

## **MOST IMPORTANT TERMS AND CONDITIONS (MITC) SAVINGS BANK ACCOUNT**

### **“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.

### **Account opening:**

- ❖ Savings Bank Deposit accounts can be opened by an individual in his own name or by more than one individual in their own names.
- ❖ The Bank before opening any deposit account will carry out due diligence as required under “Know Your Customer” (KYC) guidelines issued by the RBI and/or such other norms or procedures adopted by the Bank.
- ❖ The due diligence process by the Bank, while opening a deposit account will involve satisfying about the KYC documents i.e., relating to identity of the person, verification of address, satisfying about his occupation and source of income. Bank will also obtain recent photograph of the person/s opening / operating the account as may be necessary.
- ❖ Fresh documents may be required to be updated periodically as part of KYC monitoring & compliance activity. 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.

### **Cash deposit at Home/Host Branches:**

- ❖ There shall not be any restriction on the maximum remittance of cash per occasion, the aggregate amount that can be remitted

or the number of times such remittances can be made in a day.

### **Interest:**

- ❖ Interest shall be calculated on daily product basis and paid at the specified rate as decided by bank from time to time. Interest will be paid on quarterly basis with a minimum of ₹1 in any quarter i.e. on the last day of June, September, December & March every year.
- ❖ **Minimum balance to be maintained:**
- ❖ Customer is required to maintain certain minimum monthly average balance in the account as part of terms and conditions governing operation of savings accounts which shall be ₹1000 & ₹500 for non cheque book accounts and for cheque book operated accounts, the minimum monthly average balance shall be ₹2500 & ₹1000 respectively at Metro / Urban and Semi urban /Rural Branches. Savings Accounts are also opened for Pensioners and Bonafide students with lesser minimum balance.
- ❖ In the event of a default in maintenance of average minimum monthly balance as agreed to between the bank and customer, the bank shall notify the customer clearly by SMS/ email/ letter etc. that in the event of the minimum balance not being restored in the account within a month from the date of notice, penal charges will be applicable
- ❖ In case the minimum balance is not restored within a reasonable period, which shall not be less than one month from the date of notice of shortfall, penal charges shall be recovered under intimation to the account holder.
- ❖ The penal charges would be directly proportionate to the extent of shortfall observed. In other words, the charges should be a fixed percentage levied on the

amount of difference between the actual balance maintained and the minimum balance as agreed upon at the time of opening of account. A suitable slab structure for recovery of charges would be hosted on the Bank's website and revised from time to time and the present slab is as follows:

| <b>Amt. of shortfall to average minimum balance required</b> | <b>Service Charges per month in ₹</b> |
|--|---------------------------------------|
| 76% - 100%   | 100                                   |
| 51%-75%  | 75                                    |
| 26% - 50%  | 50                                    |
| 11% -25%   | 25                                    |
| 1% - 10%   | 10                                    |

**Charges for SMS:**

- ❖ SMS would be sent for all mandatory transactions viz., withdrawals through ATM, online transactions through Internet/Mobile Banking etc. and charges for such SMS shall not be levied. However, where request is made by customer for SMS above a threshold level for credit/debit transactions by registering their mobile number with the bank, charge are levied on actual basis collected every month.

**Changes in fees & charges:**

- ❖ Increase in any fee or charge or introduction of a new fee or charge, will be displayed at the notice board of the branches, one month prior to the revised charges becoming effective and this information will also be made available on the Bank's website.

**Operations in Account:**

- ❖ In case of non cheque book accounts, withdrawals would be permitted only in

Home branch, if accompanied with Passbook.

- ❖ Payment to a third party on the basis of a mandate in a withdrawal slip shall be made for limited amount only as in vogue from time to time.
- ❖ 50 debit transactions shall be permitted in the account free of cost per half year. Transactions exceeding the permissible level would be charged as per the existing service charge in vogue. Debit entries relating to ATM debits/IRCTC transactions/POS debits/Internet & Mobile transactions shall however not be counted for this purpose.

**DICGC Insurance Cover:**

- ❖ Each depositor of the bank is insured upto a maximum of ₹5,00,000 (Rupees Five Lakh) for both principal and interest amount held by him in the same right and same capacity as on the date of liquidation/cancellation of bank's licence or the date on which the scheme of amalgamation/merger/reconstruction comes into force.

**Other delivery channels:**

- ❖ Our ATM card services may be availed for anywhere, anytime, hassle free banking and our Internet banking, Mobile banking services may be used for banking from the comforts of the customer's Office/residence.

**Issue of Cheque Books:**

- ❖ Cheques must be drawn on Bank's printed cheque forms only, supplied by the Bank. The Bank reserves the right to refuse payment of cheques drawn otherwise.
- ❖ An application for a cheque book must be made personally in writing on the printed requisition form supplied with each book. MICR cheque books will be issued at a cost computed at ₹4 per cheque leaf after the free entitlement of 1 cheque book of

20 leaves in a calendar year. Personalised cheque book would be issued on receipt of requisition at branch / online and sent through post to the address available in the Bank records. Operation in cheque operated accounts would be permitted only through cheque leaf.

- ❖ It is the responsibility of the depositor to ensure safe custody of the cheque book supplied to him/her and that cheque leaves are not stolen or mislaid or fraudulently used.
- ❖ Cheques compliant with CTS-2010 standards only are to be used and it should be ensured that the account has enough funds to honour cheques issued/ ECS mandate given. Return of cheques in clearing will attract penalty as specified by Bank from time to time.
- ❖ The Bank may, at its sole discretion, reject any request for issue of more than one cheque book at a time, unless sufficient reason is shown for such request.

#### **Operation by cheques:**

- ❖ The Bank reserves to itself the right to refuse payment of cheques which have been altered in any way unless the alteration is authenticated under the drawer's full signature.
- ❖ The date, the name of the payee and the amount on cheques should be written clearly in indelible ink and in such a way as to leave no space for any subsequent additions or insertions of any other words or figures.
- ❖ Mutilated, post-dated and irregularly drawn cheques, as also cheques containing extraneous matter, may be refused payment. The signature of account holder on cheque should be uniform and must agree with the specimen signature furnished by him/her to the Bank.

- ❖ Post-dated cheques, i.e. cheques bearing a date subsequent to the date of presentation will not be paid. Cheques presented after the expiry of 3 months from the date of their issue will be considered as out of date or stale and payment thereof shall be refused.
- ❖ Paid cheques will not be returned except under special arrangements.
- ❖ Cheques must be drawn only against funds actually realised and credited to accounts. Under no circumstances should a customer presume that overdraft facilities will be allowed or drawings passed against cheques in course of realisation.
- ❖ Charges would be levied for cheques drawn by the customers on the Bank which are returned unpaid for want of funds when presented in clearing. The Bank follows a slab structure depending upon the amount of the cheque and the nature of customers viz., Individuals, Non individuals and Special category of customers viz., Pensioners, Senior Citizens & Individuals in Rural areas. Details of cheque return charges are available at the branches and also displayed at the Bank's website.
- ❖ It should also be clearly understood that Cheques issued by the customer which when passed, would cause a debit balance in the account for whatsoever reason, would be deemed by the Bank as an implied request and authority by the customer to the Bank to pass the cheques and allow such a temporary debit/overdraft and the passing of cheques whether at the discretion of the bank or otherwise or at the request of the customer, resulting in overdrafts in the account should not be construed as a regular arrangement for an overdraft facility.

#### **Deposits of Cash and Cheques:**

- ❖ All deposits to Savings Bank accounts should ordinarily be accompanied by paying-

in-slips which are supplied to depositors. Separate paying-in-slips should be used for deposit of a) cash, b) cheques drawn on the branch where the account is maintained, c) cheques drawn on other local branches of the bank, d) cheques drawn on local clearing banks, e) cheques on outstation branches/banks and f) Bills and other collection items. Customers are required to cross cheques deposited for the credit of their accounts before handing them over for collection.

- ❖ A remittance for credit of an account can be made by letter under special circumstances. The remitter should indicate the account number and name, for which the credit is intended.
- ❖ Ordinarily, cheques and other instruments drawn to the order of the Depositor or payable to bearer alone shall be accepted for collection in the account. Customers may in their own interest cross such cheques before depositing them in the Bank.

**Cheques and Bills for collection:**

- ❖ All cheques and other instruments tendered for credit should be crossed. Cheques on clearing banks will be collected in accordance with the rules of the local clearing house.
- ❖ The bank undertakes on behalf of constituents the collection of cheques, hundies, bills, drafts, salary and pension bills etc. Cheques, demand drafts, bills etc., payable locally should be sent early in the day, so that if possible, they may be collected on the same day. Cheques, drafts etc., on local banks will be collected free of charge.
- ❖ If instruments taken for collection are dishonoured and returned, the bank does not undertake to give notice of such dishonour to the constituent who has tendered the instrument until the succeeding

day. The bank will have the right to debit the account for all items already credited to the account, which are subsequently returned or remain unpaid.

- ❖ Cheques, drafts etc., tendered for collection and credited to an account must not be drawn against until they have been realized. It must be distinctly understood that even though credit entries may have been made in the statement of account, should such credits be made up wholly or partly of cheques or other instruments under collection, the amounts so made up are not available for drawing until such cheques and instruments have been actually realized. Under no circumstances should a customer presume that drawings will be permitted against cheques in course of collection.
- ❖ Cheques and drafts and other instruments accepted for collection/ purchased/ negotiated by the Bank will be forwarded for collection to the branches of the bank/another bank at the place at which the instruments are made payable entirely at the risk and responsibility of the account holder. The bank will be at liberty to make use of the services of any bank of its choice for collection and the bank so employed will be the agent for the account holder for the purpose of collection.
- ❖ The bank or the agent at its option will send for collection the instruments at the sole risk and responsibility of the account holder by ordinary or registered post at its discretion. The bank will not be responsible for any loss of the instruments in the course of such transmission.
- ❖ The bank may accept from the agency bank, cash payment instruments or mandates in exchange of instruments sent for collection, such mandates or exchange instruments will be collected solely at the risk and responsibility of the account holder.

**Loss of instruments in transit:**

- ❖ Customers are requested to send cheques, drafts and other valuable instruments by registered post lest they may be lost or stolen in transit. The bank will register instructions for stop payment from the account holder, relating to cheques issued by him and lost, stolen, etc.,.
- ❖ In case of cheque lost in transit or in the clearing process or at the paying bank's branch, the bank will intimate the same to the notice of the customer immediately.
- ❖ The Bank will take care to get the proceeds of the cheques by contacting the drawee bank / branch and the customer will be informed about the possible delay in realization of cheques.
- ❖ The Bank will request the customer to obtain duplicate cheques and the bank will reimburse the reasonable expense incurred in this regard. Also the Bank will pay interest at the specified rate for delay/ abnormal delay. Details of interest/charges payable are as follows:
  - If the intimation of loss of instrument is conveyed to the customer beyond the time limit stipulated for collection (7/10/14 days as the case may be), interest shall be paid for the period exceeding the stipulated collection period at the rates specified i.e. Savings Bank rate for the period of delay beyond 7/10/14 days and where the delay is beyond 14 days interest will be paid at the rate applicable to a term deposit of the respective period.
  - In case of extraordinary delay (i.e. delays exceeding 90 days), interest will be paid at the rate of 2% above the corresponding Term deposit rate and in addition interest on the amount of the

cheque for a further period of 15 days at Savings Bank rate would be paid to provide for likely further delay in obtaining a duplicate cheque/instrument and collection thereof.

- The Bank shall also compensate the customer for any reasonable charges he/she incurs in getting a duplicate cheque/instrument upon production of receipt, in the event the instrument is to be obtained from a bank/institution who would charge a fee for issue of duplicate instrument.
- In case a cheque/instrument lost in transit by the bank, charges if any, for recording Stop Order will be borne by the bank.
- In case of loss of a cheque which was discounted by the Bank, the charges for obtaining a duplicate may be borne by the Bank, only on realisation of such duplicate cheque. In case of return, the customer has to bear the charges in addition to commission, interest on the amount of the cheque and other handling charges like postages etc.

**Inoperative Account:**

- ❖ An account shall be treated as inoperative/dormant if there are no transactions in the account for over a period of two years. Further, for the purpose of classifying an account as inoperative, both the types of transactions i.e. debit as well as credit transactions induced at the instance of customers as well as third party would be considered.
- ❖ The customer would be informed at least three months before the account is classified as inoperative /dormant and the consequences thereof and Bank would endeavour to send an SMS/e-mail in this regard. The procedure to be followed for

activation would be informed and no charge shall be levied merely because an account is inoperative/dormant or for activation of the inoperative account.

**Standing instructions:**

- ❖ Standing instructions in the prescribed format would be accepted from account holders desirous of making payments/remittance of a regular nature such as payment of monthly premium to LIC, monthly instalment to RD account, transfer to loan Deposits account etc., Such standing instructions shall continue to hold good until its cancellation by the customer or closure of the account or death of the customer or insufficiency of balance in the account or for reasons beyond the control of the bank. If a standing instruction could not be carried out on account of inadequate balance in the account, the customer would be advised of the fact with a request to maintain sufficient balance. If the account continues to have insufficient balance the instructions given may be cancelled after giving due notice.

**Issue of Passbook:**

- ❖ A Pass book will be provided by the Bank to Savings Bank Account Holders periodically as per terms and conditions of opening of the account. Pass book shall be tendered for updation at any branch after accumulation of sufficient number of entries say 10-15 entries. In case sufficient entries are not available, the pass book should be updated once in 6 months for getting the interest credit duly recorded. MICR Code and IFS Code of the branch shall be made available in the passbook.
- ❖ All efforts would be made to ensure that the entries in the Pass book are brief and intelligible.
- ❖ Unless the constituent notifies the bank immediately of any discrepancy found by

him / her in his/her Pass book, it will be taken that he / she has found the entries in the statement of account correct. It is also obligatory on the part of the constituent that any wrong credit entries found in the Pass book be immediately brought to the knowledge of the Bank, if it is not done so, then it will be considered as a breach of contract on the part of the customer and the matter would be dealt with accordingly. Passbook are system generated outputs and requires no signature.

- ❖ Passbook should be carefully preserved and loss thereof should be immediately notified.

**Duplicate Passbook:**

- ❖ If the pass book is mislaid or lost, duplicate pass book, will be supplied on request by the constituent at prescribed charges with latest entry. Additional charges as has been laid down proportionate to the copying work will be collected, if a copy of the account for an earlier period is required.
- ❖ Account holder should carefully examine the entries in the passbook and draw the bank's attention to errors/omissions, discrepancies/ unauthorized/ wrong entries. The customer would be bound by the entries if the bank does not hear from him within a reasonable time after receiving the passbook. Silence of the customer would estop him from contesting the entries subsequently. However, in exceptional situations where entries are manually made in the passbooks in computerized branches, such entries should be valid, only if authorized by an official of the branch. The bank will not be responsible for any entries not authenticated under the initials of its authorized official.

**Loss of cheque book/pass book/ATM/Debit card:**

- ❖ In the event of the cheque book, passbook or ATM/Debit card being lost or stolen or the PIN or other security information being known to someone else, the same is to be intimated to us as soon as possible by phone at our 24 hour toll free number and a written confirmation to that effect be sent immediately. Alternatively, the loss may also be advised through e-mail. Necessary steps should also be taken to change PIN/Password if someone else knows them.

**Closure of Accounts:**

- ❖ If not satisfied, the account can be closed and refund sought for balances lying in the account upto 14 days from the date of first payment in the account without any penalty. After that, upto a period of one year from the date of first transaction, bank will charge closure charge as specified from time to time.
- ❖ Under normal circumstances, account shall not be closed without giving at least 30 days' notice indicating the reasons for such closure. In such cases, the customer shall be required to make alternate arrangements for cheques already issued and desist from issuing any fresh cheques on such account.

**Transfer of Accounts:**

- ❖ Transfer of account to another branch of our bank shall be done within 3 (three) working days without insisting on fresh proof of address and on the basis of a self declaration regarding current address. Upon receipt of request, the account would be transferred to the transferee branch and documentary proof of the address need to be produced at the transferee branch within a period of six months.

**Nomination facility:**

- ❖ Nomination facility is available to the account holder. Nomination can be made at the time of opening of account or subsequently. It can also be cancelled / varied. At the time of opening of the account, the account holder has to specifically instruct the bank to that effect if nomination is not required. Similarly request should be made in case the name of the nominee is to be made available in the Passbook.
- ❖ Nomination shall be in favour of an individual only. Nomination can be made only in respect of deposit account held by individual (s) / sole proprietary concern. If the proprietary concern undergoes a change in constitution, the nomination made will stand cancelled.

**Accounts of Deceased Parties:**

- ❖ Individuals can avail nomination facility. Appropriate forms for filing nomination (DA-1), cancellation (DA-2) and variation (DA-3) are provided on request.
- ❖ In respect of deceased depositors' accounts, the legal heirs/representatives will be allowed to operate the account, on recognition of the claim by the bank.
- ❖ '**Basic Savings Bank Deposit Account (BSBD Account)** and **Small account** can be opened without the requirement of any minimum balance.

**Basic Savings Bank Deposit Account (BSBDA):**

- ❖ The account would be subject to RBI instructions on Know Your Customers (KYC)/Anti Money Laundering (AML) for opening of bank accounts, issued from time to time
- ❖ Holders of '**Basic Savings Bank Deposit Account**' will not be eligible for opening any

other savings bank account in that bank. If a customer has any other existing savings bank account in that bank, he / she will be required to close it within 30 days from the date of opening a 'Basic Savings Bank Deposit Account'. Transaction charges of ₹6 will be levied for beyond 4 withdrawals in a month.

- ❖ The account shall have limitation regarding total credits (should not exceed one lakh rupees in a year), Maximum balance (should not exceed fifty thousand rupees at any time) and the total of debits by way of cash withdrawals and transfers (will not exceed ten thousand rupees in a month).

**Small Account:**

- ❖ Small account can be opened by those persons who do not have any of the "Officially valid documents" viz., Passport, Driving licence, Voters' ID card, PAN card, Aadhaar letter issued by UIDAI and Job card issued by NREGA signed by a State Government Official and to be notified from time to time.
- ❖ Such an account can be opened on the basis of a self attested photograph and by putting the signature or thumb print of the person in the presence of an official of the bank.
- ❖ The accounts would have limitation regarding the aggregate credits (not more than Rupees One lakh in a year), aggregate withdrawals (not more than Rupees ten thousand in a month) and balance in the accounts (not more than fifty thousand at any point of time).
- ❖ These accounts would be valid normally for a period of twelve months and thereafter such accounts would be allowed to continue for a further period of twelve more months, if the account holder provides a document showing that she/he has applied for any of

the officially valid document within twelve months of the opening of the Small account.

- ❖ Specific charges for issue of cheque books, duplicate passbook, copies of paid cheques, folio charges, debit card, ATM card, verification of signature, return of cheque, change in mandate or style of account, closure of account and other applicable charges shall be included in the Tariff Schedule and displayed in Bank's website.

**Obligation of account holders:**

- ❖ To prevent forgery, fraud etc., account holders should observe the following safeguards:
  - Count the number of leaves in the cheque books issued to them and draw the attention of the bank, if any cheque is found missing therein.
  - Keep the cheque books in a place of safety under lock & key.
  - Fill in the date, the name of the payee (in case of cheques) and the amount clearly in indelible ink and in such a way as to leave no scope for any subsequent additions or insertions of any other words or figures.
  - Strictly avoid giving signed blank cheques and not to allow the use of any cheque leaf from their cheque books by other persons and to confine the use of a cheque book to drawings only on the account for which it is issued.
  - Use carbon paper when writing cheques, so that the impression of writing is made on the back side of the cheque.
  - Cross the cheque unless cash payment is required. Crossing should be done in such a way that the crossing runs the whole width of the cheque. A furtherance of safeguard

will be to include the words “Not Negotiable” along with the crossing.

- See that their signatures correspond exactly with the specimen supplied to the Bank.
- Authenticate under their full signatures for all alterations in the cheque or withdrawal slips.
- The cheques with alterations/ corrections other than date are not accepted for presentment in Cheque Truncation System (CTS).

**Unremunerative/Undesirable accounts:**

- ❖ There may be cases where it is desirable for the Bank to close the customer’s accounts, either for the reason that it is unremunerative or that the operations are undesirable. The following are the instances when the account would be treated as unremunerative or undesirable:
  - Balance quite often falls below the stipulated minimum balance.
  - Meagre average balance is maintained and advantage of the bank’s remittance facilities is availed with no benefit to the bank by way of deposits and/or other remunerative business.
  - Small average balance is maintained in which small denomination notes or small coins are excessively tendered.
  - Very heavy operations not commensurate with the balance maintained.
  - Cheques are drawn without provision/arrangement having been made for funds to cover them and the cheques have to be returned frequently.
  - Small average balance is maintained with heavy operations and the accounts where frequent requests are received for drawal against uncleared effects without a sanctioned limit.

**Right to alter Rules :**

- ❖ The bank reserves the right to alter or add to these rules at any time without giving separate notice to each account holder. An announcement of the change of the rules put up on the notice board of the Bank will be considered as sufficient notice.
- ❖ A person having opened a Savings Bank Account shall be deemed to have read, understood and agreed to be bound by the rules as now subsisting or as at any time altered or added to.
- ❖ The depositor/s shall inform the Bank in writing in the event of change in Resident status under Foreign Exchange Management Act.

**Disclosure of information:**

- ❖ The bank may disclose information about customer’s account, if required or permitted by law, rule or regulations, or at the request of any public or regulatory authority or if such disclosure is required for the purpose of preventing frauds, or in public interest, without specific consent of the account holder/s.

**Code of Bank’s commitment to customers:**

- ❖ All relevant policies including Code of Commitments to Customers and Grievance redressal policy are available at the branches.

**NOTE: The above are only highlights of some of the Most Important Terms and Conditions (MITCs) applicable.**