



**Organization, Methods, Systems & Procedure Cell,
Resource Planning Department**

DEPOSIT POLICY

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DEPOSIT POLICY

1. Preamble

One of the important functions of the Bank is to accept deposits from the public for the purpose of lending. In fact, depositors are the major stakeholders of the Banking System. The depositors and their interests form the key area of the regulatory framework for banking in India and this has been enshrined in the Banking Regulation Act, 1949. The Reserve Bank of India is empowered to issue directives / advices on interest rates on deposits and other aspects regarding conduct of deposit accounts from time to time. 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 the Bank and 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 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 should get services they are rightfully entitled to receive without demand.

While adopting this policy, the bank reiterates its commitments to individual customers outlined in the Code of Banks Commitment to Customer adopted by Bank. This document is a broad framework under which the rights of common depositors are recognized. Detailed operational instructions on various deposit schemes and related services will be issued from time to time.

2. Types of Deposit Accounts

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

2.1 "Demand deposit" means a deposit received by the bank, which is withdrawable on demand.

2.2 "Savings deposit" means a form of demand deposit which is subject to the restrictions as to the number of withdrawals as also the amount of withdrawals permitted by the bank during any specified period.



2.3 "Term deposit" means a deposit received by the Bank for a fixed period withdrawable only after the expiry of the fixed period and includes deposits such as Recurring Deposit Scheme/ Sulabh Deposit Scheme/ Fixed Deposit Scheme/ MIDS/ QIDS/ Short Term Deposit Scheme/ Mahabank Unit Deposit Scheme/ Cumulative Deposit Scheme / Mixie Deposit Scheme etc. The salient features of the Schemes are given more precisely in Annexure A.

Term Deposit which are accepted for 7 days and over up to 12 months are called Short Term Deposits.

2.4 Notice Deposit means term deposit for specific period but withdrawable on giving at least one complete banking days' notice.

2.5 A **Flexi deposit** is a special kind of deposit offered by bank. It has combined features of the current/Savings Deposit and Fixed Deposit, namely liquidity with higher returns on surplus funds. Institutional Deposits (both current and Saving) with minimum deposit of Rs. 10 Crore will be eligible for the scheme and subsequent transfer to short term deposits will be in the multiples of Rs. 1 Crore each.

2.6 "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.

2.7 **BULK Deposit** means single rupee term deposit of Rupees Two crore and above.

3. Account Opening and Operation of Deposit Accounts

3.1 The Branches before opening any deposit account shall carry out due diligence as required under "Know Your Customer" (KYC) guidelines issued by the Bank, RBI, Anti-money Laundering rules and regulations and/or such other norms or procedures as per the Customer Acceptance Policy adopted by the Bank. If the decision to open an account of a prospective depositor requires clearance at a higher level, reasons for any delay in opening of the account will be informed to him/her and the final decision of the Bank will be conveyed at the earliest to him/her.

3.2 The bank is committed to providing basic banking services to all sections of the society including disadvantaged sections with a view to achieve the objective of greater financial inclusion. Basic Savings Bank Deposit Account (BSBDA) or Small Account is offered as a normal banking service available to all. The account can be opened by any individual without any restriction like age, income criteria of the individual, and without requirement of making any initial deposit for the opening the account and also without requirement of maintaining any minimum balance. Such accounts can be opened with relaxed customer acceptance norms as per Bank's KYC guidelines. The salient features of the Small Account Scheme are given in Annexure E.

3.3 The account opening forms and other material would be provided to the prospective depositor by the Bank. The same shall contain details of information to be furnished and documents to be produced for verification and/or for record. Branch official opening the account shall explain the procedural formalities and provide necessary clarification sought by the prospective depositor when he approaches for opening a deposit account.



3.4 As per Bank's KYC policy guidelines, branches shall categorize customers based on risk perception and prepare their profiles 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.

3.5 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 is provided to the customer.

3.6 For deposit products like Savings Bank Account and Current Deposit Account, the Bank will normally stipulate certain minimum balances to be maintained as part of terms and conditions governing operation of such accounts. Failure to maintain minimum balance in the account shall attract levy of charges as specified by the Bank from time to time. 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 cheques books, additional statement of accounts, duplicate passbook, folio charges, etc. All such details, regarding terms and conditions for operation of the accounts shall be communicated to the prospective depositor while opening the account. Such details are given in the Pass Book for Savings A/c as well. Schedule of charges for various services provided are available on the bank's website.

3.7 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).

3.8 Prohibitions for opening of Savings Bank Deposit Accounts

Savings Bank Deposit Account shall not be opened 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.
- Any political party [i.e. 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]
- Any trading / business or professional concern, whether such concern is a proprietary or a partnership firm or a company or an association.

The above prohibition will not apply in the case of organizations / agencies listed below;



- Primary Co-operative Credit Society which is being financed by the bank.
- Khadi and Village Industries Boards.
- Agriculture Produce Market Committees.
- Societies registered under the Societies Registration Act, 1860 or any other corresponding law in force in a State or a Union Territory except societies registered under the State Cooperative Societies Acts and specific state enactment creating Land Mortgage Banks. .
- Companies governed by the [Companies Act, 1956](#) which have been licensed by the Central Government under Section 25 of the said Act, or under the corresponding provision in the Indian Companies Act, 1913 and permitted, not to add to their names the words 'Limited' or the words 'Private Limited'.
- Institutions other than those mentioned in clause 2.26(n)(i) and whose entire income is exempt from payment of Income-tax under the Income-Tax Act, 1961.
- Government departments / bodies / agencies in respect of grants / subsidies released for implementation of various programmes / Schemes sponsored by Central Government / State Governments subject to production of an authorization from the respective Central / State Government departments to open savings bank account.
- Self-help Groups (SHGs), registered or unregistered, which are engaged in promoting savings habits among their members.
- Farmers' Clubs - Vikas Volunteer Vahini - VVV.

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

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

3.11 While opening of a deposit account, due diligence process shall be followed for getting satisfied about the identity of the person, verification of address / occupation / source of income etc. Recent photographs of the person opening / operating the account shall also be obtained as a part of due diligence process.

However when documents of identity & address, as required, are provided, third-party introduction shall not be insisted for opening of bank accounts of customers. If felt necessary, such introduction may however be insisted in case of non-face-to-face customers, cross border customers etc.

3.12 In addition to the due diligence requirements, as required under KYC norms and by law, the Bank shall obtain Permanent Account Number (PAN) or General Index Register (GIR) Number & Aadhar Card or alternatively declaration in Form No. 60 or 61 as specified under the Income Tax Act / Rules.

As per PML amendment act 2017, there are various modes of due diligence such as CKYC, e-KYC, V-CIP (Video Customer identification procedure) etc. The revised KYC guidelines for opening savings account are:



- a. If Aadhar card is not available, proof of avilment of Aadhar is mandatory.
- b. If PAN card is not available, one certified copy of OVD and form 60 is required.
- c. If customer id\s not eligible for enrollment of Aadhar then Pan Card or form 60 and one OVD which must contain current address.

Officially valid documents (OVD), for KYC purpose include:

- a. passport
- b. driving license
- c. voter's id card
- d. job card issued by NREGA signed by state government official
- e. Letter issued by National population registrar containing details of name and address.

In case the identity information relating to the Aadhar number or Permanent Account Number submitted by the customer does not have current address of the customer and provided further that where simplified measures are applied for verifying the limited purpose of proof of address of the clients, and where a prospective customer is unable to produce any proof of address, the following documents shall be deemed to be 'officially valid document':

- a. Utility bill which is not more than two months old of any service provider (electricity, telephone, post-paid mobile phone, piped gas, water bill)
- b. Property or Municipal tax receipt
- c. Bank account or Post Office savings bank account statement
- d. Pension or family pension payment orders(PPOs) issued to retired employees by Government Departments or Public Sector Undertakings, if they contain the address
- e. Letter of allotment of accommodation from employer issued by State and Central Government departments or Public Sector Undertakings, Scheduled Commercial Banks, Financial Institutions and listed companies.
- f. Documents issued by Government departments of foreign jurisdiction and letter issued by Foreign Embassy or Mission in India.

3.13 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).

3.14 Standing Instructions:

Customers having Current or Savings Account with our Bank may request Branch/Bank in writing duly signed to effect the payment of recurring nature on his/her behalf e. g. payment of Insurance premium, rent, crediting fixed deposit interest, installment towards recurring deposit or housing loan, other loans, etc. . These instructions are to be carried out periodically. The officer in charge has to give acknowledgment to the customer. The same should be noted in CBS menu and implemented as per written request of the customer.



3.15 Online banking services to customers:

Debit card- Bank issues Debit cards to customers having Saving Bank/Current Accounts. Bank will charge on debit card transactions within stipulated benchmark as per regulatory guidelines.

Mobile and Internet banking- Bank offers an easy registration process for mobile and internet banking. Bank has placed per transaction limits based on its risk perception. Bank prohibits use of mobile banking services for cross border inward and outward transfers.

3.16 Minors' Accounts:

A Savings / Fixed / Recurring Bank Deposit account can be opened by a minor of any age through his/her natural or legally appointed guardian. (Status: known as Joint Account).

Account in the name of minor with mother as guardian can also be opened. Such account shall not allowed to be overdrawn and shall always remain in credit (so that the minors' capacity to enter into contract would not be a subject matter of dispute).

Account in the name of minor jointly with a major can also be opened, where minor is represented by natural guardian.

Minors above the age of 10 years may be allowed to open and operate savings bank accounts independently, if they so desire, for depositing amounts in the account and self-withdrawals. No overdraft facility and cheque-book facility shall however be allowed.

In case of self-operated minor accounts, Bank shall offer ATM / debit card subject to the safeguards that the accounts are not allowed to be overdrawn and that they always remain in credit.

In case of self-operated minor accounts, in addition to photograph and proof of age, the documents required for establishing the Identity and address as applicable in case of Individual is to be given. The account can also be opened jointly.

On attaining majority on the same day account should be made inoperative till the time customer converts the minor account to major with required KYC documents. Thus, banks should initiate the prior communication to Minor accounts that would attain to majority. The erstwhile minor should confirm the balance in his/her account and if the account is operated by the natural guardian / guardian, fresh specimen signature of the erstwhile minor duly verified by the natural guardian would be obtained and kept on record.

Under "Mahabank Yuva Yojana" of the Bank, the younger generation (children / students) with age of 10 years and above can open accounts with the bank. Salient features of the scheme are as under;

- Account can be opened without any initial deposit.
- No minimum balance restriction / charges.
- Withdrawals for self are only allowed.
- Chequebook shall be issued only on attaining the age of 18.
- Account holder can also open Recurring Deposit account of Rs 10/- and more and keep Fixed Deposits.
- For education loans, preferential treatment as per eligibility shall be given.



- The Scheme shall have all other features of Savings Bank Deposit Scheme
- except those mentioned above.

3.17 Account of Illiterate/Blind/ Visually Challenged Persons :

The bank may at its discretion allow opening of deposit accounts other than Current accounts of illiterate 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. Normally 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 withdrawal/repayment of deposit amount/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 official will explain the need for proper care and safe keeping of the passbook etc. given to the account holder.

Bank will facilitate opening of Saving Bank accounts as well as Term Deposit accounts to persons with visual impairment. Such accounts will be operated by the account holder personally. Chequebook facility will be made available. However at the time of issuance of cheques book branch to ensure put rubber stamp stating, "Caution Cheque book issued to visually impaired/challenged account holder" on each cheques leave". This will give sufficient notice to the person dealing with such cheques. Such account holders 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 providing ATM & Internet banking facility to visually challenged persons to operate their own accounts.

3.18 Accounts of Persons with Autism, Cerebral Palsy, Mental Retardation, Mental Illness and Mental 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.

Legal guardian, so appointed, will furnish an indemnity-cum-undertaking bond duly stamped as per the local law in force along with Guardianship Certificate. The Bond will state that the funds will be used directly or indirectly for the benefit of the account holder.

3.19 Accounts of Transgender persons :

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 Account Opening Forms (AOFs)/ or other applicable forms as such. The salutation of such person shall be "Mx".

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



3.20 Operation of Joint Account

The joint account holders can give any of the following mandates for the disposal of balance in the above accounts:

I. **Either or Survivor:** if the account is in the name of two individuals say, A & B, the final balance along with interest, if applicable, will be paid to either of account holders i.e. A or B, on date of maturity or to the survivor on death of any one of the account holders.

II. **Anyone or Survivor:** If the account is in the name of two or more individuals say, A, B & C, the final balance along with interest if applicable, will be paid to any of account holders i.e. A or B or C, on the date of maturity. On the death of any one of account holder say A, the final balance along with interest if applicable, will be paid to any two of the surviving account holders i.e. B or C. On the death of any two of account holder say A and B, the final balance along with interest if applicable, will be paid to surviving account holder i.e. C.

III. **Former or Survivor:** If the account is in the name of two individuals say, A & B, the final balance along with interest, if applicable, will be paid to the former i.e. A on date of maturity and to the survivor on death of anyone of the account holders.

IV. **Latter or Survivor:** If the account is in the name of two individuals say, A & B, the final balance along with interest, if applicable, will be paid to the latter i.e. B on date of maturity and to the survivor on death of anyone of the account holders.

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

3.21 Repayment of Term/Fixed Deposits in banks

3.20.1 If fixed/term deposit accounts are opened with operating instructions 'Either or Survivor', the signatures of both the depositors need not be obtained for payment of the amount of the deposits on maturity. In case of premature payment of term deposit where operating instructions are 'Either or Survivor' following action is to be taken.

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 and submission 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 and on submission of his/her identity (such as Election ID Card, PAN Card, passport, Aadhar Card etc.) 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.

3.21.2 In case the mandate is 'Former or Survivor', the 'Former' alone can operate/withdraw the matured amount of the fixed/term 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 the former expires before the maturity of the fixed / term deposit, the 'Survivor' can withdraw the deposit on maturity. Premature withdrawal would however require the consent of both the parties, when both of them are alive, and that of the surviving depositor and the legal heirs of the deceased in case of death of one of the depositors.

3.21.3 If the joint depositors prefer to allow premature withdrawals of fixed/term deposits also in accordance with the mandate of 'Either or Survivor' or 'Former or Survivor', as the case may be, premature withdrawal shall be allowed, provided the depositors have given

a specific joint mandate for the said purpose. In other words, in case of term deposits with "Either or Survivor" or "Former or Survivor" mandate, bank shall allow premature withdrawal of the deposit by the surviving joint depositor on the death of the other, only if, there is a joint mandate from the joint depositors to this effect.

3.21.4 The joint deposit holders shall be permitted to give the mandate for premature withdrawal of the deposit 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 shall 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. Besides, such premature withdrawal would not attract any penal charge.

3.21.5 When a fixed deposit account is opened in the joint names of two depositors on 'Either or Survivor' basis and the said joint depositors already have a savings bank account in their names jointly on 'Either or Survivor' instructions, on maturity of the fixed deposit, proceeds of the matured fixed deposit can be credited to the joint savings bank account already opened in the bank. There is no need for opening a separate savings bank account in the name of the first depositor for crediting the proceeds of the fixed deposit.

3.22 Additions or Deletion of the Name/s of Joint Account Holders

A bank may, at the request of all the joint account holders, allow the 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. However, in no case should the amount or duration of the original deposit undergo a change in any manner in case the deposit is a term deposit.



A bank may, at its discretion, and at the request of all the joint account holders of a deposit receipt, allow the splitting up of the joint deposit, in the name of each of the joint account holders only, provided that the period and the aggregate amount of the deposit do not undergo any change.

Note: NRE deposits shall be held jointly with two or more NRIs/PIOs. NRIs/PIOs can hold jointly with a resident relative based on 'former or survivor' basis. The resident relative can operate the account as a POA holder during the lifetime of the NRI/PIO account holder. NRO accounts may be held jointly in the names of two or more. They may be held jointly with residents on 'former or survivor' basis.

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

3.24 The minimum tenor of domestic/ NRO term deposits is seven days. NRE deposits shall be accepted for a minimum period of one year.

3.25 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 such mandate, the deposit will be treated as an auto renewal deposit and shall be renewed for a similar period.

3.26 Nomination facility is available on all deposit accounts opened by the individuals.

Nomination facility is available on all deposit accounts opened by individuals. Nomination is also available to an account opened by a sole proprietor. Nomination can be made in favour of one individual only. Nomination so made can be cancelled or changed by the account holder/s any time. While making a nomination, cancellation or change thereof, it is required to be witnessed by a third party if the account holder is illiterate. Nomination can be modified by the consent of account holder/s. Nomination can be made in favour 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 nominee in the event of death of the account holder during the minority of the nominee.

Bank recommends that all depositors avail nomination facility. 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 depositor will be informed of the advantages of the nomination facility while opening a deposit account.

Bank shall insist that the person opening a deposit account makes a nomination. If the person opening the account does not want to nominate, he/she shall be asked to give a specific letter to the effect that he/she does not want to make a nomination. In case the person opening the account declines to give such a letter, the Branch shall record the fact on the account opening form and proceed with opening of the account if otherwise found eligible. Under no circumstances, opening of a bank account shall be refused solely on the ground that the person opening the account refused to nominate.



3.27 A statement of account will be provided by the Bank to Savings Bank as well as Current Deposit Account Holders periodically as per terms and conditions of opening of the account. Alternatively, the Bank may issue a Pass Book to Savings Bank account holders.

3.28 The deposit accounts may be transferred to any other branch of the Bank at the request of the depositor.

3.29 The account-holders will be informed three months before classifying their accounts as dormant as also the procedure to be followed to activate the account. No fees will be charged by the bank for reactivation of a savings account. In case an account holder wishes for a monthly statement where the conditions of the operation of the Account does not provide for one, the same will be provided by the Bank at a charge – the charge will be disclosed at the time of opening the account.

3.30 Suo Motu closure of Saving and Current Account

The Bank shall close accounts, which are considered undesirable and un-remunerative. These accounts shall be closed only after sending proper written notice to the customer, at the address of the customer as per Bank's records. Examples of undesirable and un-remunerative features are;

- a) Drawing cheques without funds
- b) Fraudulent transactions in the account which may expose the Bank to unnecessary risks
- c) Accounts wherein transactions (such as huge cash transactions) disproportionate to the known profile of the customer, are being made
- d) Accounts in which Bank is not able to apply appropriate KYC measures due to non-furnishing of information by the customer and/or non-cooperation in this regard
- e) Non-compliance of minimum balance requirements for current and saving account as applicable to the relevant scheme/product.

4.0 Non-Resident Indian (NRI)

'Non Resident Indian' (NRI) means a person resident outside India, who is citizen of India or is a person of Indian origin.

4.1 Person of Indian Origin (PIO)

A 'Person of Indian Origin (PIO)' is a person resident outside India who is a citizen of any country other than Bangladesh or Pakistan or such other country as may be specified by the Central Government, satisfying the following conditions:

- a. Who was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955); or
- b. Who belonged to a territory that became part of India after the 15th day of August, 1947; or
- c. Who is a child or a grandchild or a great grandchild of a citizen of India or of a person referred to in clause (a) or (b); or

- d. Who is a spouse of foreign origin of a citizen of India or spouse of foreign origin of a person referred to in clause (a) or (b) or (c)

A PIO will include an 'Overseas Citizen of India' cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955. Such an OCI Card holder should also be a person resident outside India.

4.2 FCNR(B) Deposits

FCNR (B) or Foreign Currency Non-Resident (Bank) Account is in the form term or fixed deposits (it is not a savings account). Hence, they are also known as FCNR (B) Deposits.

Only Non-Resident individuals (NRIs) or a Person of Indian Origin (PIO) are eligible to open a Foreign Currency Non Resident (Bank) Account with a bank. Individual Entities of Pakistan and Bangla Desh shall require approval of the RBI for opening NRE account.

Period of deposit is 1 to 5 years. Both Principal and interest earned thereon are repatriable and both principal and interest are exempted from tax in India.

4.3 Manner of calculation of interest on FCNR (B) deposits

- a. Interest on the deposits accepted under the scheme shall be calculated on the basis of 360 days to a year.
- b. The interest on FCNR (B) deposits shall be calculated and paid at intervals of 180 days each and thereafter for the remaining actual number of days.

Provided that the option to receive the interest on maturity with compounding effect shall vest with the depositor.

4.4 Calculation of interest on renewal of FCNR (B) deposits

Interest calculation on renewal of FCNR(B) deposits shall be as under:

- a. If the period from the date of maturity till the date of renewal (both days inclusive) does not exceed 14 days, the rate of interest payable on the amount of the deposit so renewed shall be the appropriate rate of interest for the period of renewal as prevailing on the date of maturity or on the date when the depositor seeks renewal, whichever is lower.
- b. In all other cases of renewal, interest rates for the overdue period on the renewed amount shall be determined by treating it as a fresh term deposit.
- c. If, after renewal, the deposit is withdrawn before completion of the minimum stipulated period under the scheme, branch has to recover the interest paid for the overdue period i.e. period beyond the original date of maturity.

4.5 Interest payable on the deposit of a deceased FCNR (B) depositor

Bank will pay interest on the term deposits standing in the name(s) of a deceased FCNR(B) individual depositor or two or more joint depositors where one of the depositors has died, as under:-



- a. If paid on the maturity of the deposit, interest shall be paid at the contracted rate;
- b. If the deposit is claimed before the maturity date, interest shall be paid not at the contracted rate but at the rate applicable to the period for which the deposit remained with the bank and without charging penalty for pre-payment;
- c. In case the depositor dies before the date of maturity of the deposit but the amount of the deposit is claimed after the date of maturity, interest shall be paid at the contracted rate till the date of maturity and simple interest at the applicable rate operative on the date of maturity for the period for which the deposit remained with the bank beyond the date of maturity.
- d. In case of death of the depositor after the date of maturity of the deposit, the interest rate operative on the date of maturity in respect of savings deposits held under Resident Foreign Currency (RFC) Account Scheme shall be paid from the date of maturity till the date of payment.
- e. In case the claimants are residents, the maturity proceeds shall be converted into Indian Rupees on the date of maturity and interest shall be paid for the subsequent period at the rate applicable to a domestic term deposit of similar maturity.
- f.

4.6 Payment of interest on FCNR (B) deposits of NRIs on return to India

On receipt of the specific request from the depositor, Branch may allow FCNR (B) deposits of persons of Indian nationality/origin who return to India for permanent settlement to continue till maturity at the contracted rate of interest subject to the conditions that:

- a. The rate of interest as applicable to FCNR (B) deposits shall continue.
- b. Such deposits shall be treated as resident deposits from the date of return of the account holder to India.
- c. The FCNR (B) deposits on maturity shall be converted into Resident Rupee Deposit Account or RFC Account (if eligible) at the option of the account holder.
- d. The rate of interest on the new deposit (Rupee account or RFC Account) shall be the relevant rate applicable for such deposit account.

4.7 Conversion of FCNR (B) Accounts of Returning Indians into RFC Accounts/Resident Rupee Accounts- Payment of interest

Bank shall pay interest at the time of conversion of FCNR(B) Account into RFC/Resident Rupee Account even if the deposit has not completed the minimum maturity period mentioned in section 19(b)(i) above.

Provided that the rate of interest shall not exceed the rate payable on savings bank deposits held under RFC Account Scheme.

4.8 Ordinary Non-Resident (NRO) - NRIs can open Non-Resident Ordinary (NRO) deposit accounts for collecting their funds from local bonafide transactions. NRO accounts being Rupee accounts, the exchange rate risk on such deposits is borne by the depositors themselves. When a resident becomes a NRI, his existing Rupee accounts are designated as NRO. Such accounts also serve the requirements of foreign nationals resident in India. NRO accounts can be maintained as current, saving, recurring or term deposits. while the principal of NRO deposits is non-repatriable, current income



and interest earning up to US \$ 1 million per calendar year is repatriable out of the NRO balances / sale proceeds of assets held in India. Interest income from NRO accounts is not exempt from income tax, as is the case with domestic deposits.

NRO (current/ savings) account can be opened by a foreign national of non-Indian origin visiting India, with funds remitted from outside India through banking channel or by sale of foreign exchange brought by him to India. The balance in the NRO account must be paid to the account holder at the time of his departure from India provided the account has been maintained for a period not exceeding six months and the account has not been credited with any local funds, other than interest accrued thereon.

Opening of accounts by individuals/ entities of certain countries (refer Circular Name: Master Direction - Deposits and Accounts (Updated as on September 03, 2019) Para: Part II - point 6 for circular guidelines)

NRIs and PIOs can hold an NRO account jointly with other NRIs and PIOs.

Inward remittances from outside India, legitimate dues in India and transfers from other NRO accounts are permissible credits to NRO account. Rupee gift/ loan made by a resident to a NRI/PIO relative within the limits prescribed under the Liberalized Remittance Scheme may be credited to the latter's NRO account.

The account can be debited for the purpose of local payments, transfers to other NRO accounts or remittance of current income abroad. Apart from these, balances in the NRO account cannot be repatriated abroad except by NRIs and PIOs up to USD 1 million, subject

to conditions specified in Foreign Exchange Management (Remittance of Assets) Regulations, 2016. Funds can be transferred to NRE account within this USD 1 Million facility.

Loans against the deposits can be granted in India to the account holder or third party subject to usual norms and margin requirement. The loan amount shall not be used for relending, carrying on agricultural/plantation activities or investment in real estate.

NRO accounts can be designated as resident accounts on the return of the account holder to India for any purpose indicating his intention to stay in India for an uncertain period. Likewise, when a resident Indian becomes a person resident outside India, his existing resident account should be designated as NRO account.

Bank may allow operations in an NRO account in terms of a Power of Attorney granted in favour of a resident by the non-resident individual account holder provided such operations are restricted to local payments and remittances to non-residents.

Bank may permit foreign nationals to re-designate their resident account maintained in India as NRO account on leaving the country after their employment to enable them to receive their pending bona fide dues, subject to the bank satisfying itself that the credit of amounts are bona fide dues of the account holder when she/ he was a resident in India. The funds credited to the NRO account should be repatriated abroad immediately, subject to payment of the applicable income tax and other taxes in India. The amount repatriated abroad should not exceed USD one million per financial year. The debit to the account should be only for the purpose of repatriation to the account holder's account maintained abroad. The account should be closed immediately after all the dues have been received



and repatriated as per the declaration made by the account holder when the account was designated as an NRO account.

Banks are permitted to issue International Credit Cards to NRIs/PIOs, without prior approval of Reserve Bank. Such transactions may be settled by inward remittance or out of balances held in the cardholder's FCNR (B) / NRE / NRO Accounts.

4.9 Payment of Interest

1. Interest rates on savings deposits under Non-Resident (External) Rupee (NRE) Deposit / Ordinary Non-Resident (NRO) Deposits shall be calculated on a daily product basis.

2. 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 bank 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.

(g) If an NRE account holder, immediately on return to India, requests for conversion of the NRE term deposit into Resident Foreign Currency Account (RFC), interest shall be paid as under:

- i. if the NRE deposit has not run for a minimum period of one year, interest shall be paid at a rate not exceeding the rate payable on savings deposits held in RFC accounts.
- ii. In all other cases, interest shall be paid at the contracted rate.

4.10 Interest earned on balances in NRO savings / term deposits accounts attract Tax Deduction at source (TDS). Current TDS rates applicable are 30% plus Surcharge.

Customers residing in specified countries will have the option of availing TDS at a lower rate under the DTAA (Double Taxation Avoidance Agreement). The customers need to submit a Tax Residency Certificate (TRC), issued by the respective overseas authorities along with Form 10F as prescribed under the Income Tax Rules.

4.11 Non-Resident (External) (NRE) Accounts - The Non-Resident (External) Rupee Account NR(E)RA scheme, also known as the NRE scheme, was introduced in 1970. Any NRI can open an NRE account with funds remitted to India through a bank abroad. This is a repatriable account and transfer from another NRE account or FCNR(B) account is also permitted. A NRE rupee account may be opened as current, savings or term deposit. Local payments can be freely made from NRE accounts. Since this account is maintained in Rupees, the depositor is exposed to exchange risk. NRIs / PIOs have the option to credit the current income to their Non-Resident (External) Rupee accounts, provided the authorized dealer is



satisfied that the credit represents current income of the nonresident account holders and income-tax thereon has been deducted / provided for.

Non-resident Indians (NRIs) and Person of Indian Origin (PIOs) are permitted to open and maintain these accounts with Bank.

The accounts may be maintained in any form, e.g. savings, current, recurring or fixed deposit account etc.

Inward remittances to the account and remittances outside India from NRE account are permitted

Credits permitted to this account as inward remittance are interest accruing on the account, interest on investment, transfer from other NRE/ FCNR(B) accounts, maturity proceeds if such investments were made from this account or through inward remittance

The debits allowed from this account are local disbursements, transfer to other NRE/ FCNR(B) and investments in India.

The regulations for sanction of loans against NRE accounts (refer Circular Name: Master Direction - Deposits and Accounts (Updated as on September 03, 2019) Para: Part II - point 6 for circular guidelines)-

NRE accounts should be designated as resident accounts or the funds held in these accounts may be transferred to the RFC accounts, at the option of the account holder, immediately upon the return of the account holder to India for taking up employment or on change in the residential status.

In the event of the demise of an account holder, balances in the account can be transferred to the non-resident nominee of the deceased account holder. However, request from a resident nominee for remittance of funds outside India for meeting the liabilities, if any, of the deceased account holder or for similar other purposes, should be forwarded to the Reserve Bank of India for consideration.

The resident Power of Attorney holder is not allowed to (a) open a NRE account; (b) repatriate outside India funds held in the account other than to the account holder himself; (c) make payment by way of gift to a resident on behalf of the account holder; (d) transfer funds from the account to another NRE account.

Income from interest on balances standing to the credit of NRE Accounts is exempt from Income Tax. Likewise balances held in such accounts are exempt from wealth tax.

For detailed information regarding various banking accounts and term deposits offered by the Bank, customers are requested to visit the Bank's website on www.bankofmaharashtra.in.

4.12 Prohibition on marking lien on NRI Accounts

Bank shall not mark any type of lien, direct or indirect, against NRE saving deposits.



4.13 Penalty on Premature Withdrawal of NRE Deposit

- a. Branch/Bank will clearly bring to the notice of the depositor the components of penalty at the time of acceptance of the deposits.
- b. No penalty shall be levied for premature withdrawal of NRE term deposits for conversion into Resident Foreign Currency (RFC) Account.
- c. Penalties for premature withdrawal shall be levied for conversion of NRE deposit into FCNR (B) deposit and vice versa.
- d. No penalty for premature withdrawal shall be levied, where depositors of the branch desires premature withdrawal of deposit consequent to the transfer of business to another bank and will continue to be governed by the terms of contract agreed to between the customer and the bank branch that is being taken over.

The same rate of interest shall be payable till maturity on such transferred deposits, as was payable at the time of takeover of the branch.

4.14 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.

5 Interest Payments

- 5.1 Interest rates on all types of deposit accounts are decided by the Bank within the general guidelines issued by the Reserve Bank of India from time to time.

In case of saving bank deposits, interest shall be calculated on daily product basis. Interest shall be credited only when interest payable is minimum Re. 1/-. Interest will be paid on Quarterly basis.

In terms of Reserve Bank of India directives, interest shall be calculated at quarterly intervals, on term deposits and paid at the rate decided by the Bank depending upon the period of deposits. In case of Monthly Deposit Scheme, the interest shall be calculated for the quarter and paid monthly at discounted value. The interest on term deposits is calculated by the Bank in accordance with the formulae and conventions advised by Indian Banks' Association, as under:

- 5.1.1 Bank may not accept any deposits for a period longer than 10 years, excepting in terms of order of the competent Courts or in the case of minors where interests of minors are involved, provided bank is convinced that it is necessary to do so. Banks may decide in this matter based on Asset Liability Management policies being followed.
- 5.1.2 Interest on deposits for fixed term may be paid, credited, transferred or reinvested with frequency not less than the quarterly rests. However, payment of monthly interest may be allowed, if required, by discounting the quarterly interest accrued.



- 5.1.3** Interest on deposits where the terminal period (monthly/quarterly/half year etc. as the case may be) is incomplete shall be paid on maturity.
- 5.1.4** On deposits repayable in less than three months or where the terminal quarter is incomplete, interest would be paid for the actual number of days on the basis of 365 days in non-leap year and 366 days in leap year.
- 5.2** Pricing of deposits shall be done keeping in view the interest rate forecast as well as the competitive price offered by other banks. The opportunity available for deployment of such deposits with positive spread would also be considered. Bank may consider accepting floating rate deposits.

The pricing of the deposits will be done keeping in view the statement of structural liquidity to ensure that competitive rates are offered to attract deposits in specified time bands to avoid liquidity mismatches. Revision in rates of interest on Deposits up to Rs. 5 crs., Resource Planning Department will place the note to ALCO for discussion and approval. Resource Planning Department will issue circular of interest rate revision after approval of ALCO.

- 1.** For revision in Interest rates for more than Rs. 5 Cr to Rs 100 crore, Resource Planning Department will place the note to ALCO based on the recommendations of TIBD in view of Bank's funds position. ALCO will finalize the cap on the rates to be offered for such deposits.

TIBD may decide the rates, within the capped limits decided by ALCO; depending on the liquidity conditions and effective deployment of excess liquid funds. TIBD will also ensure the display of these rates on the Bank's website.

The branches will continue to seek permission from TIBD before acceptance of deposits, so as to prevent any kind of ALM mismatch (for instance, through the portal).

- 2.** For deposits more than Rs. 100 Cr to Rs. 500 crore, Bank will accept the deposits as per its daily liquidity requirements. TIBD will recommend the rate to be offered on the deposit quote received from the branch, considering the cost benefit analysis in terms of deployment and acceptance rates and send it across to Resource Planning Department; which will then put up the note to Investment Committee for decision.

The rate will be communicated by the Resource Planning Department to the branch under a copy to Zonal Office and TIBD.

- 3.** For deposits more than Rs 500 crore, Resource Planning Department will place the note to MD & CEO, based on the recommendations received from TIBD and Investment Committee and will convey the sanction to the branch under a copy to ZO/TIBD.

However in case of any exigency or in absence of MD & CEO, the decision may be taken by the Investment Committee.



Notes:

- a) TIBD will provide the list of deposits (more than Rs. 5 crore) accepted daily (in excel format) and on cumulative basis in the FY to Resource Planning and IRM Department.
- b) Planning Department will place the note to ALCO every month informing ALCO of the bulk deposits accepted during the month.
- c) There will be No auto renewal of deposits under the Bank Term Deposit Scheme, 2006 (5 years Tax Saving Scheme). However the customer may renew the same
- d) The Schemes viz. Mahanidhi, Mahalabh and Mahalaxmi are up to Rs. 2 crore only. The same will not be auto renewed in case the maturity proceeds in these deposits exceed Rs. 2 crore and would be transferred to overdue deposits. (Annexure-D)
- e) If the maturity proceeds exceed Rs. 5 crore (Principal+ Interest), the same will not be auto renewed in the system and will be shifted to overdue deposits. Branches will have to seek the approval from TIBD. TIBD will give rates on such deposits considering the cost benefit analysis of the deposits
- f) For backdated quotes on bulk deposits of more than 5 crore to 100 crore, AGM/DGMTIBD will put a cost benefit analysis note of the account to General Manager, Resource Planning for approval.
- g) For Bulk deposits above Rs. 100 crore, Bank will not offer backdated quotes.

5.3 Rounding off of Transactions

All transactions, including payment of interest on deposits / charging of interest on advances, shall be rounded off to the nearest rupee i.e., fractions of fifty paise and above shall be rounded off to the next higher rupee and fractions of less than fifty paise shall be ignored. Issue prices of cash certificates should also be rounded off in the same manner.

Cheques/ drafts issued by clients containing fractions of a rupee shall not be however rejected or dishonored.

5.4 Payment of interest on Term Deposit maturing on Sunday/ Holiday/ Non-Business Working Day

In case of deposits maturing for payment on Sunday/ holiday/ non-business working day (as also Saturday in case of NRE deposits), interest shall be paid for the intervening Sunday/ holiday etc., at the originally contracted rate.

In case of reinvestment deposits (such as CDR, RD etc.), interest for the intervening Sunday/ holiday etc. shall be paid on the maturity value and in the case of ordinary term deposits (such as FDR, QIDS, MIDS etc.), the interest shall be paid on the original principal amount.

5.5 If a term deposit matures and proceeds are unpaid, the amount left unclaimed with the bank will attract savings bank rate of interest.

5.6 The rate of interest on deposits will be prominently displayed in the branch premises and on banks web site www.bankofmaharashtra.in. Changes, if any,



with regard to the deposit schemes and other related services shall also be prominently displayed.

5.7 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 declaration in the prescribed format at the beginning of every financial year. Besides, the Bank has statutory obligation to charge / deduct Service Tax as well as Transaction Tax as specified / notified by the Govt. of India, from time to time.

5.8 Discretion to pay additional interest not exceeding one percent on deposits of bank's staff and their exclusive associations

5.9.1 The Bank shall allow additional interest at a rate not exceeding one percent per annum over and above the rate of interest applicable to Deposits held in Domestic Accounts in respect of a savings or a term deposit account Bank's staff and their exclusive associations as well as on deposits of Chairman, Chairman & Managing Director, Managing Director & Chief Executive Officer, Executive Director or such other Executives appointed for a fixed tenure, subject to the following conditions:

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

- a.) member or a retired member of the bank's staff, either singly or jointly with any member or members of his/her family; or
- b.) the spouse of a deceased member or a deceased retired member of the bank's staff; and
- c.) an Association or a fund, members of which are members of the bank's staff;



5.9.2 Explanations

i) "A member of the bank's staff" means a person employed on a regular basis, whether full-time or part-time, and includes a person recruited on probation or employed on a contract of a specified duration or on deputation and an employee taken over in pursuance of any scheme of amalgamation, but does not include a person employed on casual basis.

ii) "A retired member of the bank's staff" means an employee retiring whether on superannuation or otherwise as provided in the bank's Service / Staff Regulations, but does not include an employee retired compulsorily or in consequence of disciplinary action.

iii) "Family" means and includes the spouse of the member / retired member of the bank's staff and the children, parents, brothers and sisters of the member/retired member, but does not include legally separated spouse.

5.9.3 Payment of additional interest will be subject to the following conditions, namely;

5.9.3.1 In case of staff accounts, where the benefit of the higher rate of interest is allowed to him/her, irrespective of the fact whether his/her name appears first or subsequent, he/she will be considered as the recipient of the interest for TDS purposes.

Our CBS system presently does not support the identification of second or subsequently named person in a joint deposit account as recipient of the interest for TDS purpose. Since we allow additional interest to our staff member in the capacity of owner of monies and recipient of interest thereon, it is necessary that the TDS should get calculated and deducted for the interest income of staff member depositor, and not for any other person just by virtue of having name at the first position.

As such in case of joint account deposits, where our employee is one of the depositors, he/she should invariably be the first named depositor in order to be eligible for preferential rate of interest.

5.9.3.2 Bank's retired staff members, who are senior citizens (60 years of age or above), will be eligible for the benefit of additional interest rates as admissible to senior citizens, as applicable from time to time, over and above the additional interest of 1.00% payable to them by virtue of their being retired members of the Bank staff.

5.9.3.4 A member or a retired member or the spouse of a deceased member or spouse of a deceased retired member of the Bank's staff will be offered an additional interest rate of 1.00% only up to an amount of Rs. 2.00 crore ONLY.

However, the benefit of additional interest rate of 1.00% will be available to the associations or a fund, members of which are Bank's staff members, beyond a deposit amount of Rs. 2.00 crore also.

5.9.3.5 The benefit of additional interest of 1% will not be available to the existing or retired staff members in case of NRO/NRE/FCNR (B) accounts.



5.10 Discretion to pay additional interest not exceeding one per cent on deposits of Chairman and Managing Director, Managing Director & Chief Executive Officer, and Executive Directors of the Bank.

On deposits accepted / renewed from Chairman, Chairman & Managing Director, Managing Director & Chief Executive Officer, Executive Director or such other Executive appointed for a fixed tenure, the Bank shall pay additional interest not exceeding one per cent per annum over and above the rate of interest stipulated. However, they are eligible to get such benefit only during the period of their tenure.

5.11 Discretion to pay interest on current accounts maintained by Regional Rural Banks with sponsor banks

Bank may pay interest on current account of a Regional Rural Bank at the rate specified by sponsored bank directive from time to time.

5.12 Discretion to pay interest on the minimum credit balance in the composite cash credit account of a farmer

The Bank may, at its discretion, pay interest at a rate based on its perception and other relevant factors, on the credit balance in the composite cash credit account of a farmer, at the rate and in the manner applicable to savings bank deposit account.

5.13 Deposit Scheme for Senior Citizens (above 60 years of age)

Bank may offer additional rate of interest on term deposits of Resident Indian Senior citizens as decided and declared from time to time (presently 0.50% p.a. only, for all maturity slabs of 91 days and above for deposits up to Rs. 2 crore only). The additional interest is not applicable to any type of non-resident deposits.

Bank is giving the benefit of higher rate to the senior citizens automatically on maturity/rollover of the existing term deposit receipts, after attaining the age of sixty w. e. f. 25th August 2018.

In the case of a term deposit, which is, standing in the name of an HUF, higher rate of interest shall not be offered even if the Karta of the HUF is a resident Indian senior citizen, as the beneficial owner of the deposit is the HUF and not the Karta in his individual capacity.

Simplified procedure for automatic transfer of deposits of Senior Citizens to their nominees in the event of their death shall be formulated.

5.14 Payment of interest on accounts frozen by bank

In case of Term Deposit Accounts of customers frozen by the orders of the enforcement authorities, following procedure shall be followed;

- i) A request letter shall be obtained from the customer on maturity, indicating therein term for which the deposit is to be renewed. In case the depositor does



not exercise the option of choosing the term for renewal, bank shall renew the same for a term equal to the original term. ii) No new receipt shall be issued.

ii) Renewal of deposit shall be advised by registered letter / speed post / courier service to the concerned Government department under advice to the depositor. In the advice to the depositor, the rate of interest at which the deposit is renewed shall also be mentioned.

iii) If overdue period does not exceed 14 days on the date of receipt of the request letter, renewal should be done from the date of maturity. If it exceeds 14 days, interest for the overdue period shall be paid as per our policy (refer Annexure D) and kept it in a separate interest free subaccount which should be released when the original fixed deposit is released.

iv) With regard to the savings bank accounts frozen by the enforcement authorities, bank shall continue to credit the interest to the account on a regular basis.

5.15 Acknowledgement by banks at the time of submission of Form 15-G / 15-H

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) in Form 16A, for the amount of tax deducted. The depositor, if entitled to exemption from TDS can submit declaration in form of 15G/H in the prescribed format at the beginning of every financial year. Bank shall give an acknowledgement at the time of receipt of Form 15 G/15 H.

2. In accordance with Income Tax guidelines, where ever PAN details are not available on our records, the Bank would be deducting TDS at 20% or the TDS rate as applicable per the Income Tax Act, 1961, whichever is higher.

3. In case of premature withdrawals, any tax already deducted on interest will not be refunded by the bank.

5.16 Opening of Current Accounts - Need for discipline

Bank shall, at the time of opening current account, insist on a declaration to the effect that the account holder is not enjoying any credit facility with any other bank. Current accounts of entities which enjoy credit facilities (fund based or non-fund based) from the banking system shall not be opened without specifically obtaining a No-Objection Certificate from the lending bank(s). Bank may however open current account of prospective customer in case no response is received from the existing bankers after a minimum waiting period of a fortnight. If a response is received within a fortnight, bank shall assess the situation with reference to information provided on the prospective customer by the bank concerned and may not solicit a formal no objection.

In case of a prospective customer who is a corporate or large borrower enjoying credit facilities from more than one bank, the bank shall exercise due diligence and inform the consortium leader, if under consortium, and the concerned banks, if under multiple banking arrangement.

6. 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 should be strictly with the consent of the account holder.

7. Secrecy of Customer's Accounts

The Bank shall not disclose details/ particulars of the customer's account to a third person or party without the expressed or implied consent 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.

8. Extension of Alternate Delivery Channels to Savings Bank & Current Deposit account holders

The Bank offers choice of electronic channels to customers for conducting their banking transactions. The choice of electronic channels includes ATM, Internet banking, mobile banking including SMS banking facility and phone banking. Wherever such electronic facilities are offered as a part of the basic account/product, Bank should obtain specific consent of the customers after explaining the risk elements associated for availing the facility, for e.g., informing the customer to not disclose their password, OTP to anyone, etc.

9. Premature Withdrawal/Closure of Term Deposit

The Bank on request from the depositor, shall allow withdrawal of term deposit before completion of the period of the deposit agreed upon at the time of placing the deposit. At present bank does not charge penalty on premature withdrawal of term deposits, having maturity up to one year (tenor at the time of opening the account). Interest rates on prematurely withdrawn term deposits with maturity period more than 1 year shall be 1% below the applicable rate currently.

a) For Domestic deposits below Rs 2 crore: For deposits up to 1 year maturity (tenor at the time of opening the account) interest is payable at the rate applicable to the period for which deposit has actually been held with the bank and there will be NO PENALTY on the applicable rate of interest.

Interest rates on prematurely withdrawn term deposits with maturity more than one year will be 1 % below the applicable rate. However, if premature withdrawal of deposit is taken for reinvestment in the Bank for a period longer than residual maturity period of existing deposit there will be no penalty on applicable rate.

b) For Domestic deposits from Rs 2 crore to Rs 100 crore: While prematurely withdrawing/ closing a deposit from Rs 2 crore to Rs 100 crore "the applicable rate of interest will be the contracted rate of interest for that specific period with a penalty of 0.50 % over and above applicable rate.



c) For Domestic deposits above Rs 100 crore : While prematurely withdrawing/ closing a deposit above Rs 100 crore "the applicable rate of interest will be the contracted rate of interest for that specific period with a penalty of 0.50 % over and above applicable rate.

d) In case of NRE/FCNR deposits, no interest shall be paid if deposit is prematurely closed before the minimum period of one year.

Premature payment after one year shall attract penalty as per point 8(b) and (c). However No penalty to be levied on premature withdrawal of NRE/FCNR after completion of one year if it is for reinvestment for a period longer than residual maturity period of existing deposit .

e) No interest will be paid for premature withdrawal within 7 days of opening the deposit.

However Bank may change the penalty clause at any time and the latest interest rate circular shall prevail. The existing provisions governing the premature withdrawal of deposits are given more precisely in Annexure-C.

However as regards bulk deposits of Rs. 2 Cr & above, the bank at its discretion may disallow premature withdrawal of such large term deposits of all depositors, including deposits of individuals and HUFs. Bank shall however notify such depositors of its policy of disallowing premature withdrawal in advance i.e. at the time of accepting such deposits.

10. Premature Renewal of Term Deposit

In case the depositor desires to renew the deposit by seeking premature closure of an existing term deposit account, the bank will permit the renewal at the applicable rate on the date of renewal, provided the deposit is renewed for a period longer than the balance period of the original deposit. While prematurely closing a deposit for the purpose of renewal, interest on the deposit for the period it has remained with the bank will be paid at the rate applicable to the period for which the deposit remained with the bank and not at the contracted rate.

11. Renewal of Term Deposits / Overdue Term Deposits

The bank offers auto-renewal facility for term deposits. If this facility is opted for by the customer, the term deposit on maturity is auto-renewed for the tenor same as the maturing deposit at the rate prevailing on the date of renewal. If auto-renewal facility is not opted for by the customer, and the term deposit is renewed by the customer on maturity, interest rate for the period specified by the depositor as applicable on the date of maturity would be applied on the deposit so renewed.

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 rates decided by the Bank from time to time. The latest guidelines in this respect are given in Annex-D.



12. Intra-bank deposit/term deposit account portability

Banks is allowing unrestricted transfer of intra-bank deposit or term deposit accounts if KYC done by one branch is fully complete. In order to comply with KYC requirements of correct address of the person, fresh address proof may be obtained from him/her upon such transfer by the transferee branch.

13. Advances against Deposits

The Bank may consider request of the depositor/s for loan / overdraft facility against term deposits [unless prohibited under the respective deposit scheme] 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 stating that loan is for the benefit of the minor, will have to be furnished by the guardian/ depositor/ applicant.

14. 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.

15. Stop Payment Facility

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

16. Unclaimed Deposits / Inoperative Accounts

A savings as well as current account shall be treated as inoperative / dormant if there are no transactions in the account for over a period of two years. Such accounts shall be marked by the CBS system as inoperative accounts.

The depositor can request the Bank to activate the account for operating it. No charge shall be levied for non-maintenance of minimum balance in or activation of any dormant / inoperative account.

For the purpose of classifying an account as 'inoperative' both the type of transactions i.e., debit as well as credit transactions induced at the instance of customers as well as third party shall be considered. However, the service charges levied by the bank or interest credited by the bank shall not be considered.

Credit of interest on term deposit account/s of the customers to their Saving Bank accounts as per their mandates shall be treated as customer induced transactions. Though there are no other operations in the Savings Bank accounts, they shall be treated as operative accounts as long as the interest on term deposit/s is credited to the Savings Bank accounts.

Such Savings Bank accounts shall be treated as inoperative accounts only after two years from the date of the last credit entry of the interest on term deposit/s.



Similar treatment shall be given where the customer has given a mandate for crediting dividend on shares to Savings Bank account and there are no other operations in the Savings Bank account. Such account shall be treated as inoperative account only after two years from the date of the last credit entry of the dividend, provided there is no other customer induced transaction.

The segregation of the inoperative accounts is from the point of view of reducing risk of frauds etc. However, the customer should not be inconvenienced in any way, just because his account has been rendered inoperative. The classification is there only to bring to the attention of dealing staff, the increased risk in the account. The transaction may be monitored at a higher level from the point of view of preventing fraud. Operation in such accounts may be allowed after due diligence as per risk category of the customer. Due diligence would mean ensuring genuineness of the transaction, verification of the signature and identity etc. However, it has to be ensured that the customer is not inconvenienced as a result of extra care taken by the bank.

Interest on savings bank accounts shall be credited on regular basis whether the account is operative or not. If a Term Deposit Receipt matures and proceeds are unpaid, the amount left unclaimed with the bank will attract savings bank rate of interest.

Section 26 of the Banking Regulation Act, 1949 provides, inter alia, that every banking company shall, within 30 days after close of each calendar year submit a return in the prescribed form and manner to the Reserve Bank of India as at the end of each calendar year (i.e., 31st December) of all accounts in India which have not been operated upon for 10 years.

Our Bank has put in place a Board approved policy (approved 26.09.2019) on classification of unclaimed deposits; grievance redressal mechanism for quick resolution of complaints; record keeping; and periodic review of Unclaimed Deposits/Inoperative Accounts. (Please refer to Cir No. AX1/OMSP/Unclaimed Deposit/DEAF/Policy/2019-20/ dated 02-03-2020.

17. The Depositor Education & Awareness Fund Scheme - 2014

As per RBI directives under the provisions of Banking Regulation Act 1949, Section 26 A, any amount to the credit of any account in India with any bank, which has not been operated upon for a period of ten years, or any deposit or any amount remaining unclaimed for more than ten years, shall be credited to the 'The Depositor Education and Awareness Fund' (DEAF) on monthly basis.

In case of demand from a customer / depositor whose unclaimed amount / deposit had been transferred to the Fund, banks shall repay the customer / depositor, along with interest, if applicable, and lodge a claim for refund from the Fund for an equivalent amount paid to the customer / depositor.

Proper due diligence as per the risk category of the customers shall however be carried out before making payments to the customer approaching the banks for repayment. Branches

shall invariably verify that genuineness of the claimants and genuineness of the transactions intended to be undertaken.

17.1 Display of the list of unclaimed accounts on bank's website

Bank shall display the list of unclaimed deposits / inoperative accounts which are inactive / inoperative for ten years or more on its website. The list shall contain only the names of the account holder(s) and his / her address in respect of unclaimed deposits / inoperative accounts. In case such accounts are not in the name of individuals, the names of individuals authorized to operate the accounts shall also be indicated. However, the account number, its type and the name of the branch shall not be disclosed on the website. "Find" option shall be provided to enable the public to search the list of accounts by name of the account holder.

18. Background to struck off accounts

After the demonetization exercise by the Government in November 2016, the step of striking-off is a clean-up exercise mainly targeting shell companies suspected of money laundering. The current Government at Centre is fully committed to not only help in checking the menace of black money but also to promote an ecosystem of 'ease of doing businesses and enhance investor's confidence. Though strike-off of such companies, that are not operating or carrying on business, by the ROC, is not new to the corporate world; there are several intriguing legal issues in the aftermath of such a dissolution.

A company is classified as a shell company, if it is a non-trading company that has been floated with the intention of financial maneuvering. There has been a rise in the number of shell companies floated across the country in recent years. The fight against black money shall be incomplete without breaking the network of shell companies. There is a lot of possibility of using the shell companies for laundering of the black money. This threat cannot be undermined. As a comprehensive step to address the issue of shell companies and their role in money laundering and circulation of unaccounted money, the Government has decided to track down the beneficial owners of suspected shell companies and take penal action against those who divert funds from companies that are struck off the records of the Registrar of Companies (RoC). The intent of the Government is to ensure that companies take their statutory obligations seriously and to deter firms from using a complex corporate structure to divert funds raised from financial institutions or to launder money.

18.1 Present Position

Initially, Department of Financial Services, Ministry of Finance, Govt. of India New Delhi vide its letter No. 7/1//2017-B.O. II dated 04.09.2017 has informed that the Registrar of Companies (RoCs) have struck off 2,09,032 companies (as at 23.08.2017) under section 248 (5) of Companies Act, 2013.

The provisions of Section 250 of Companies Act, 2013 inter-alia prescribes that where a company stands dissolved under Section 248, it shall on and from the date mentioned in the notice under subsection (5) of that section cease to operate as a company and the



Certificate of Incorporation issued to it shall be deemed to have been cancelled from such date except for the purpose of realizing the amount due to the company and for discharge of the liability or obligations of the company.

Such struck off companies cease to exist as legal entities. Accordingly, existing directors and authorized signatories of bank accounts of such non-existing legal entities would become ex-directors or ex-authorized representatives/signatories and thus would not be able to operate bank account(s) of such companies till such companies are legally restored under Section 252 of the Companies Act, 2013 by an order of National Company Law Tribunal (NCLT). Considering importance of the subject matter and its implication on banks business, necessary guidelines are issued to branches/offices through various circulars.

18.2 Procedure to be followed by Branches/offices of Bank

- i. On receipt of communication from Ministry of Company affairs (MCA) along with list of struck off companies by various RoCs, OMS & P Cell at Head office will identify whether these companies are having any bank account with our bank and on finding of such accounts of struck off companies, will inform PMO for freezing of debit transactions in all these accounts.
- ii. PMO will put up freeze on debit transactions in these accounts. OMS & P cell will also inform concerned branches where such accounts of struck off companies are maintained to take due precaution while dealing with all these accounts.
- iii. However, branches/offices should note that as per explanation of Section 250 of the Companies Act, 2013 which states that "after the strike off company under section 248, Company is liable to pay debts, obligation, liabilities, etc. if any. The Directors of struck off company are personally liable for the payment of dues of the Company, discharge of Liabilities or Obligations of Company". Therefore in case any request from the company is received from such struck off company for payment of debt, obligation or liability from the account maintained at branch, branch should ensure that the same is received from authorized signatories of the struck off company and towards discharge of legitimate debt, obligation or liability. The branch should ask the company officials for copy of bill/invoice, letter/notice received from its creditor/bank, copy of balance sheet and its schedules, which contains information about debt or liability or obligation of the company so as to ensure genuineness of payment from the account of the company. The letter should be sent to zonal office along with recommendation from the branch for allowing debit in the account of struck off company. On receipt of such requests from branches, zonal office should confirm and satisfy that the payment is towards discharge of liability or debt and then allow branch for debit in the account of struck off company.
- iv. In case of such accounts of struck off companies maintained at branches of our bank; branches will have to verify Corporate Identification Number (CIN) of the company by obtaining copy of registration certificate. If the CIN does not match with the one provided in the MCA list then the copy of that registration certificate along with the recommendation of branch confirming all the debits for the account mentioned in the RoC list and account at branch are different, be sent to OMS & P Cell at Resource Planning department, Head office, Pune through their zonal office along with due recommendations of zonal office. (Email-gaurishankar.athanere@mahabank.co.in; dgmpln@mahabank.co.in)



- v. After receipt of such communication from branches, OMS & P cell will once again verify CIN number of the company and inform PMO to remove debit freeze on such account and that account will be made active.
- vi. If the account, which is under debit freeze, has represented before NCLT, then only after receipt of an order from NCLT, that account will be activated.
- vii. Branches/offices of the Bank will stop further disbursement, enhancement, operations in the cash credit accounts, etc. of such struck off companies. However, they will accept repayment forthcoming in the term loan accounts of such companies. In case the action of the ROC is not challenged by that struck off company, then Bank may have to initiate recovery process before the appropriate forum, as despite dissolution of the company, assets are still available for recovery as also the directors are responsible for discharge of their liability.
- viii. As per section 248(7) "The liability, if any, of every director, manager or other officer who was exercising any power of management, and of every member of the company dissolved under sub-section (5), shall continue and may be enforced as if the company had not been dissolved."

Accordingly, it can be drawn that notwithstanding the company's dissolution, the liabilities of its directors and officers who exercised powers along with its members continue, remain unaltered and enforceable. Though the dissolution does not make any enhancement to the enforcement of the liabilities affecting the personal capacity of the abovementioned persons, a view can be taken that the dissolution under section 248 is not a state of complete extinction.

Instead, it is a state of suspension for a period of twenty years from the date of dissolution, as upon the revival of the company; all its rights and liabilities are reinstated with retrospective effect from the date of striking-off.

- ix. As per MCA directives, directors of the struck off company will be disqualified to act as Director of any company for a period of 5 years. Any digital signature by these directors on annual reports, financial results and other company documents will not be accepted by Registrar of Companies. Therefore, Branches/offices of the Bank have to verify that while accepting new proposals for Pvt. Ltd. /LLP and public limited companies, due diligence has carried out on each of the director to ascertain that he/she is not disqualified by MCA from holding post of Director in such company.

18.3 Operations in accounts of Struck off companies

Since these companies are deregistered they are no more legal entities, hence no credit exposure can be considered. It is therefore utmost essential to care that no request from such company either for credit facility or even for opening of current/deposit account should be entertained at branch level.

The list of such struck off companies is placed in excel format in the icon of Credit Monitoring in ULC for reference to branches/offices of the Bank. Branches/offices have to invariably refer the same before processing any credit request or opening of deposit account. The list will be updated from time to time.

18.4 Revival/Restoration of the company

As per Section 252 (3) of Companies Act 2013, an application can be made by the company, member, creditor or workman before the expiry of twenty years from the date of publication in the official Gazette of the struck off notice under sub-section (5) of section 248 of the Act.

Previously under the erstwhile Companies Act, there was only one resort for restoration of name, i.e., application by certain person within a period of twenty years from the date the name had been struck-off. Additionally, section [252\(1\)](#) of the Act also provides that the name can also be restored by way of an appeal filed by such companies against the orders of the ROC within three years from the date of the order of the ROC to the National Company Law Tribunal (NCLT).

The provision of Section 252 states that before passing any order, tribunal shall give a reasonable opportunity of making representation and of being heard to the Registrar, the company and all the person concerned.

Then NCLT will issue an order for restoring of struck of companies. The restoration as and when happens shall be reflected on the web site of the Ministry by the changing status of the company from "Struck-off" to 'Active' by RoCs. In such cases, Bank will remove the debit freeze imposed on such accounts.

18.5 Transfer of Bank accounts of Struck off companies to Head Office

As section [252\(1\)](#) of the Act provides that the name can also be restored by way of an appeal filed by such companies against the orders of the ROC within three years from the date of the order of the ROC to the National Company Law Tribunal (NCLT), the accounts of such struck off companies should be maintained at respective branches for a period of three years and if no order of revival from NCLT is received during that period, branches will transfer these accounts to Head office.

Head office will maintain the record of such accounts and in case the company is not revived within a period of 10 years, after completion of period of 10 years the balance in such bank accounts will be transferred to DEAF as per guidelines issued by RBI. In case company is revived after 10 years but before 20 years from the date of struck off notice, and bank gets copy of an order from NCLT about revival/restoration of the struck off company, then bank will approach RBI for refund of balance of amount transferred to DEAF and will credit the same to account of revived company.

For dealing with all liability accounts of struck off companies with our Bank, OMS & P cell will be responsible whereas for all asset accounts of struck off companies with our bank, Credit Monitoring department will be responsible.



19. Settlement of dues in Deceased Deposit Accounts

- a. If the depositor has registered nomination with the Bank, the balance outstanding in the account of the deceased depositor will be transferred to the account of / paid to the nominee after the Bank satisfies about the identity of the nominee etc.
- b. The above procedure will be followed even in respect of a joint account where nomination is registered with the Bank.
- c. In a joint deposit account, when one of the joint account holders dies, the Bank is required to make payment jointly to the legal heirs of the deceased person and the surviving depositor(s). However, if the joint account holders had given mandate for disposal of the balance in the account in the forms such as "either or survivor, former / latter or survivor, anyone of survivors or survivor; etc.", the payment will be made as per the mandate to avoid delays in production of legal documents by the heirs of the deceased.

Premature withdrawal of Term Deposit with Survivorship mandate shall be allowed in the manner as clarified at Clause No. 3.19.2, 3.19.3 and 3.19.4 hereinabove.

- a. In the absence of nomination and when there are no disputes among the claimants, the Bank will pay the amount outstanding in the account of deceased person against joint application and indemnity by all legal heirs or the person mandated by the legal heirs to receive the payment on their behalf without insisting on legal documents up to the threshold limit of Rs. 1 lakh as approved by the bank's board. This is to ensure that the common depositors are not put to hardship on account of delays in completing legal formalities.

For the amount outstanding over the prescribed limit, the necessary legal formalities as prescribed by the Bank from time to time to be completed.

Depositors are requested to refer 'Operational Procedure for Settlement of Deceased Claims' for further details. The procedure document is available with the Branch Manager. It is also displayed on Bank's web site www.bankofmaharashtra.in

d. Interest Payable on Term deposit in Deceased Account

- a. In the event of death of the depositor before the date of maturity of deposit and amount of the deposit is claimed after the date of maturity, the Bank shall pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment, the Bank shall pay simple interest at the applicable rate prevailing on the date of maturity, for the period for which the deposit remained with the Bank beyond the date of maturity; as per the Bank's policy in this regard.
- b. 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 as per 8(a), (b), (c), (d) and (e) mentioned above.



- c. 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.
- d. In respect of Balances lying in Current a/c standing in the name of Deceased Individual / Sole Proprietorship Concern, interest shall be paid from the date of death of the depositor till the date of repayment to the claimant at the rate of interest applicable to Savings Deposits as on the date of payment.
- e. In case of NRE deposit when the claimants are residents, the deposit on maturity shall be treated as domestic Rupee deposit and interest shall be paid for the subsequent period at a rate applicable to the domestic deposit of a similar maturity.

20. Safe Deposit Lockers

This facility is not offered through all bank branches and wherever the facility is offered, allotment of safe deposit vault will be subject to availability and compliance with other terms and conditions attached to the service. Safe deposit lockers may be hired by an individual (being not a minor) singly or jointly with another individual(s), HUFs, firms, limited companies, associates, societies, trusts etc. Nomination facility is available to individual(s) holding the lockers singly or jointly. Joint locker holders can give mandate for access to the lockers in the event of death of one of the holders on the lines similar to those for deposit accounts. In the absence of nomination or mandate for disposal of contents of lockers, with a view to avoid hardship to common persons, the bank will release the contents of locker to the legal heirs against indemnity on the lines as applicable to deposit accounts.

21. Redressal of 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. The details of the internal set up for redressal of complaints / grievances will be displayed in the branch premises. The branch officials shall redress the grievances of the Customer if any. They will provide all required information regarding procedure for lodging the complaint in case complainant is not satisfied with his action.. In case the depositor does not get response from the Zonal Office within 4 weeks from date of lodging complaint or if he is not satisfied with the response received from the Bank, he has a right to approach banks Nodal Officer for Public Grievances, Head Office, "Lokmangal", '1501, Shivajinagar Pune –41 1005 or Banking Ombudsman appointed by the Reserve Bank of India.

Deposit Policy would be valid till next revision by Bank.

Policy Renewal:

This policy will be renewed on an annual basis, with the next renewal due in 2021. Any changes to this policy in the interim period will be incorporated with the approval of Managing Director & Chief Executive Officer of the Bank.



Annexure-A

Term Deposit Schemes of Bank of Maharashtra (read with Para No. 1)

Sr. No.	Name of Deposit Scheme	Periodicity	Min. Amt. of Deposit Rs.		Min. Period	Max. Period	Interest Pattern	Loan Facility
1	Recurring	M	50/- pm	No ceiling	6 M	120 M	C	Yes
2	Mahasanchay Systematic Deposit Plan (MSDP)	M	100/- pm	50000/- pm	12 M	60 M	S	Yes
3	Maha Lakhpati Recurring Deposit (MLRD)	M	Suitable for MV of min. Rs. 1 lac	No ceiling	12 M	120 M	C	Yes
4	Maha Millionaire Recurring Deposit (MMRD)	M	Suitable for MV of min. Rs. 10 lac	No ceiling	12 M	120 M	C	Yes
5	Fixed Deposit	L	1000/-	No ceiling	12 M	120 M	S	Yes
6	MIDS	L	1000/-	No ceiling	12 M	120 M	D	Yes
7	QIDS	L	1000/-	No ceiling	12 M	120 M	S	Yes
8	Short Term deposit	L	1000/-	No ceiling	7 Days	364 Days	S	Yes
9	Mahabank Unit Deposit (Sheetal)	L	5000/-	No ceiling	46 Days	60 M	S	Yes
10	Cumulative Deposit	L	1000/-	No ceiling	6 M	120 M	C	Yes
11	Mixie Deposit	L	10000/-	No ceiling	24 M	120 M	C	Yes
12	Bank Term Deposit Scheme 2006 [u/s 80C of I.T. Act)	L	100/-	1,50,000/- in one F.Y.	5 Y	10 Y	D, S or C as the case be.	No
13	Mahabank Yuva Yojana 1. SB A/C	--	Zero	No ceiling	--	--	S	No
	2. Recurring	M	10/- p.m.	No ceiling	6 M	120 M	C	Yes
	3. Fixed Deposit	L	Suitable for MV of min. Rs. 0.50 lac	No ceiling	12 M	120 M	S	Yes



	4.Mahasaraswati	M	R/SU- 50/pm M/U- 100/pm	No Limit	36 M	120 M	C	Yes
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Annexure-A (Contd.)

Term Deposit Schemes of Bank of Maharashtra (read with Para No. 1)

Sr. No.	Name of Deposit Scheme	Periodicity	Min. Amt. of Deposit Rs.	Max. Amt of Deposit Rs	Min. Period	Max. Period	Interest Pattern	Loan Facility
14	Mahalaxmi Term Deposit Scheme		1000/-		3 Y	3 Y		Yes
	1. Fixed Deposit	L		No ceiling			S	
	2. MIDS	L	1000/-	No ceiling	3 Y	3 Y	D	Yes
	3. QIDS	L	1000/-	No ceiling	3 Y	3 Y	S	Yes
	4. CDR	L	1000/-	No ceiling	3 Y	3 Y	C	Yes
15	Mahanidhi Term Deposit Scheme		1000/-		444 days			Yes
	1. Fixed Deposit	L		< 1 Crore			S	
	2. MIDS	L	1000/-	< 1 Crore	444 days		D	Yes
	3. QIDS	L	1000/-	< 1 Crore	444 days		S	Yes
	4. CDR	L	1000/-	< 1 Crore	444 days		C	Yes
16	Mahalabh Term Deposit Scheme	L	1000/-	< 1 Crore	666 days		C	Yes
17	Mahabank Flexi Deposit Scheme	L	10.00 Crs	No ceiling	180 days		S	No

M= Month/Monthly Y=Year/Yearly L=In lump sum C=Compound
D=Discounted

S=Simple

Subject to changes from time to time



Annexure-B

Interest Rate on Domestic Deposits:

1. Current Account: Nil
2. Savings Account: 1. ROI – 3.00% : Up to Rs.50 lakhs (including Rs.50 lakh) –
Simple payable Quarterly
ROI – 3.25% : More than Rs.50 lakhs – Simple payable Quarterly.

For Savings Bank deposits over Rs. 1 lakh of Resident Indians, Bank at its discretion, may offer differential rates of interest. There shall however not be discrimination in the matter of interest paid on such deposits, between one deposit and another of similar amount, accepted on the same date, at any of the branches of the bank.

Interest rate on Non-Resident (External) Account Scheme and Ordinary Non-Resident Deposit under saving account shall be as per regulations of RBI.

3. Term Deposits:

Interest rates on term deposits up to and inclusive of Rs. 5 crore:

Card Rates on term deposits up to and inclusive of Rs. 5 crore for different tenors shall be decided and declared from time to time. Branches can accept Bulk Deposits of Rs. 2 cr to 5 cr at the card rates.

Interest Rate on Bulk Deposits of above Rs. 5 crore:

- Before accepting Bulk Deposits i.e. above Rs.5.00 crs , branches should seek prior approval of both rate of interest to be offered and amount of deposit that can be accepted from TIBD, Mumbai through their respective Zonal Offices .
- No branch will quote interest rate for or accept any bulk term deposit above Rs.5.00 cr without specific approval from TIBD.

General:

- Interest rates offered on recurring term deposits will be same as applicable to term deposits.
- Deposits to be accepted for a maximum period of 10 years.



Annexure-C

Interest payable on premature payment of term deposits

Period for which the deposit has remained with the Bank	Procedure
Less than 7 days (Applicable to both Normal and DRI deposits)	No interest is payable
7 days and above up to 1 year	The interest rate should be the applicable rate for the actual period for which the deposit has remained with the bank as prevailing on the date of deposit and payable for the period for which the deposit actually remained with the Bank.
Above 1 year	The interest rate shall be 1.00% below the applicable rate for the actual period for which the deposit has remained with the bank as prevailing on the date of deposit and payable for the period for which the deposit actually remained with the Bank.
<p><u>Other Provisions-</u></p> <p>1) However, as regards bulk deposits of Rs. 2 Cr & above, the bank at its discretion may disallow premature withdrawal of such large term deposits of all depositors, including deposits of individuals and HUFs. Bank shall however notify such depositors of its policy of disallowing premature withdrawal in advance i.e. at the time of accepting such deposits.</p> <p>2) In case the bank decides to adjust term deposit prematurely for the recovery of loans the penal clause will not be applicable and the interest at contractual rate from the date of deposit till the date of adjustment be allowed subject to following conditions-</p> <ol style="list-style-type: none">Such recovery should result either in NPA recovery or preventing the defaulted account from becoming NPA.The loan should not be against term deposits. <p>3) In case of NRE deposit, no interest shall be paid if the deposit is prematurely closed before the minimum period of one year. Premature payment of of NRE deposit after one year shall attract penalty of 1% on the applicable interest rate.</p>	

Subject to changes from time to time



Procedure for Interest Payable on renewal of Term Deposits

Overdue period at the time of renewal	Rules for renewal
Up to 1 to 14 days from the date of maturity	Such deposit can be renewed as on the date of maturity at the rate prevailing on the date of maturity
Exceeds 14 days but does not exceed 6 months from the date of maturity	Such deposit can be renewed as on the date of maturity at the rate prevailing on the date of maturity or the date of actual renewal whichever is less.
Exceeds 6 months but does not exceed 10 years from the date of maturity	<p>Overdue deposit may be accepted as a fresh deposit (in part or in full) for the further period as specified by the depositor at the rate of interest as ruling on the date on which the fresh deposit is made.</p> <p>Interest for overdue period (i.e. the period between the date of maturity and the date of renewal/ date of acceptance as a fresh deposit) - <u>Simple</u> interest shall paid for the actual overdue period at the rate <u>lowest of the below</u>;</p> <ol style="list-style-type: none">1) ROI applicable to actual overdue period as prevailing on the date of maturity2) ROI applicable for the actual overdue period as prevailing on the date on which the deposit is renewed as fresh deposit3) ROI applicable for the period for which overdue deposit is renewed as fresh deposit



Annexure-D (Contd.)

Procedure for Interest Payable on renewal of Term Deposits

Overdue period at the time of renewal	Rules for renewal
Exceeds 10 years from the date of maturity	<p>Overdue deposit may be accepted as a fresh deposit (in part or in full) for the further period as specified by the depositor at the rate of interest as ruling on the date on which the fresh deposit is made.</p> <p>Interest for overdue period (i.e. the period between the date of maturity and the date of renewal/ date of acceptance as a fresh deposit) - <u>Simple</u> interest shall paid for the actual overdue period at the rate <u>lowest of the below</u>;</p> <p>(1) ROIs applicable as at the end of every completed slab of 10 years from the original maturity date, for the tenor of 10 years</p> <p>(2) ROI applicable as at the end of all completed slabs of 10 years from the original maturity date, for the actual tenor from the end of such completed slabs up to the date on which the deposit is renewed as fresh deposit</p> <p>(3) ROI applicable for the period for which overdue deposit is renewed as fresh deposit.</p>
In case deposit is not renewed	At Savings Bank rate (Simple interest on daily products basis)
Note: These provisions will be applicable to existing as well as fresh deposits.	

Subject to changes from time to time

Basic Savings Bank Deposit Account (BSBDA) – Salient Features

With a view to make the basic banking facilities available to all sections of population under all income groups in a more uniform manner across the banking system, RBI had advised the banks to offer a “Basic Savings Bank Deposit Account (BSBDA)” with some common minimum facilities to all the customers.

Accordingly, our Bank has introduced Basic Savings Bank Deposit Account (BSBDA) with the product name as “Maha Sarvajan Savings Bank Deposit Account”. The features of the product shall be as below;

Eligibility of opening of the account

The Account is considered as a normal banking service available to all. The account can be opened by any individual, without any restriction like income criteria of the individual.

Initial Deposit

There is no requirement for any initial deposit for opening the account. Account can be opened with Zero initial deposit.

Requirement of maintenance of minimum balance

The account is without requirement of maintaining any minimum balance.

Rate of interest

Rate of interest payable on credit balance in the account is at par with the rate applicable for normal Savings Bank Deposit Account.

Normal banking services available in the account free of cost

- a. Deposit and withdrawal of cash at bank branch as well as ATMs.
- b. Receipt / credit of money through electronic payment channels or by means of deposit / collection of cheques drawn by Central / State Government agencies and departments. The above normal facilities shall be provided without any charges.

Charges of non-operation of the account

There is no charge for non-operation of the account.

Charges of activation of in-operative BSBDA account There is no charge for activation of in-operative account.

Number of deposits allowed in a month

There is no limit on number of deposits that can be made in a month.



Annexure-E (Contd.)

Number of withdrawals allowed in a month

Maximum four withdrawals in a month free of charge through any mode including ATMs, RTGS, NEFT, Clearing, Branch cash withdrawal, transfer, internet debit, Standing Instruction, EMI etc., are allowed.

Passbook Facility

Account holder is offered passbook facility free of charge.

Chequebook Facility

Chequebook of 10 leaves per year, free of cost.

(In fact, BSBDA does not envisage chequebook facility in the minimum facilities that should be provided to BSBDA customers. However, we have extended this as an additional facility free of charge).

ATM Card Facility

- ATM-cum-Debit Card is offered free of charge and no Annual fee shall be levied on such Cards.
- ATM debit cards is offered at the time of opening of the account and issued if the customer requests for the same in writing. .
- In case of illiterate or old customers who may not be in a position to safe keep and use the ATM debit card and ATM PIN, the customer while opening the account shall be made aware about the same and risk associated with it. However, if a customer chooses not to have an ATM Debit Card, he/she shall not be compelled to accept the same.

Applicability of KYC/AML instructions & treatment to existing no-frill / Mahabank Lok Bachat accounts

Existing No-frill / Mahabank Lok Bachat accounts shall be continued to be treated as 'Basic Savings Bank Deposit Accounts' and they shall carry the same features as mentioned above in respect of prescribed facilities, other rules etc.

No-frill / Mahabank Lok Bachat accounts opened / to be opened with simplified / relaxed KYC norms shall be treated as "BSBDA-Small Account" and would be subject to the following conditions; □ Total credits in such accounts should not exceed one lakh rupees in a year.

- Maximum balance in the account should not exceed fifty thousand rupees at any time
- The total of debits by way of cash withdrawals and transfers will not exceed ten thousand rupees in a month
- Remittances from abroad cannot be credited to Small Accounts without completing normal KYC formalities
- Small accounts are valid for a period of 12 months initially which may be extended by another 12 months if the person provides proof of having applied for an Officially Valid Document.

Bank's following existing products fall under "BSBDA-Small Account" category;



Sr. No.	Name of the Product	Product Code
1	SB-Mahabank Lokbachat Yojana	2022-1401
2	FI-Mahabank Lokbachat Yojana	2033-1401
3	SB-MahaSetu-FI-w/o Chq_pub_Ind	2122-1401

Annexure-E (Contd.)

“Maha Sarvajan Savings Bank Deposit Account” is opened with a separate Product Code 2059-1401. It is subject to full KYC compliance without any relaxation. The above restrictions with respect to total credits in the year, maximum balance in the account, total debits in the month etc. are not applicable for “Maha Sarvajan Savings Bank Deposit Account”.

Account opened under the products falling under "BSBDA-Small Account" category (as mentioned in the above table), shall be converted to “Maha Sarvajan Savings Bank Deposit Account”, on production of the proof of identity and address by the account holder and on becoming of the account full KYC compliant. Thereafter the restrictions with respect to total credits in the year, maximum balance in the account, total debits in the month etc. shall not be applicable to that account.

Number of Savings Bank accounts of a BSBDA holder in the bank

An individual shall be eligible to have only one Savings Bank account under BSBDA-Small or BSBDA-General category in our bank in any of the following products;

Sr. No.	Name of the Product	Product Code	Category
1	SB-Mahabank Lokbachat Yojana	2022-1401	BSBDA-Small
2	FI-Mahabank Lokbachat Yojana	2033-1401	BSBDA-Small
3	SB-MahaSetu-FI-w/oChq_pub_Ind	2122-1401	BSBDA-Small
4	Maha Sarvajan Savings Bank Deposit Account	2059-1401	BSBDA-General

BSBDA customer cannot have any other Savings Bank Account in the same Bank, under BSBDA (Small or General) category or otherwise. If a customer has any other existing Savings Bank Account in our bank, he/she will be required to close it within 30 days from the date of opening a BSBDA. While opening the BSBDA, customers' consent/undertaking in writing shall be obtained stating that he/she shall close his/her existing other Savings Bank account/s within 30 days of opening BSBDA and bank shall be free to close such account/s after 30 days.

BSBDA holder can however continue with existing or open new term/fixed deposit account/s, Recurring deposit account/s with us.



Conversion of normal SB account into BSBDA

Normal Saving Bank account can be converted into BSBDA at the request of customer. The customer should give his consent in writing and he/she will be informed of the features and extent of services available in BSBDA.

Levying of charges for additional facilities beyond those prescribed above

Bank may, at its discretion, offer additional facilities beyond those prescribed under BSBDA free of cost. (Initially, we are offering chequebook of 10 leaves per year, free of cost as an additional facility).

However if we levy any charge for any facility (prescribed or additional), the BSBDA status of the account shall be lost.

Inclusion under Financial Inclusion

The aim of introducing BSBDA is a part of furthering the Financial Inclusion objectives of the bank. All the no-frill accounts opened earlier under Financial Inclusion and all the new accounts opened under BSBDA (new product) shall be included in reporting of progress of Financial Inclusion plans by the bank.

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