

**KOTTARAKARACO-OPERATIVE URBAN  
BANK LTD.NO.1909, KOTTARAKARA**

**Kollam District, Kerala**

HO: Kottarakara

Branch: Kottarakara main,  
Chadayamangalam,  
Puthoor,  
Odanavattom,  
Pulamon,  
Oyoor.

**DEPOSIT POLICY**

**Kottarakkara Co operative Urban Bank Ltd. No.1909**  
**Kottarakkara, Kollam District, Kerala**  
**H.O. Kottarakkara**

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## **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. 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.

1.2 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. This document is a broad framework under which the rights of common depositors are recognized.

## **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 are as under : -

"Demand deposits" means a deposit received by the Bank which is withdrawable on demand by the depositor;

"Savings deposits" means a form of demand deposit which is subject to restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the Bank during any specified period;

"Term deposit" means a deposit received by the Bank for a fixed period withdrawable only after the expiry of the fixed period and include deposits such as Recurring / Fixed Deposits /Monthly Income /Quarterly Income/ Cumulative Deposit or any other form of Fixed Deposits.

"Current Account Deposits" 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

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## **ACCOUNT OPENING AND OPERATION OF DEPOSIT ACCOUNTS**

### **3.1 Account Opening**

The Bank will provide its customers with details of various types of accounts that they may open with the Bank. Customers can make a choice on what type of account best suits them, based on their requirements and applicable guidelines.

The Bank before opening any deposit account will carry out due diligence as required under "Know Your Customer" (KYC) guidelines issued by RBI and or such other norms or procedures 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 and the final decision of the Bank will be conveyed at the earliest to him.

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

For deposit products of Savings Bank Account and Current Deposit Account, the Bank would normally stipulate certain minimum balances to be maintained from time to time as part of terms and conditions governing operation of such accounts. Failure to maintain minimum balance in the account may attract levy of charges or conversion of accounts to different product as specified by the Bank from time to time. No minimum balance is stipulated for Saving Bank accounts opened under Basic Savings Bank Deposit Account.. 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 cheque books, additional statement of accounts, duplicate pass book, folio charges, etc. All such details, regarding terms and conditions for operation of the accounts and schedule of charges for various services provided will be communicated to the prospective depositor while opening the account. Any changes in the schedule of charges or the terms and conditions will be communicated to the customers 30 days in advance. During the notice period, the bank will not charge for non maintenance of higher minimum balance prescribed

### **Eligibility for Account Opening**

- a) 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)
- b) Current Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies / Trusts, etc.
- c) Term Deposits Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates / Societies / Trusts, etc.

The due diligence process, while opening a deposit account will involve satisfying about the identity of the person, verification of address, verification of signature, satisfying about his occupation and source of income.

vi) Bank has a well defined Policy on Know Your Customer and Anti Money Laundering and the same is available on Bank's Website.

vii) In addition to the due diligence requirements, under KYC norms „the Bank is required by law to obtain Permanent Account Number (PAN) or alternatively declaration in Form No. 60 or 61 as specified under the Income Tax Act / Rules.

### **3.2 Operations of Deposit Accounts**

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) . Savings Bank Account can also be opened by a minor jointly with natural guardian or with mother

as the guardian (Status : known as Minor's Account). Minors above the age of 10 will also be allowed to open and operate saving bank account independently (with restrictions)

Operation of Joint Account - Operation of Joint Account - The Joint Account opened by more than one individual can be operated by single individual or by more than one individual jointly (Jointly by all/ Either or Survivor/ Anyone or Survivor/ Latter or Survivor / Former or Survivor). Operating instructions of this nature are obtained from the customer at the time of account opening or at a later date with due consent of all the account holders. The natural guardian only can operate the Savings Bank Account opened by minor jointly with natural guardian.

### **3.3 Mandate-**

The joint account holders can give any of the following mandates for the disposal of balance in the above accounts: Either or Survivor: If the account is held by two individuals say, A & B, the final balance along with interest, if applicable, will be paid to survivor on death of anyone of the account holders.

Anyone or Survivor/s : If the account is held by more than two individuals say, A, B and C, the final balance along with interest, if applicable, will be paid to the survivor on death of any two account holders.

Latter or Survivor: Second named account holder can alone operate and has full right over the monies. The survivor steps in only on the death of the latter.

Former or Survivor: First named account holder can alone operate and has full rights over the monies. The survivor steps in only on the death of the former. The above mandates can be provided to the bank at the time of opening the account or at any time later during the term of Deposit. Such Mandates can be modified by the consent of all the account holders. 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. In the normal circumstances premature closure of a joint deposit shall be permitted only if all the deposit holders sign a request to that effect. In the case of Term deposits with operating instructions Either Or Survivor, Former Or Survivor, Later Or Survivor and Anyone Or Survivor, all the account holders are encouraged to give an additional mandate at the time of account opening itself authorizing the bank to handover the Deposit amount by prematurely closing the deposit to the survivor/s in the case of death of a deposit holder/s. If such mandate is not available, the deposit will be foreclosed before maturity and amount shall be paid to the survivor/s only if the legal heirs of the deceased agree to this. This mandate is applicable only for premature closure of deposits.

### **3.4 Addition or deletion of the name/s of joint account holders**

The bank may at the request of all the joint account holders allow addition or deletion of name/s of joint account holder/s if the circumstances so warrant or allow an individual depositor to add the name of another person as a joint account holder.

### **3.5 Nomination**

Nomination facility is available on all deposit accounts opened by the individuals. Nomination is also available to a sole proprietary concern account. 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 nomination, cancellation or change thereof, it is required to be witnessed by a third party in case of illiterate accounts. Nomination can be modified by the consent of account holder/s. Nomination can be made in favour of a minor also. 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.

### **3.6 Minor's Accounts**

i) The minor can open Savings Bank Account and the same can be operated by the natural guardian or by minor himself / herself, if he/she is above the age of 10 years. The account can also be opened jointly.

ii) On attaining majority, the erstwhile minor should confirm the balance in his/her account and if the account is operated by the natural guardian, fresh specimen signature and the photograph of erstwhile minor duly verified by the natural guardian would be obtained and kept on record for all operational purposes. Cheques issued by the guardian prior to the date of minor attaining majority but presented after the minor attains majority would require confirmation from the minor.

### **3.7 Account of Illiterate/Blind Person**

The Bank may at its discretion open 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 / her thumb impression or mark in the presence of the authorized officer who should verify the identity of the person. The Bank will explain the need for proper care and safe keeping of the passbook etc. given to the account holder. The Bank official shall explain the terms and conditions governing the account to the illiterate. Bank shall invariably be offering all banking facilities to the visually challenged without any discrimination and all possible assistance shall be rendered to these persons for availing the banking facilities. The Bank official will be explaining the terms and conditions governing the account to the visually impaired person.

### **3.8 Transfer of Account**

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

### **3.9 Account Statements**

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 provides facility of Pass Book also.

### **3.10 Interest Payments**

Interest on Savings and term deposits will be paid at the rates specified by the Bank taking into account the overall guidelines issued by Reserve Bank of India from time to time.

### **3.11 Debit Card**

Hot Listing The bank will accept ATM card / Debit card hot listing instructions from customers through Phone and from branch channel during customer hours

### **3.12 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.

### **3.13 Dormant / Unclaimed account / Deposit**

As per extant Reserve Bank of India (RBI) guidelines, an account would be treated as inoperative / dormant if there are no customer induced transactions in the account for over a period of two years. Operation in such inoperative accounts would be resumed / restarted /allowed after obtaining the revised KYC documents as per the extant guidelines of the Bank. However, it will be ensured that the customer is not inconvenienced in any manner as a result of extra care taken. An account / deposit would be treated as unclaimed if it is inoperative for 10 years or more. A list of such accounts / deposits shall be displayed on the website of the Bank. The list so displayed on the website shall contain only the names of the account holder(s) and his / her / their address. Such Dormant / Unclaimed account would be transferred to a separate account status in the interest of the depositor and the Bank. No charges would be levied by the Bank for migrating an account from Dormant / unclaimed to Operative account

## **4. TERM DEPOSIT**

Term Deposits, also known as Fixed Deposits or Time Deposits, are deposits accepted by the bank for fixed period and are repayable on expiry of the fixed period. Interest is paid at quarterly rests to the depositor or compounded quarterly. At the specific request of the depositor, interest could be paid at monthly rests also, but at a discounted rate.

### **4.1 Types of Term Deposits:**

Fixed Deposits- Interest is periodically paid out. Deposits can be accepted for a period as prescribed by RBI from time to time. Interest shall be payable Quarterly / Monthly (at discounted rate). Interest may be paid by cash (subject to certain conditions of Income Tax Act, 1961) or credited to operative account or by issuance of PO/DD

Cumulative Term Deposit – Interest accumulated on quarterly compounding basis Deposits can be accepted for a period as prescribed by RBI from time to time. Interest is calculated on quarterly compounded rests. Interest on cumulative deposits is deemed as reinvested. No interest outflow is allowed under this scheme till the maturity of the Term Deposit.

### **4.2 Interest Payments**

i) 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 rate of interest on deposits will be prominently displayed in the branch premises and also on the banks official website. Changes, if any, with regard to the deposit schemes and other related services shall also be communicated upfront and shall be prominently displayed.

The Bank has statutory obligation, to deduct tax at source if the total interest paid / payable on all term deposits held by a person exceeds the amount specified under the Income Tax Act. The Bank will issue a tax deduction certificate (TDS Certificate) for the amount of tax deducted. The depositor, if entitled to exemption from TDS can submit declaration in the prescribed format at the beginning of every financial year. The said declaration is required to be submitted by the depositor for each of the deposit placed with the bank to avail the said exemption.

All interest payments will be rounded off to the nearest rupee.

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 Bank will auto renew the Fixed deposit for the same tenure as that of the original term deposit. In case, the customer wishes to make changes in the tenure or wants a premature proceeds of the term deposit, the same is allowed at the written request of the customer from prospective date.

Individuals, who have completed the age of 60 years and above, shall be given the benefit of higher interest at rate not exceeding 0.5% per annum over and above normal rate of interest in single or joint names. In case of joint account, accounts can be opened jointly with other Senior Citizens or with other persons below the age of 60 subject to the condition that the Senior Citizen is No.1 depositor.

In case of deposits of staff members shall be given the benefit of higher interest at a rate not exceeding one percent per annum over and above normal rate of interest. However, the staff members, who are senior citizens, shall be given the benefit of higher interest rates as admissible to senior citizens over & above the additional interest payable to them by virtue of their being members/retired members of the bank subject to following conditions: I). In respect of a term deposit account opened in the name of: (a) 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, consist only of members/retired members of the bank's staff;

#### **4.3 Premature Withdrawal of Term Deposit**

The Bank on request from the depositor, at its discretion may allow withdrawal of term deposit before completion of the period of the deposit agreed upon at the time of placing the deposit. The Bank shall declare their penal interest rates policy for premature withdrawal of term deposit from time to time. The Bank shall make depositors aware of the applicable rate along with the deposit rate. In normal circumstances premature closure of a joint deposit shall be permitted only if all the deposit holders sign a request to that effect. In the case of Term deposits with operating instructions Either Or Survivor, Former Or Survivor, Later Or Survivor and Anyone Or Survivor and in the event of death of one of the joint holders, in the absence of relevant mandate, premature closure of such deposit will be allowed only if the legal heirs of the deceased agree for such premature closure. In cases where relevant mandate is available with the Bank, premature closure of such deposits shall be allowed in the favour of survivors.



### **4.3 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. Such deposits would be charged with premature closure penalty, if applicable.

### **4.5 Renewal of Overdue Term Deposit**

When a term deposit is renewed on maturity, the interest rate as applicable on the date of maturity, would be applied. If request for renewal is received after the date of maturity, such overdue deposits will be renewed with effect from the date of maturity at interest rate applicable as on the due date, provided such request is received within 14 days from the date of maturity. In respect of overdue deposits renewed after 14 days from the date of maturity, interest for the overdue period will be paid at the rates decided by the Bank from time to time. In the absence of any customer instructions, the bank follows the practice of auto renewal of deposits on the date of maturity for a similar period as the original deposit. The rate of interest on this renewed deposit will be the interest rate as applicable for such period on the date of renewal.

### **4.6 Advances Against Deposits**

The Bank may consider request of the depositor/s for loan / overdraft facility against term deposits 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, is to be furnished by the depositor - applicant.

### **4.6 Settlement of dues in Deceased Deposit Account**

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.

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

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 papers by the heirs of the deceased.

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 limit approved by the bank's board. This is to ensure that the common depositors are not put hardship on account of delays in completing legal formalities

#### **4.7 Interest Payable on Term Deposit in Deceased Account**

i) 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 obtaining 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.

ii) 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 obtaining on the date of maturity from the date of maturity till the date of payment.

### **5. OTHER IMPORTANT INFORMATION**

#### **5.1 Customer Information**

The bank ensures to maintain the secrecy of the customers personal information. The information is used, if necessary, only internally or for creating awareness (telephonic/written) of the new products/services to the customers

#### **5.2 Secrecy of Customers 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. The bank may also disclose the customer information, as per the prevailing practice, amongst banks to exchange credit information and credit opinion on the standing (general position) of the customers/ borrowers.

#### **5.3 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 insurance coverage is upto a maximum of Rs 5 lac deposit held by the customer in the same capacity and right in all branches of a bank

#### **5.4 Safe Deposit Lockers**

This facility is offered through all bank our branches and , 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. In respect of lockers held in joint names, up to two nominees can be appointed. 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 .Email or SMS were sent to

customers while operating locker. Locker have CCTV Camera .RBI new guidelines were applicable in all Locker accounts.

### **5.5 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 records. Examples of undesirable and un-remunerative features are:

Drawing cheques without funds.

Rash / fraudulent transactions routed through Bank account which may expose the Bank to unnecessary risks.

Dormant / inoperative accounts as per extant RBI directives.

Accounts where transactions, such as huge cash transactions, are being made, disproportionate to the given profile of the customer.

Accounts in which, in the opinion of the Bank, transactions having Money Laundering angle are being conducted.

Accounts, in which, the Bank is not able to apply appropriate KYC measures due to non - furnishing of information by customer and / or non – co-operation in this regard.

Non compliance of Minimum Balance requirements for current and savings account as applicable to the relevant scheme / product.. Up-to-date interest, if any, shall be credited to the Customer's account at rates applicable from time to time. Penal interest, if any, at rates applicable from time to time shall be collected in case of pre - mature closure of Term Deposits. The amount lying in the account net of all charges and out-of-pocket expenses, shall be sent by means of a Pay Order / DD to the last known address of the Customer.

### **5.6 Redressal of complaints and grievances**

Depositors having any complaint / grievance with regard to services rendered by the Bank has a right to approach authority(ies) designated by the Bank for handling customer complaint / grievances. The details of the internal set up for redressal of complaints / grievances will be displayed in the branch premises. The branch officials shall provide all required information regarding procedure for lodging the complaint. In case the depositor does not get response from the Bank within 60 days from date of complaint or he is not satisfied with the response received from the Bank, he has a right to approach Banking complaint redressal Cell at Head Office and the customer can send their complaints through emails to [urban.kottarakkara1909@gmail.com](mailto:urban.kottarakkara1909@gmail.com). This policy is subject to revision based on the RBI guidelines issued from time to time.

**General Manager**

**Director**

**Director**

**Chairman**