the said purpose at the time of opening of the account or any time subsequently during the tenure of the deposit.

P) At the request of the depositor, the Bank may register the mandate/power of attorney given by him/her, authorizing another person to operate the Account on his/her behalf on

obtaining the full KYC details and documents of the person authorized to operate the account under mandate/power of attorney.

Q) Under Fixed Deposit Automatic Renewal scheme, the Term Deposit A/c holders at the time of placing their deposits can give instructions with regard to renewal of deposit for a further period on the date of maturity. In such cases, there will be automatic renewal of the deposits for the same period as was for the last deposit at the prevalent rate of interest on date of renewal.

R) Nomination facility is available on all deposit accounts opened by the individuals, either in single name or joint names. Nomination is also available to a Sole Proprietary Concern Account. Nomination is not permitted in favour of Company, Firm, Trust, HUF, etc. Nomination can be made in favour of one individual only. Nomination so made can be cancelled or modified by the A/c Holder/s at any time. Nomination can be made in favour of a minor also, however in such cases, the depositor (s) while making the nomination in favour of minor should appoint another individual not being a minor to receive the amount of deposit on behalf of minor nominee in the event of death of depositor(s) during the minority of the nominee. In case of Joint A/cs, nomination or modifications of nomination should be made by all depositors, jointly.

Bank recommends that all depositors avail the nomination facility. The nominee, in the event of death of the depositor/s, would receive the balance outstanding in the A/c of the deceased as a Trustee of Legal Heirs. The depositor will be informed of the advantages of the nomination facility while opening a Deposit A/c. Depositor to give consent for non-availment of nomination facility in writing.

S) In general Pass book will be provided by the Bank to depositors for Saving Bank A/c, Current Deposit A/c and for Cash Credit Account holders. E-statements of account may be sent on the registered email Id of SB A/c, CD A/c & CC A/c holders on request.

T) Upon introduction of Internet Banking facility by the bank, the depositors who wish to avail internet banking facility will have to apply for the same in the respective branch and all the transactions will be governed by the regulations framed by the bank from time to time.

U) Specific charges, as applicable for issue of cheque books, additional/duplicate statement of account, passbook, copies of paid cheques, folio charges, ATM/Debit Card charges, verification of signatures, return of cheques, etc. will be recovered from time to time.

V) Under financial inclusion, No Frill Saving Bank A/cs/ Basic Savings Bank Account could be opened either with "NIL" or very low minimum balances. No Frill Saving Bank accounts / Basic Savings Bank Accounts shall be governed by RBI directives/ guidelines issued from time to time.

W) The term deposit receipt renewed under "Automatic Renewal Scheme" renewal endorsement will be done on the reverse of the receipt on submission of the original (Matured) term deposit receipt by the customer to the bank.

X) To maintain good customer relations, the bank will follow the practice of sending maturity intimation through SMS/letter (provided mobile no is available with bank/ complete address available with bank) to all the term deposit holders 15 days in advance. However, it is

expected that the depositor will take necessary care to renew the deposit on due date to avoid loss of interest.

4. INTEREST PAYMENT:

- i. Interest shall be paid on Savings A/c at the rate specified by Bank which will be calculated on daily product basis and will be credited on quarterly basis in the months of June, September, December and March, respectively or at the time of closing of account.
- ii. In terms of RBI directives, interest shall be calculated at quarterly intervals on Term Deposits and provided/paid at the rate decided by the Bank, depending upon the period of deposits. In case of monthly deposit scheme, the Interest shall be calculated for the quarter and paid monthly at discounted value.
- iii. The rate of Interest on Deposits will be prominently displayed in the branch premises and on Bank's Website from time to time. Changes in rates, if any, with regard to the deposit schemes and other related services/ policies shall also be communicated upfront by displaying notice on the Notice Board of the bank/ branches and Website of the bank from time to time.
- iv. The rate of interest on Term Deposits is decided by Board of Directors (BOD). Bank doesn't discriminate in the matter of interest paid on deposits, between one deposit and another, accepted on the same date with same maturity and under same product, whether such deposits are accepted at the same office or at different offices of the bank.
- v. The Bank has statutory obligations to deduct tax at source if the total interest paid/payable on all Term Deposits held by a person during a financial year exceeds the amount specified under the Income Tax Act. The amount of tax would be deducted from interest payable on term deposits and the maturity proceeds of the deposits will be lower than that mentioned on Term Deposit to the extent of TDS plus loss of interest to that effect in case of re-investment deposits. The Bank will issue a Tax Deduction Certificate (TDS) for the amount of tax deducted. The depositor, if entitled for exemption from TDS can submit declaration in the prescribed format i.e. Form 15G/15H at the beginning of every financial year or at the time of opening of fresh deposit. DEPOSITORS must furnish their PAN Number along with 15G /15H. Failure to furnish PAN/ In-operative PAN's will result in deduction of TDS at double the prevailing rate or as applicable under the Income Tax Act 1961.

As per Sec. 206AB of Income Tax Act 1961, TDS at higher rate will be deducted from the payment made to the specified person as applicable.

Note: Interest paid on Term Deposits (Fixed as well as recurring) will attract TDS provisions. TDS will be deducted on the interest earned on the total amount of term deposits held by a customer in the Bank as a whole, and not on individual term deposits held by him branch-wise including Recurring Deposits (as per amendments in Finance Act 2015), Interest earned on deposits held in the name of Minor will be clubbed with guardian for calculation of TDS. In case of Minor having multiple fixed deposit's with Father as well as Mother, the interest earned all deposits held in the name of minor will be clubbed with major (father or mother) having higher income. Bank will deduct tax at source as mandated under Sec. 194A of the Income Tax Act. (Presently Exemptions limits for senior citizens Rs. 50,000/- and Rs. 40,000/- for others)

5. INTEREST PAYMENTS – MODE OF CALCULATION:

A. SAVINGS BANK ACCOUNTS:

Interest shall be paid on SB Account at the rates decided by Board of Directors within the general guidelines issued by RBI from time to time and, calculated on daily product basis and will be credited in the SB A/c on quarterly basis in June, September, December and March, every year or at the time of closing of the SB A/c. Interest will be credited if it is Minimum Re.1/-. Invariably, interest shall be credited on regular basis in SB account irrespective of the operational status of the account.

Any change/ revision in interest rate on Savings Bank Deposits shall be notified to the customers through Bank's Notice Board and website i.e. www.gucb.co.in

B. TERM DEPOSIT ACCOUNTS:

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

6. MODE OF CALCULATION OF INTEREST ON DEPOSITS:

A. SAVING DEPOSIT: Interest would be paid for the actual number of days (Interest Calculation on the basis of 365 days in a year irrespective of whether it is a leap year or not)

B. FIXED DEPOSITS: The method of calculation of interest on a fixed deposit, both Traditional and Cumulative Deposits is as follows:

i) For Traditional Fixed Deposits with quarterly payouts interest is calculated based on annual rates (Simple Interest). However, in case of monthly payouts, interest is paid at a discounted rate. For traditional fixed deposits, interest is calculated on the principal amount for completed quarters and then for the balance period, interest is calculated for completed months and further for incomplete month on actual number of days.

ii) For Reinvestment Deposits/Cumulative Fixed Deposits, interest is compounded quarterly on completion of each quarter. For the broken period beyond completed quarter, simple interest is calculated on the cumulated deposit amount for the actual number of days. Reinvestment Deposits are not issued for less than 06 months.

For the purpose of interest calculation on all Fixed Deposits for actual number of days (in case interest is calculated for incomplete quarter), the denominator is always taken as 365 days irrespective of whether it is a leap year or not.

C. SAHAKAR NIDHI DEPOSIT (SND): Interest is calculated on the balance as on the last day of each month and paid at the time of closure of account. (Interest Calculation on the basis of 365 days in a year)

If a Term/ Fixed Deposit matures and proceeds are unpaid, the amount left unclaimed for more than 07 days with the bank will attract savings bank rate of interest or the contracted rate of interest on the matured TD, whichever is lower, if not renewed within 7 days.

7. ACCOUNTS OF MINORS:

Deposit account of a minor may be opened to be operated upon by the natural guardian of the minor/ with mother as guardian or by the guardian appointed by the Court.

When a minor attains majority, the guardian ceases to be the guardian and the Account ceases to be that of a minor. The payment from the account will be made to the erstwhile minor, provided the branch is satisfied about his identity and on written request, upon obtaining KYC details and documents.

When a minor whose account is operated by the guardian on his behalf attains majority, a Balance Confirmation Letter, duly signed by the erstwhile minor shall be obtained. Having done this, it is not necessary to close the existing account and to open a new account, but necessary changes to be made in the CBS system (Master Data) Fresh Account opening form to be obtained which should be attached to old account opening form with "**MINOR ATTAINS MAJORITY**" words inscribed on the form in **RED INK**. Fresh Specimen Signature Card to be obtained, duly countersigned by the guardian.

8. ACCOUNT OF ILLITERATE :

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

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

In Joint A/c, the Bank may at the request of all the Joint A/c holders allow addition or deletion of name/s of Joint A/c holders if the circumstances so warrant. In case of individual A/c, Bank may allow an individual depositor to add the name of another individual as a Joint A/c Holder. However, in no case, the amount or duration of the original deposit undergo a change in any manner in case the deposit is a term deposit. Maximum joint A/c holders in a particular account is restricted to four only.

10. CUSTOMER INFORMATION:

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

11. SECRECY OF CUSTOMER'S ACCOUNTS:

The Bank shall not disclose details/particulars of the customer's A/c to a third person or party without the express or implied consent of the customer. However, there are some

exceptions, viz. disclosure of information as required by any law or by an order of the Court, Regulatory Authority or Govt. Agency and where interest of the Bank requires disclosure or larger public interest warrants such disclosure of information.

12. PREMATURE WITHDRAWAL /CLOSURE OF TERM DEPOSIT:

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

In addition, the Bank can levy penalty, as applicable from time to time. Further, the Bank may disallow premature withdrawal of Bulk Rupee term deposit of Rs.100.00 lacs and above accepted under specific Bulk Deposit Scheme of the bank, including deposits of individual and HUFs. Renewal of deposits before the date of its maturity shall not be regarded as involving premature repayment provided the deposits is held with the bank after the date of renewal for a period longer than the remaining period of the original contracted period. Penalty is also not applicable on settlement of claims in the deceased depositor’s accounts in the case of a term deposit standing in the name of deceased individual depositor and two or more joint depositors where one of the depositors has died. For payment before maturity, in case the deposit receipt is in joint names, all the joint account holders (Except in the case of Former or Survivor) have to discharge the Term Deposit Receipt.

In case of joint account holders the proceeds of term deposit may be transferred to the joint account or single account, as mandated by all joint account holders. Similarly, in case of Minor/Guardian Term deposit accounts, maturity amount/ loan taken for the benefit of minor may be credited to the account of guardian till the date minor attains majority and on attaining majority the amount shall be paid to the minor’s account who has now attained majority.

No interest will be paid for premature withdrawal within 7 days in case of term Deposits.

In case of Sahakar Nidhi Deposit Scheme :

- i. No Interest will be paid if account is closed before completion of 07 days term.
- ii. Pre closure of SND account is allowed before completion of 12 months and interest will be paid at the rates fixed by the bank. No commission paid to collection agent to be recovered.
- iii. Branch managers are empowered to close SND Account/s before maturity.

13. PREMATURE RENEWAL OF TERM DEPOSIT:

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

14. OVERDUE TERM DEPOSITS:

A. RENEWAL OF OVERDUE TERM DEPOSIT :

1. All matured term deposits, if not renewed within 07 days from the date of maturity will be treated as Overdue Term Deposit.
2. Overdue Term Deposits will be renewed on the date of presentation without retrospective effect i.e. from the date of presentation and not from the date on which the receipt was due.
3. Prevailing rate of Interest will be applicable from the date of renewal of deposit.
4. Bank will pay Interest on the Overdue Term Deposits for the overdue period at Saving Bank Rate as applicable at the time of payment or the contracted rate of interest on the matured TD, whichever is lower and will be calculated on "Simple Basis".
5. Board may allow renewal of Overdue Term Deposit from the date of renewal, provided the fixed deposit is renewed for atleast, further equal period, that of matured period w.e.f. the date of renewal or highest deposit period (which ever is lower), after obtaining a request letter from the party to this effect.

B. PAYMENT OF OVERDUE TERM DEPOSIT :

1. Bank will pay Interest on the Overdue Term Deposits for the overdue period at Saving Bank Rate as applicable at the time of payment or contracted rate of interest whichever is lower and will be calculated on "Simple Basis".

15. AUTOMATIC RENEWAL OF TERM DEPOSITS ON DUE DATE:

Unless there are specific instructions to the contrary, term deposits under Auto Renewal Scheme will be renewed for the same tenure as was for the matured Term Deposit and rate of interest would be as prevailing on due date. The TDR renewed under Automatic Renewal Scheme would be given to the customer upon submission of original TDR duly discharged or Renewal endorsement will be done on the reverse of the same receipt. Auto renewal of term deposit will not be done incase Re-KYC of the first customer is due on the date of renewal.

16. ADVANCES AGAINST DEPOSITS:

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

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

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

The joint deposit holders may be permitted to give the mandate either at the time of placing fixed deposit or anytime subsequently during the term/tenure of the deposit. If such a mandate is obtained, Bank can allow premature withdrawal of term/ fixed deposits by the

surviving depositor without seeking the concurrence of the legal heirs of the deceased joint deposit holder. It is also reiterated that such premature withdrawal would not attract any penal charge.

18. SETTLEMENT OF DUES IN DECEASED DEPOSIT ACCOUNT:

i.) If the Depositor has registered nomination with the Bank; - the balance outstanding in the A/c of the deceased depositor will be transferred to the account of/paid to the nominee provided nominee is not having any direct/ indirect liability with the bank, when a valid claim on prescribed format (**Form I**) is received and the Bank is satisfied about the identity of the nominee. In order to avoid hardship to the nominee of a deposit account, Branch Managers are been empowered to settle all deceased claims at the branch level where nomination is registered and deceased is not having any direct/indirect liability with the bank, after obtaining the requisite documents.

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

iii.) In case of deposit accounts are opened with instruction "Either or Survivor" or "Any one or Survivor" and one of the depositor expires before maturity, no prepayment of term deposit may be allowed without the concurrence of the legal heirs of the deceased joint holder. This, however, would not stand in the way of making payment to the survivor on maturity. Branch managers are empowered for settlement of Claim on maturity provided deceased is not having any direct/indirect liability, after receiving valid claim on prescribed format (**Form II**).

iv.) In case the mandate is "Former or Survivor", the "Former" alone can operate /withdraw the matured amount of the fixed deposit, when both the depositors are alive. However, the signature of both the depositors may have to be obtained, in case the deposit is to be paid before maturity. If former expires before the maturity of the term deposit, the "survivor" can withdraw the deposit on maturity. The premature withdrawal would however require the consent of both the parties, when both of them are alive, and that of surviving depositor and legal heirs of the deceased in case of death of one of the depositors.

v.) If the joint depositors prefer to allow premature withdrawals of Term deposits upon death of any of the joint account holders in accordance with the mandate of "Either or Survivor" or "Former or Survivor", as the case may be, provided they have given a specific joint mandate for the purpose either at the time of opening the account or during the period when all parties are alive.

vi.) **The claims of nature mentioned at sr. no. 18(i) to 18(v) hereinabove may be settled by the branch managers at branch level.**

vii) In the absence of nomination/ Survivorship clause, following procedure will be followed for settlement of claims:

Sr. No	Claim Amount	Documents to be obtained	Sanctioning Power
1	Claims upto Rs. 20,000/-	<ol style="list-style-type: none"> 1. Claim Form signed by all legal heirs and sureties. 2. Two sureties, acceptable to Bank, each good for the amount (Preferably Customers of bank) 3. Banks Indemnity Bond 4. Letter of Disclaimer 5. Original or Verified copy of Death Certificate of deceased. 6. Self attested copy of ID cards of claimants and sureties. 	Branch Manager
2	Claims above Rs. 20,000/- and upto Rs. 50,000/-	<ol style="list-style-type: none"> 1. Claim Form signed by all legal heirs including spouses of married children and sureties. 2. Two sureties, acceptable to Bank, each good for the amount (Preferably Customers of bank) 3. Banks Indemnity Bond 4. Notarised Letter of Disclaimer 5. Original or Verified copy of Death Certificate of deceased 6. Self attested copy of ID cards of claimants and sureties. 7. Any document to identify the legal heirs of deceased such as Ration card, heirship certificate etc. 8. Branch Manager's recommendation note. 	Chief Officer Shares & Accounts
3	Claims above Rs. 50,000/- and upto Rs. 1,00,000/-	<ol style="list-style-type: none"> 1. Claim Form signed by all legal heirs including spouses of married children and sureties. 2. Two sureties, acceptable to Bank, each good for the amount (Preferably Customers of bank) 3. Banks Indemnity Bond 4. Notarised Letter of Disclaimer 5. Original or Verified copy of Death Certificate of deceased 6. Self attested copy of ID cards of claimants and sureties. 7. Any document to identify the legal heirs of deceased such as Ration card, heirship certificate etc. 8. Branch Manager's & Chief Officer's recommendation note. 	Managing Director
4	All Claims above Rs.	<ol style="list-style-type: none"> 1. Claim Form signed by all legal heirs including spouses of married children and sureties. 	BOM/BOD

	<p>1,00,000/-, Locker Claims (by legal heirs only) and Claims pertaining to Gold held under pledge with the bank.</p>	<ol style="list-style-type: none"> 2. Two sureties, acceptable to Bank, each good for the amount (Preferably Customers of bank) 3. Notarised Affidavit cum Indemnity Bond signed by all claimants & Sureties 4. Notarised Letter of Disclaimer 5. Original or Verified copy of Death Certificate of deceased 6. Self attested copy of ID cards of claimants and sureties. 7. Any document to identify the legal heirs of deceased such as Succession Certificate, Will of the Deceased, Letter of Administration, Inventory Proceedings, Ration card, heirship certificate etc. 8. Branch Manager's, Chief Officer's & Managing Directors recommendation note. 	
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viii) The Bank may pay the amount outstanding in the A/c of deceased person against joint application and indemnity by all legal heirs to the person mandated by all legal heirs to receive the payment on their behalf without insisting on legal heirship documents up to the limit of Rs. 1,00,000/- (Rupees one lac only). This is to facilitate that the common depositors are not put to hardship on account of delays in completing legal formalities. However, in deserving cases the bank may sanction the claims to the legal heirs of the deceased by obtaining minimum required documents to the satisfaction of the bank.

ix) The branch may obtain any one or more documents to ascertain that the sureties furnished are trustworthy and good for the amount claimed.

- a. Copy of PAN card
- b. Principal Banker, address and A/c number of the Sureties with copy of first page and last six months entries
- c. If Surety is owner of a vehicle, copy of RC registration
- d. Office address, department & telephone number (Copy of Office ID Card)
- e. Details of residential/commercial properties owned by the sureties (electricity, water bill, house tax receipt etc.)
- f. Copy of latest Income Tax Return acknowledged by ITO
- g. Latest Salary Certificate/Monthly Pay-slip
- h. Any other document to the satisfaction of branch to ensure that the surety furnished is trustworthy, good for the amount and acceptable to branch.

Branch Managers should ensure that the sureties furnished for the claim are preferably the customers of the bank or they have signed the indemnity bond in the presence of branch manager/ officer or the signature on indemnity bond is attested by the banker of surety furnished.

However, in case of submission of claim of more than Rs. 1,00,000/- with proper documents of legal representation (i.e. Succession Certificate/ Will/ Letter of Administration/ Inventory Proceedings) the documents mentioned at Sr. 18 (ix) may be relaxed by the bank.

19. SETTLEMENT OF CLAIMS IN RESPECT OF MISSING PERSONS:

The settlement of claims in respect of missing persons is 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 Indian Evidence Act, presumption of death can be raised only after a lapse of seven years from the date of the person being reported missing. As such, the nominee/legal heirs of the missing deposit holder have to raise an express presumption of death of the deposit holder under Section 107/108 of the Indian Evidence Act, 1872, before a competent court of law. If the said court presumes that he/she is dead, then the claim in respect of a missing person can be settled on the basis of a decree issued by the court regarding the same. However, keeping in view the imperative need to avoid inconvenience and undue hardship to the common person and based on the guidelines given in the RBI circulars, the settlement of such claims has been bifurcated into two parts viz. (i) Claims upto and including Rs. 2,00,000/- with nomination and (ii) Other claims.

This will be applicable for savings/current accounts, term deposit account and Lockers. Where known through reliable sources about customer being missing on case-to-case basis the Bank may voluntarily debit freeze such accounts and intimate about such debit freeze to any one legal heirs/ nominee and would await claimant to approach the Bank and ensure a seamless settlement is made to the rightful owner of missing customer. The initiative is to protect customer monies and any content held in customer lockers with the Bank.

Claims ≤ Rs. 2,00,000/- with Nomination

For all claim amounts ≤ Rs. 2,00,000/- the following documents need to be submitted by the nominee:

1. FIR Copy
2. Non-traceable Report
3. Claim Form
4. Notarized Indemnity Bond for the Claim Amount
5. Proof of Address and Proof of ID of the nominee
6. Copy of nomination, if available

While in the above scenario, the nominee need not wait for a period of 7 years, for presumption of death by the court of law, however considering the risk associated in settlement of such claims prior to the presumption of death being decreed by the court, a minimum time period of 3 years should have lapsed from the date the person was reported missing.

Other Claims (This will include claims > Rs. 2,00,000 with nomination and claims without nomination and Lockers)

For all other claims, the deposit/Locker holder will be presumed deceased under the provisions of Section 108 of the Indian Evidence Act, if all of the following is true.

1. Nominee/Legal heirs have raised an express presumption of death of the deposit/ Locker holder before a competent court of law
2. Such presumption of death has been raised only after a lapse of 7 years from the date of the deposit/ locker holder being reported missing (date of missing report/FIR issued by the police)
3. If the court, based on the presumption of death raised by the nominee/legal heir, presumes that the deposit/ locker holder is dead, a certified copy of the appropriate order to the effect issued by the court is to be collected in evidence of presumption of death.

4. Non-traceable report
5. FIR copy
6. All other documents as applicable for settlement of deceased claims such as
 - a. Claim Form
 - b. Indemnity cum Affidavit
 - c. Notarised Letter of Disclaimer
 - d. Proof of Address and Photo ID of the legal heirs/survivors/ Claimants.
 - e. Customer copy of nomination, if available OR
 - f. Probated Will OR Succession Certificate OR Letter of Administration issued by a competent jurisdiction in India

As in case of Locker held by the Missing Person, It would not be possible for the Bank to ascertain the value of the contents of the locker and therefore bank will have to insist upon the Court Order for Presumption of Death before releasing the contents of the locker.

20. CHANGE OF GAURDIAN FOR MINOR ACCOUNT

In case of death of guardian, the branches may allow change of guardian. Branch Manager should ensure that only Natural guardian or Guardian appointed by Court is allowed to be replaced in place of the deceased guardian. Branch Manager should obtain the required KYC documents along with death certificate of deceased guardian and/or the certified copy of relevant court order.

In case of Term Deposit account/s, branches are required to close the deposit receipt/s without any penalty and open a new deposit receipt, with new guardian.

21. INTEREST PAYABLE ON TERM DEPOSIT IN DECEASED ACCOUNT

In the event of death of the depositor before the date of maturity of the deposit and amount of the deposit is claimed after the date of maturity, the Bank shall pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment, the Bank shall pay simple interest at saving bank rate prevailing on the date of maturity, for the period for which the deposit remained with the Bank, beyond the date of maturity.

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

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

In case of balance lying in Current account standing in the name of a deceased individual depositor/ sole proprietorship concern, interest as applicable to savings deposit account will be paid to Claimant/s from the date of death of depositor, till the date of repayment of deposit.

The Bank will facilitate expeditious and hassle-free settlement of claims on the death of a depositor. 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 and suitable identification of the claimant(s) to the bank's satisfaction.

22. INSURANCE COVER FOR DEPOSITS:

All Bank Deposits are covered under the Insurance Scheme offered by the Deposit Insurance and Credit Guarantee Corporation of India (DICGC), subject to certain limits and conditions.

23. STOP PAYMENT FACILITY:

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

24. DORMANT/INOPERATIVE ACCOUNTS

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

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

Activation of such accounts will not be charged.

25. REDRESSAL OF COMPLAINTS AND GRIEVANCES

Depositor's having any complaints/grievances with regard to services rendered by the Bank have a right to approach the authority(ies) designated by the Bank for handling customers' complaints/grievances or may upload the same under grievance portal of the bank. Accordingly, depositors not satisfied with the services of the Bank may approach nodal officer for redressal of their complaints. Details of nodal officers have been displayed at every branch/Head office of the bank and made available on bank's website www.gucb.co.in. The branch officials shall provide all required information regarding procedure for lodging the complaint. In case the depositor does not get response from the Bank within 30 days from the date of complaint or he/she is not satisfied with the response received from the Bank, he/she has the right to approach Banking Ombudsman appointed by the Reserve Bank of India.

26. TERM DEPOSITS OVER 60 MONTHS

The Term Deposits can be opened for minimum period of 7 days and maximum period up to 60 months. However, Depositors may be allowed for Term Deposits to be opened for more than permissible period, i.e. 60 months, in case of Court Order issued in favour of the depositor or due to compulsion of law or otherwise.

In such cases the Rate of Interest eligible for these Term Deposit Accounts shall be the Rate of Interest as applicable to highest period of deposit during that period.

27. ADDITIONAL RATE OF INTEREST

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

1. 1% additional Rate of Interest –

Confirmed Staff/ Ex-staff Member's including Managing Director & CEO except Resigned (before completion of 10 years of service in the bank)/ Suspended/ Terminated are eligible for the benefit of additional interest rate of 1% on their new term deposits held in their single

name with prospective date, subject to maximum limit of Rs. 50.00 lacs with the bank. The concerned staff shall give undertaking/ declaration to the management satisfying the ownership of deposit as per the proforma enclosed to the memorandum of Bipartite settlement. The resigned staff (under 10 years) will continue to get the benefit of staff rate, till the date of maturity of deposit.

2. 0.50% additional Rate of Interest –

Depositor/s (In case of Joint A/c), whose age is 60 Years & above at the time of placing the deposit with Bank for the deposits placed for a period of 12 months and above upto 60 months subject to the prevailing terms and conditions at the time of placing the deposit. However, deposit/s with mode of operation “Former or Survivor”, bank may allow additional interest of 0.50% if only Former deposit holder is of age 60 years and above.

3. 1.50% additional Rate of Interest for Staff/Ex-Staff member, whose age is 60 years & above, for their total deposits up to Rs.50.00 lacs with the bank, for the period of 12 months and above upto 60 months subject to the condition of maintaining minimum balance of Rs. 25,000/- (Rupees twenty five thousand only) in Savings Bank Account (Min. Balance limit fixed by BOD from time to time) which may be reviewed by the board of directors from time to time and subject to the prevailing terms and conditions. The concerned staff shall give undertaking/ declaration to the management satisfying the ownership of deposit as per the proforma enclosed to the memorandum of Bipartite settlement.

4. For the purpose of additional interest mentioned at Sr. No. 1 and Sr. No. 3 here above total deposits under Sr. No. 1 & Sr. No. 3 together should not exceed Rs. 50.00 lacs.

Note: Deposit accounts of HUF are not eligible for additional rate of interest even if Karta is 60 years or above.

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

(i) The additional interest is payable till the person continues to be eligible for the same and in case of his ceasing to be so eligible, till the maturity of a term deposit account.

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

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

29. ACCOUNT OF VISUALLY CHALLENGED/ILLITERATE PERSONS:

The Bank may at its discretion open deposit accounts other than Current Account of an illiterate person/ Visually Challenged Person. 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 for such Savings Bank Account.

At the time of withdrawal/ repayment of deposit amount and/or interest, the account holder should affix his / her thumb impression or mark in the presence of the authorized officer who should verify the identity of the person. The Bank will explain the need for proper care and safe keeping of the passbook etc. given to the account holder. The Bank official shall

explain the terms and conditions governing the account to the illiterate person / blind person.

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

Savings bank and term deposits can also be opened in the name of persons with autism, cerebral palsy, mental retardation and multiple disabilities by the legal guardian appointed by the District Court under Mental Health Act, 1987 or by the Local Level Committees set up under the National Trust for welfare of persons with autism, cerebral palsy, mental retardation and multiple disabilities under Disabilities Act, 1999, on obtaining required Guardianship Certificate.

31. ACCOUNTS OF TRANSGENDER PERSONS

A. 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.

B. The salutation of such person shall be “Mx”

All transgender customers shall be treated equally to other male/ female customers without any discrimination.

32. FACILITY TO SICK/ OLD/ INCAPACITATED PERSONS

Bank will extend all possible help to an account holder who is not only unable to be present in the bank but is also not able to put his/ her thumb impression on the cheque/ withdrawal form due to certain physical incapacity. Where thumb or toe impression of the sick/old/incapacitated account holder is obtained, it will be identified by two independent witnesses known to the bank, one of whom should be responsible Bank official. Bank may also insist for a Medical Certificate from Registered Medical Practitioner.