

Standard Operating Procedure for Current Account

1. Opening of Current Accounts:

- i. The current accounts are opened for parties approved by the Bank on proper introduction. The Quarterly average balance (QAB) prescribed for an Ordinary Current account is Metro/Urban -Rs. 5000/- & For Semi-Urban/Rural - Rs.2500/-
- ii. A penalty of Rs.600/- and Rs.350/- inclusive of GST per quarter is prescribed for non maintenance of QAB in Urban/Metropolitan branches and Rural/Semi-urban branches respectively.
- iii. The definition of quarter for this purpose is from January to March, April to June, July to September, and October to December.
- iv. Persons desiring to open a Current Account must call at the Bank, where he/she will be provided with a copy of the rules and the appropriate form of application to open an account. The particulars required in the application form must be filled in and the initial deposit shall be paid when the account holder will be supplied with a Cheque Book.
- v. The Bank will not open an account which is to be operated under a thumb impression or cross mark or an account under the signature by hand of a person other than the Depositor.
- vi. Accounts may be opened in the names of companies, partnership firms, clubs, associations, religious, educational, charitable and other institutions on production of the necessary documents, copies of rules, bye-laws, etc., duly attested by authorized persons.
- vii. Current accounts of Minors to be operated by the natural/legal guardian can be opened, only after obtaining permission of the Zonal Manager. While referring such cases to the Zonal Manager, the branch should explain the necessity of opening current account in the name of a minor and also the deposits and other benefits that may accrue to the bank. No overdrafts will be allowed in such accounts. Before opening such accounts, the branch should obtain indemnity from the guardian protecting the bank from any claim of the minor in future and consequential loss to the bank. No current account should be opened by a Minor to be operated by himself.

2. Deposits of Cash and Cheques:

- i. All deposits to current accounts should ordinarily be accompanied by paying-in-slips which are supplied to depositors.
- ii. **Pay-in-slips**

All deposits to current accounts should ordinarily be accompanied by pay-in-slips. Separate pay-in-slips should be used for deposit of cash and instruments for clearing, transfer, collection etc.

- iii. Customers are required to cross the cheques deposited for the credit of their accounts before handing them over for collection.
- iv. 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.

3. Issue of Cheque Books:

- i. 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.
- ii. 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 Rs.5 per cheque leaf.
- iii. Personalized cheque book/s will be sent by Speed post at the cost and responsibility of the account holder/s concerned, directly from Central Processing Centre to the account holder at the given address in India. In case of branches not covered by the Central Processing Centre, the account holder/s may call on the branch in person or send a messenger with a proper letter of authority and with the requisition slip duly signed by the account holder/s, for the issue of cheque book by the branch.
- iv. It is the responsibility of the depositor to ensure safe custody of the cheque book supplied to him/her and that the cheque leaves are not stolen or mislaid or fraudulently used.
- v. 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.

4. Operation by cheques:

- i. 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.
- ii. 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.
- iii. Mutilated, post-dated and irregularly drawn cheques, as also cheques containing extraneous matter, may be refused payment.
- iv. The signature of the account holder on the cheque should be uniform and must tally with the specimen signature furnished by him/her to the Bank.
- v. Post-dated cheques, i.e. cheques bearing a date subsequent to the date of presentation will not be paid.
- vi. 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.
- vii. Paid cheques will not be returned except under special arrangements.
- viii. Cheques must be drawn only against funds actually realized 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 realization.

- ix. It should also be clearly understood that
 - a. 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
 - b. 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.
- x. Issuing cheques without sufficient balance in the account is an offence under Sec.138 of Negotiable Instruments Act and will attract penal provisions under the relevant section.

5. Cheques and Bills for collection:

- i. All cheques and other instruments tendered for credit should be crossed.
- ii. The bank undertakes on behalf of constituents the collection of cheques, hundies, bills, drafts, salary and pension bills etc.
- iii. Cheques, drafts etc., on local banks will be collected free of charge.
- iv. If instruments taken for collection are dishonored and returned, the bank does not undertake to give notice of such dishonor 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.
- v. 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.
- vi. Cheques and drafts and other instruments accepted for collection/ purchased/negotiated by the Bank will be sent 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.
- vii. 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.
- viii. 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.

6. Loss of instruments in transit:

- i. The bank will register instructions for stop payment from the account holder, relating to cheques issued by him and lost, stolen, etc.,
- ii. Cheque Stop payment charges Rs.200 per Instrument (Maximum of Rs.1000).
- iii. 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.
- iv. 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.
- v. 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 as stipulated for delay / abnormal delay.

7. Statement of Accounts

- i. A statement of account shall be given to the account holder/s from time to time.
- ii. Unless the constituent notifies the bank immediately of any discrepancy found by him / her in his/her statement of account, 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 statement of account 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. Statement of account are system generated output and require no signature.
- iii. Statement must be kept safely.
- iv. Duplicate Statement

If the statement of account is mislaid or lost, duplicate statement with entries commencing from the first of the month in which the application for duplicate is made, will be supplied on request by the constituent at prescribed charges. Additional charges as applicable to statement of accounts for earlier periods will be recovered.

- v. All current account depositors should carefully examine the entries in the Statement of account 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 statement. His silence would stop him from contesting the entries subsequently. The bank will not be responsible for any entries not authenticated under the initials of its authorized official.
- vi. In computerized branches, statement of accounts entries is generated/ printed by using an electronic media and such statements / entries, normally do not require an authentication by an official.

8. Standing Instructions:

Standing instructions for remittances such as insurance premium, subscription for clubs etc., will be accepted by the bank subject to levy, of charges decided by the bank from time to time. Additional charges as applicable to standing instructions for earlier periods will be recovered.

- i. Such instructions continue to hold good until cancellation by the customer or closure of account or death of the customer or insufficiency of balance for any single remittance.
- ii. The bank will not be liable to the customer for any loss if standing instructions could not be carried out due to insufficiency of balance in the account or cancellation or for reasons beyond the control of the bank.

9 Inoperative Account:

Accounts in which there are no operations for a period of two years and more, from the date of last customer induced transactions (except by way of any charges debited or interest credited) will be treated as an In-operative current account. **No penalties / service charges** shall be levied for inoperative account as well as unclaimed accounts.

10. Service Charges:

Service charges as fixed by the bank from time to time will be levied to the current accounts every half year or at such intervals as decided by the bank.

11. Accounts of Deceased Parties:

- i. Individuals/Sole proprietorship can avail nomination facility. Appropriate forms for filing nomination (DA-1), cancellation (DA-2) and variation (DA-3) are provided on request.
- ii. Settlement of claims in respect of Deceased Account holders may be dealt as per the Bank's norms.

12. Interest:

- i. No interest will be paid on current accounts

13. Transfer

At the request of the account holder, current accounts may be transferred from one office to another office in India free of charge and on return of the unused cheque leaves.

14. Closure of Accounts:

An account holder may close his current account and receive the balance in credit less incidental charges against his cheque on surrender of unused cheque leaves.

Service charges for closure of accounts:

Particulars	Individuals	Non- individuals
Current account/OD/OCC	Rs.750	Rs.1000

15. Trust Accounts:

The bank does not recognize any trusts. This means that sums when deposited with the bank for credit of an account are, in the absence of any notice or circumstances putting the bank on notice, presumed to be the property of the depositors and any claim of any other party, subsequently, to right, title and interest in the said deposit shall not be recognized by the bank and such a claimant could only look to the depositor for redressal.

Note: This rule does not preclude the opening of Trust Accounts, at the discretion of the bank, so long as the fact of the trust is made clear and apparent at the time of opening such account.

16. Obligation of account holders:

To prevent forgery, fraud etc., account holders should observe the following safeguards:

- i. To count cheques in the cheque books issued to them and draw the attention of the bank, if any cheque is found missing therein.
- ii. To keep the cheque books in a place of safety under lock & key.
- iii. To 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 space for any subsequent additions or insertions of any other words or figures.
- iv. To strictly avoid giving signed blank cheques.
- v. 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.
- vi. To cross 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.
- vii. To see that their signatures correspond exactly with the specimen supplied to the Bank.
- viii. To authenticate under their full signature/s all alterations in cheque. However, cheques with alterations/corrections other than in date are not accepted for presentment in CTS
- ix. The depositor/s shall inform the Bank in writing in the event of change in Resident status under Foreign Exchange Management Act.

17. Communication to and from banks:

- i. Every change of address of the account holder should be immediately notified to the bank in writing.

- ii. All communications should be addressed to the bank and not to any officer of the bank personally.
- iii. The bank reserves to itself the right to send cheques, discharge of bills, advices, letters etc., through post / other modes and the evidence of their being so despatched as in the bank's records will be conclusive and binding upon the customers.

18. General Lien:

The bank has a right to appropriate the deposits of customers towards satisfaction of any liabilities of such customers whether such liabilities be actual or contingent, primary or collateral and several or joint, at any office of the bank.

19. Closure of account by bank:

The bank reserves its right to take steps to get the account closed, if frequent return of cheques for want of funds is observed.

20. Nomination facility:

- i. The 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.

21. Confidentiality of customers:

The bank shall treat customer's personal information as Private and Confidential. The customer's information shall be revealed to the third party in the following exceptional cases only:

- a. Where disclosure is made under compulsion of law.
- b. Where disclosure is made under IT and other laws
- c. Where disclosure is made under Banking Regulation Act
- d. Where there is a duty of disclosure to public
- e. Where there is an express or implied consent of the customer
- f. Where interest of bank requires disclosure

22. Right to alter Rules:

- i. 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 displayed on the notice board of the bank will be considered as sufficient notice.
- ii. A person having opened a current account shall be deemed to have read, understood and agreed to be bound by the existing rules or altered or added by the Bank from time to time.