

# **CUSTOMER POLICIES**

- **POLICY ON GENERAL MANAGEMENT OF BRANCHES & BANKING UNITS**
- **CUSTOMER COMPENSATION POLICY**
- **DUES COLLECTION AND SECURITY REPOSSESSION POLICY**
- **CHEQUE COLLECTION POLICY**
- **POLICY FOR SETTLEMENT OF CLAIMS IN CASE OF DECEASED DEPOSITORS**
- **POLICY ON INOPERATIVE ACCOUNTS & UNCLAIMED DEPOSITS**
- **CUSTOMER PRIVACY POLICY**
- **GRIEVANCE REDRESSAL POLICY**
- **CUSTOMER EDUCATION POLICY**
- **POLICY ON FREQUENT DISHONOUR OF INWARD CLEARING CHEQUES & NACH/ECS FOR FINANCIAL REASONS**

**November 24, 2023**

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## 1. INTRODUCTION

- 1.1. The Customer Policy document of Bandhan Bank (henceforth referred as “the Bank” or “Bank”) communicates the shared values and beliefs of the entire Bank. The guidelines and instructions on services to be rendered to the customers as documented under this policy shall encompass all the customer touch-points of the Bank – all its Branches, Banking Units (BUs), Housing Finance Centres, Phone Banking Centre, etc. The Policy of the Bank shall be updated annually or before, depending on changes in regulatory directives and/ or management decision.
- 1.2. This policy incorporates the tenets introduced by RBI in the ‘Draft Charter of Customer Rights’ in August 2014.
- 1.3. For the purpose of this document, a ‘Customer’ is defined as a user or potential user of banking services. So defined, a Customer may include –
  - 1.3.1. a person or entity that maintains an account and/or has a business relationship with the Bank;
  - 1.3.2. one on whose behalf the account is maintained (i.e. the beneficial owner);
  - 1.3.3. beneficiaries of transactions conducted by professional intermediaries, such as Stock Brokers, Chartered Accountants, Solicitors etc. as permitted under any person or entity connected with a financial transaction which can pose significant reputational or other risks to the Bank, say, an electronic transfer or issue of a high value demand draft as a single transaction
- 1.4. Aims and objectives of the Customer Policy:
  - 1.4.1. To establish the bank’s commitment to customers and to define how the same shall be demonstrated through all activities of the bank
  - 1.4.2. To provide a uniform bank-wide framework for defining customer service delivery standards
  - 1.4.3. To provide a consistent framework for specifying the rights of the customers
  - 1.4.4. To provide a consistent bank-wide framework for defining how customer complaints and grievances shall be handled
- 1.5. The consistent growth in the bank’s business is expected to be driven by acquisition of new customers and retention of existing ones. This can be ensured only with an effective customer service at all levels. The quality of customer service is definitely reliant on a bank-wide standardization accompanied by a focused engagement for a hassle free delivery. This Customer Policy has been framed with a priority objective

for the bank to meet customer requirements. This is directed to provide prompt, courteous and efficient service to the customers, which in turn:

- 1.5.1. Offers customer satisfaction
- 1.5.2. Redressal of customer grievances.

1.6. This customer Policy encompasses the following sub-policies, which are detailed in the document –

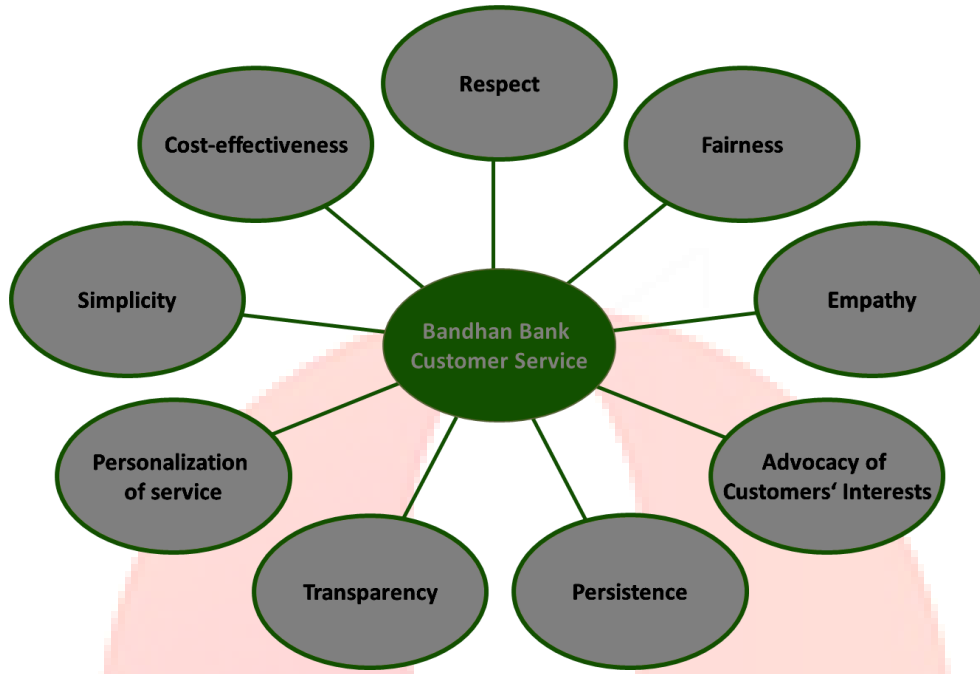
- 1.6.1. Overall guiding principles
- 1.6.2. Policy on general management of branches/Banking Units
- 1.6.3. Customer Compensation policy
- 1.6.4. Dues collection and repossession of securities policy
- 1.6.5. Cheque collection policy
- 1.6.6. Policy for settlement of claims in case of deceased depositors
- 1.6.7. Inoperative accounts policy
- 1.6.8. Customer privacy policy
- 1.6.9. Grievances redress policy
- 1.6.10. Customer education policy
- 1.6.11. Guidelines on KYC / AML are covered in detail separately in the KYC Policy.

## **2. Overall Guiding Principles**

2.1. The overall guiding principles on which the Customer Policy of the Bank shall be based are described in the following section:

- 2.1.1. Respect
- 2.1.2. Fairness
- 2.1.3. Empathy
- 2.1.4. Advocacy of customers interests
- 2.1.5. Persistence
- 2.1.6. Transparency
- 2.1.7. Personalization of service
- 2.1.8. Simplicity
- 2.1.9. Cost effectiveness

Figure 1 Guiding Principles for the Bank's Customer Service Policy



## 2.2. Respect

2.2.1. Respect for all customers of the Bank shall mean that customers from all socio-economic backgrounds are treated with equal respect and dignity.

2.2.2. In addition, all employees shall ensure that -

2.2.3. All customers are extended due courtesies

2.2.4. Every customer who comes into a branch / banking unit or who the DSP meets is greeted in an appropriate manner

2.2.5. All forms of non-face-to-face communication with the customer including telephonic calls and email shall also be courteous

2.2.6. Vernaculars shall be used whenever possible

## 2.3. Fairness

2.3.1. Fairness in dealing with customers implies that, at all times, all customers shall be treated equally. It shall also mean that all dealings with customers are

conducted in an ethical manner. All employees shall ensure that any grievance of customers is treated in an unbiased and just manner.

#### 2.4. Empathy

2.4.1. All the Bank's employees shall give a patient and compassionate hearing to all the customers' queries, concerns and complaints. All customer-facing employees - including in branches, in Banking Units and the DSPs shall ensure that customers are comfortable in their presence and do not suffer from any kind of inhibition while dealing with them.

#### 2.4.2. Advocacy of Customers' Interests

2.4.3. At all times, due and right interests of The Bank's customers shall be honored and protected by the Bank. This shall mean that all employees shall ensure that the customers' interests are prioritized over his own or the Bank's interests and no employee shall ever mislead any of the Bank's customers, under any circumstance.

#### 2.5. All customer-facing employees of the Bank - branch / Banking Unit employees and DSPs shall

2.5.1. Handle all customer complaints promptly

2.5.2. Inform the customers on how to take their complaints forward if they are still not satisfied

2.5.3. Correct mistakes promptly and reverse any bank charges applied by mistake, as per established procedure

#### 2.6. The Bank's management shall also ensure that all branches and Banking Units shall -

2.6.1. Meet the commitments and standards set in the BCSBI (Banking Codes and Standards Board of India) Code, for the products and services offered, and in the procedures and practices followed in them

2.6.2. Offer products and services that are appropriate to customers' needs

2.6.3. Make sure that all dealings with customers are based on ethical principles of integrity and transparency

2.6.4. Operate secure and reliable banking and payment systems to provide the best possible protection for customers' money

#### 2.7. In addition to above, Bank employees shall provide special attention to below -

2.7.1. Privacy and Confidentiality:

- 2.7.2. All customers' personal information shall be treated as private and confidential (even when they are no longer customers), and all employees shall take the policy of Privacy and Confidentiality of customer information with utmost seriousness
- 2.7.3. Information or data relating to customers' accounts, whether provided by the customer or otherwise, shall not be revealed to anyone, including other companies / entities in the group, other than in the following exceptional cases:
- 2.7.3.1. Give the information if required by Law or banking regulator
- 2.7.3.2. If there is a duty towards the public to reveal the information
- 2.7.3.3. If the Bank's interests require to give the information (for example, to prevent fraud) but this shall not be used as a reason for giving information about the customers or their accounts (including their names and addresses) to anyone else, including other companies in the group, for marketing purposes
- 2.7.3.4. If the customer authorizes to reveal the information
- 2.7.3.5. If The Bank is asked to give a banker's reference about the customer, the Bank shall need the customers' written permission before giving the same
- 2.7.4. Customers' personal information shall not be used for marketing purposes by any of the Bank's employees including the Bank itself unless the customer has specifically authorized The Bank to do so
- 2.7.5. 'Do Not Call' service:
- 2.7.5.1. No unsolicited commercial information shall be transmitted to customers regarding products and services, through telephone calls / SMS/ e-mails, if the customers have registered with the 'Do Not Call Registry' of the bank, or with the 'National Do Not Call Registry' directly or through their Service Provider.
- 2.7.5.2. However, this shall not apply while providing information with regard to customers' account statements and other important advices and information including alerts relating to transactions on their accounts as also the products and services they are currently availing
- 2.7.6. Persistence
- 2.7.6.1. All customer-facing employees of the Bank shall exhibit persistence and involvement in handling and resolving customer issues.
- 2.7.6.2. Additionally, all employees shall ensure the following -



2.7.6.2.1. He/she shall endeavour to ensure ' first contact resolution' and escalate only unresolved cases

2.7.6.2.2. He/she shall extend guidance to the customer with regards to the authority to be approached for complain resolution in case the solution does not lie with the bank

#### 2.7.7. Transparency

2.7.7.1. All information provided to customers shall be lucid, easily understandable and consistent across all customer touch-points.

2.7.7.2. The Bank, through its employees, shall ensure that -

2.7.7.2.1. All customers are provided information about financial products and services in languages they understand

2.7.7.2.2. All advertising and promotional literature is clear for the customer to understand and not misleading for the customer in any way

2.7.7.2.3. The customers are given comprehensive information about all products and services, terms and conditions and the interest rates / service charges, which apply to them

2.7.7.2.4. The customers are provided information on the facilities provided to them and whom and how they may contact for addressing their queries

2.7.7.2.5. The customers are provided appropriate updates regularly

2.7.8. All the Bank's customers shall be provided the following information through appropriate displays in branches / banking units or through other appropriate means -

2.7.8.1. Display of information: Displays on customers' information in branches / banking units shall include the following -

2.7.8.1.1. Services provided: Minimum balance requirement if any, for Savings and Current Accounts and the charges for non-maintenance thereof

2.7.8.1.2. Name of the official at the branch whom customers may approach if they have a grievance

2.7.8.1.3. Name and address of the Cluster Heads whom customers can approach if their grievance is not addressed at the branch

2.7.8.1.4. Name of the Reserve Bank Ombudsman under whose jurisdiction the branch falls along with the address and phone number of the



Centralised Receipt and Processing Centre and the URL for lodgment of complaints

- 2.8. All the following policies shall be displayed on website -
- 2.8.1. Deposits
  - 2.8.2. Cheque collection
  - 2.8.3. Grievance Redressal
  - 2.8.4. Compensation
  - 2.8.5. Collection of Dues and Security Repossession
- 2.9. Customers shall be given all information on the products and services offered, including applicable interest rates, fees and charges
- 2.10. Documents required for opening Basic Savings Accounts shall be prominently displayed in bilingual / trilingual at all branches
- 2.11. All customer shall be informed about the different channels through which the products and services may be availed
- 2.12. All customers shall be informed about information and documents required to comply with legal, regulatory and internal policy requirements
- 2.13. All customers shall be given information on their rights and responsibilities
- 2.14. Information On Interest Rates
- 2.14.1. All customers shall be given the following information on interest rates:
    - 2.14.1.1. the interest rates which apply to their deposit and loan accounts
    - 2.14.1.2. in case of loans at fixed rate of interest, details of interest reset clause, if any, in the loan agreement and the effective date thereof
    - 2.14.1.3. in case of loans at floating rate of interest, the reference rate to which customers' floating rate shall be linked and how the actual rate is calculated
    - 2.14.1.4. whether the customer has the option of converting his loan from fixed rate to floating rate and vice versa and, if so, the charges therefore.
    - 2.14.1.5. periodicity at which interest on deposits are paid or interest on the loan accounts are charged
    - 2.14.1.6. how interest to customers' deposit and loan accounts are applied

2.14.1.7. All customers shall be informed of changes in interest rates, etc., by any of the following means

2.14.1.7.1. Letter

2.14.1.7.2. e-mail

2.14.1.7.3. SMS

2.14.1.7.4. This information shall also be displayed on the Notice Boards in all branches as also on the website.

2.15. Information on fees and charges

2.15.1. All fees and service charges shall be approved by the Bank's Board or any competent authority duly authorized by the Board

2.15.2. Tariff Schedule shall be placed on website and a copy shall be made available at every branch / banking unit for customers' perusal. A notice shall be displayed in all branches / banking units stating the availability of the Tariff Schedule

2.15.3. Tariff Schedule shall contain details of charges applicable to products and services and penalties leviable in case of violation of any of the terms and conditions

2.16. Information on changes in fees and charges:

2.16.1. If any fee or charge is changed or a new fee or charge is introduced, all customers shall be notified through letters / emails / statements of accounts / SMS alerts prior to the revised charges becoming effective. This information shall also be made available on website and on branch and banking unit notice boards

2.17. Information on Terms and Conditions:

2.17.1. Customers shall be advised about the relevant terms and conditions for the products / services

2.17.2. All terms and conditions shall be fair and shall set out the respective rights, liabilities and obligations clearly, and as far as possible in plain and simple language

2.18. Information on changes to Terms and Conditions:

2.18.1. The customers shall be informed in advance about changes in terms and conditions through any one or more of the following channels:

2.18.2. Letter

2.18.3. E mail

- 2.18.4. Statements of account
- 2.18.5. SMSs
- 2.18.6. This information shall also be made available on the Notice Boards in all branches/banking units and website
- 2.19. Normally, all changes shall be made with prospective effect giving adequate notice to the customers
- 2.20. Any changes in the terms and conditions shall be updated on website. On request, customers shall be given a copy of the new terms and conditions
- 2.21. Personalization of Service
  - 2.21.1. Customer service shall be personalized as per the customers' needs. This shall mean that each of the Bank's employees shall be expected to provide customer-centric and friendly service to all customers.
- 2.22. Simplicity
  - 2.22.1. For the Bank's customers, 'simplicity' shall translate to easily comprehensible product delivery or servicing and simple and quick processes. All customer-facing employees of the Bank shall ensure that services towards customers are simple and timely.
- 2.23. Cost-effectiveness
  - 2.23.1. All customer-facing employees of the Bank shall ensure that -
  - 2.23.2. They are fully conversant with the products and services they handle so as to be able to answer any query from customers in a professional manner
  - 2.23.3. They provide the brochures/pamphlets on these products/services to the customers to assist them in making informed decisions
- 2.24. The Bank's employees need to provide special attention to the following -
  - 2.24.1. General Communication
  - 2.24.2. They shall identify themselves in all communications with the customers
  - 2.24.3. They shall also follow the 3 Cs of good communication - Correctness, Conciseness and Considerateness
  - 2.24.4. Wherever, channels like email, SMS etc. are employed, necessary safeguards shall be observed so as not to compromise the interests of either the Bank or the customer

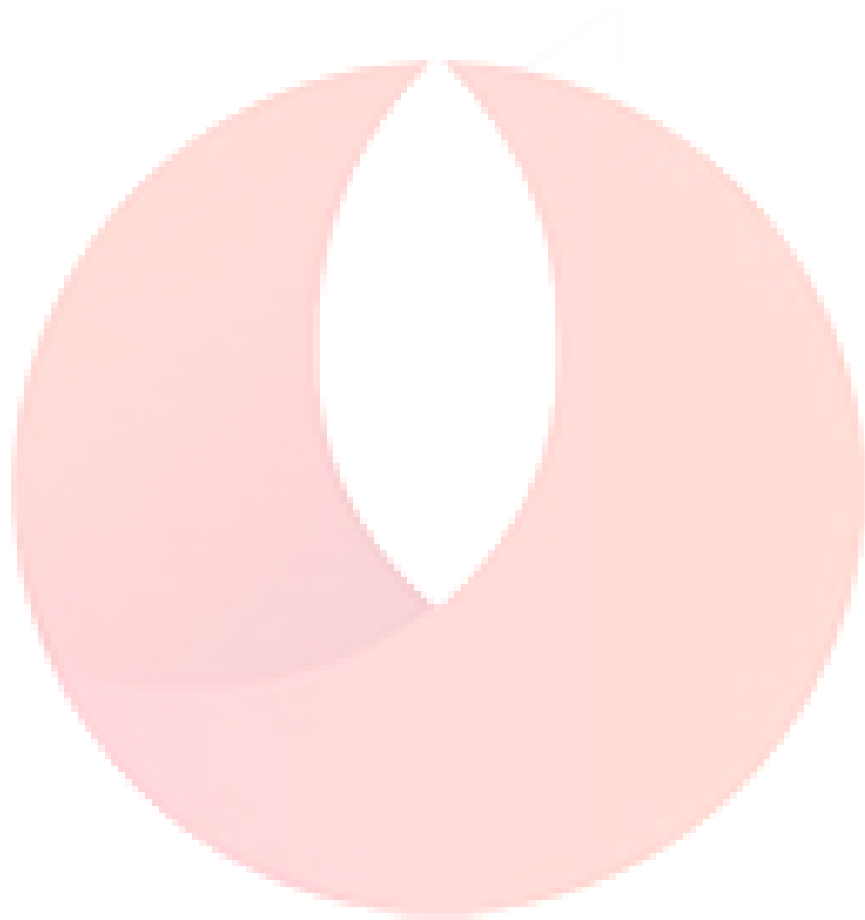
## 2.25. Advertising, Marketing & Sales

- 2.25.1. The Bank shall ensure that all advertising and promotional materials are unambiguous and comprehensible
- 2.25.2. All advertisements and promotional literatures shall indicate full details of relevant terms & conditions including all fees and charges
- 2.25.3. If the Bank avails of the services of third parties for providing support services, the Bank shall ensure that the third party handles customers' personal information with the same degree of confidentiality and security as the Bank itself would
- 2.25.4. Features of products availed by the customers may be communicated, from time to time, by e-mail, SMS or over the telephone. However, information about other products or promotional offers shall be conveyed only if they have not registered for the 'Do Not Call' facility

## 2.26. Mis-selling of banking and third party products

- 2.26.1. In keeping with the overall guiding principles of fairness and transparency, the Bank shall adopt the following guidelines in respect of selling banking products and third party products:
  - 2.26.1.1. The Bank shall ensure that customers are provided clear information and are kept appropriately informed of the financial products that the Bank shall offer. The Bank shall offer appropriate financial advice taking into account the customers' needs and circumstances.
  - 2.26.1.2. The Bank shall treat all customers fairly in selling all banking products, especially third party products, such as insurance, mutual funds, etc. and shall always act in the best interest of the customers
  - 2.26.1.3. The Bank employees shall not directly receive any incentive from third parties, such as insurance companies, mutual funds, etc. and other entities for selling their products
  - 2.26.1.4. Misrepresenting products or misguiding customers shall be considered breach of service rules.
  - 2.26.1.5. The Bank shall be transparent in disclosing to customers the details of fees / commissions received for referring products of other service providers.
  - 2.26.1.6. The Bank shall diligently adhere to 'know your customer' (KYC) norms for sale of third-party products.

2.26.1.7. Any customer complaint received alleging misselling of banking services by the Bank's employees shall be investigated quickly and fairly.



**A. POLICY ON GENERAL MANAGEMENT OF BRANCHES / BANKING UNITS**

1. The policy on General Management of Branches / Banking Units lays out the infrastructure and staff management guidelines for the Bank's branches and banking units. Specifically, the document covers the following aspects -
  - 1.1. Providing infrastructure facilities by branches / banking units to customers
  - 1.2. Providing separate 'May I Help You' counters at branches
  - 1.3. Displaying indicator boards and posters at branches / banking units
  - 1.4. Employees helping customers in transactions
  - 1.5. Providing details of service and facilities
  - 1.6. Use of Hindi and regional languages in transacting business
  - 1.7. Security system in branches and banking units
  - 1.8. Wearing of identity cards by the employees
  - 1.9. Periodic job rotation amongst the staff
  - 1.10. Training to staff
  - 1.11. Visit of senior officials to branches and banking units
  - 1.12. Rewarding best branches and banking units from customer service point of view
  - 1.13. Customer service audit, customer surveys
  - 1.14. Periodical Customer Service Committee Meets
  - 1.15. Establishing a New Product and Services Approval Process
  - 1.16. Implementation of the Policy
2. **Providing infrastructure facilities by branches / banking units to customers:** It shall be the constant endeavor of the Bank to provide adequate space for customers to enable them to complete their banking needs. Branches and Banking Units, within their available space, shall plan the layout such that seating arrangements are provided to all the customers especially pensioners, senior citizens and differently abled persons. Branches shall provide a separate line for senior citizens and differently abled persons. All the branches and Banking Units shall provide drinking water facility to the customers. Dealing staff shall be more sensitive to the needs of senior citizens and differently abled persons for portraying human touch at all times.



3. **Providing separate enquiry counters at branches:** Metro and large Urban branches shall have exclusive “Enquiry” or “May I Help You” counters. In other Urban branches, May I Help You” counters combined with other duties will be located near the entry point of the bank branch.
4. **Displaying indicator boards at all the counters in bilingual/trilingual at all branches and business posters at semi-urban, rural branches and in banking units in the regional languages concerned:** It shall be ensured that banking facilities percolate to the vast sections of the population and so branches shall display indicator board at all the counters in bilingual/trilingual and business posters shall be displayed at semi-urban, rural branches and in banking units in the regional languages concerned.
5. **Employees shall help customers in their transactions:** All staff members shall be prepared to take up the responsibility of taking care of the inquiries and requirements of the customers. Any branch / banking Unit employee is expected to give a patient hearing to the customers and help the customers in putting in their transactions.
6. **Providing customers with booklets** consisting of all details of services and facilities available at the bank in Hindi, English and regional languages concerned: As all dealings with the customers rest on ethical principles of fairness, empathy and transparency, the Bank’s brochures / booklets shall contain the details of products and services in Hindi, English and regional languages concerned.
7. **Use of Hindi and regional languages in transacting business:** In today’s highly competitive environment, customer satisfaction can be achieved with effective communication in a language known to the customer. All the employees shall use English or Hindi or regional language while transacting business with customers including communications to customers.
8. **Review of the security system in the branches and banking units:** Customers expect the security system in their Bank branches and banking units to be adequate to enable them to complete their financial transaction with confidence. Senior Officers from Head Office and concerned Zonal Offices shall visit the branches at least once in six months to verify the security aspects and give suggestions for improvement. Bank employees shall be more vigilant during business hours and increase the surveillance in case of need. Installation of CCTVs and security alarms in the branches shall instill confidence amongst the employees and the customers / public.
9. **Wearing identification badge with photo and name there on by the employees:** Customers expect that they know to whom they are talking to or dealing with. As such, all customer-facing Bank employees shall compulsorily wear identity cards while on duty.



10. **Periodic change of desk/ Job rotation:** Job rotation shall give an opportunity for the employees to become well versed with the work in other sections and shall enable them to perform duties efficiently anywhere to the satisfaction of customers and the higher officials. Internal job rotation policy as part of HR Policy for Branch and banking unit employees shall be in place.
11. **Training to staff:** Training to staff shall be a continuous process and all employees of the Bank shall be given the opportunity to enhance their knowledge and sharpen their professional skills. Training Centers shall include a session on customer service as an integral part of all the training programs. Regular training in technical areas of banking shall also be given to the customer-facing employees in branches and banking units.
12. **Visit by senior officials to branches and banking units:** Senior officials of appropriate levels shall visit all the branches and a selection of banking units periodically. For example, Cluster Heads shall regularly visit all the branches in their clusters, at least once in a quarter.
13. **Rewarding best branches on the basis of customer service:** Branches shall be rewarded based on annual performance on various business parameters. To recognize the branches which excel in extending customer service, one branch in each cluster shall be selected as best branch in customer service for that cluster.
14. **Customer Service Audit and Customer surveys:** The Bank shall conduct periodical surveys to get feedback from customers and their expectations from the Bank to assess the overall level of customer service of the bank across the country.
15. **Customer service committee meetings:** Branches / Banking Units shall conduct monthly customer service committee meetings and send compliance to respective Cluster Offices / appropriate superior authorities. Cluster Heads shall participate in branch customer meetings at different branches by rotation.
16. The branch level customer service shall comprise BH and/or ABH and four customer of the branch out of which 2 members mandatorily shall be a senior citizen and a lady customer. The minutes of the proceedings will be submitted to the zonal office
17. A Standing Committee on customer service shall be constituted and to be chaired by MD & CEO. However, no such committee is proposed at zonal office level.
18. Customer service committee of the Board shall oversee and review the initiatives of the Standing Committee on Customer Service who shall drive the implementation process and provide relevant feedback to the Board Committee on customer service.
19. **Implementation of the policy:** Inspecting / visiting officials shall submit a branch / banking unit visit report to ensure that the intent of this policy is translated into proper

procedures. These officials shall oversee the implementation of the policy and ensure compliance.

20. **Force Majeure:** The Bank shall not be liable on account of non-compliance, if some unforeseen event (including but not limited to civil commotion, sabotage, accident, fire, natural disasters or other “Acts of God”, war, damage to the bank’s facilities or absence of usual means of communication or all types of transportation, etc.) beyond the control of the Bank which may prevent it from performing its obligations within the specified delivery parameters.



## **B. CUSTOMER COMPENSATION POLICY**

### **Introduction:**

Bank shall exercise adequate care in providing desired level of service to its customers. However, Bank has devised the Customer Compensation Policy in case of any deficiency of service. The policy aims to provide a framework to compensate the customer for any financial loss as well as for the harassment/mental anguish suffered by him/her due to deficiency of service on the part of the Bank.

### **Objective:**

The objective of this policy is to establish a system whereby the bank compensates the customer for any financial loss he/she might incur due to deficiency in service on the part of the bank or any act of omission or commission directly attributable to the Bank or on account of loss of time, expenses or for the harassment and mental anguish suffered by him/her for the fault of the card-issuer and where the grievance has not been redressed in time. By ensuring that the customer is compensated, the Bank expects a significantly low number of instances when the customer has to approach Reserve Bank Ombudsman or any other forum for redress.

### **Scope:**

- i. This Compensation Policy of the Bank is designed to cover all the incidences where the Bank is liable to make good any financial loss suffered by the customer including instances related to unauthorized debiting of account, payment of interest to customers for delayed collection of cheques/instruments, payment of cheques after acknowledgement of stop payment instructions, remittances within India, lending, etc. The policy is based on principles of transparency and fairness in the treatment of customers.
- ii. It is reiterated that the Policy covers only compensation for financial losses and the harassment/mental anguish, loss of time and expenses, which customers might incur/experience due to deficiency in the services offered by the bank which can be measured directly and as such the commitments under this policy are without prejudice to any right the Bank shall have in defending its position before any forum duly constituted to adjudicate banker-customer disputes.

## **I. Unauthorized/Erroneous Debit:**

1. If there is an unauthorized/erroneous direct debit to an account, the entry shall be reversed at the earliest on being informed of the erroneous debit, after verifying the position and obtaining due approval of the competent authority. In the event of the unauthorized/ erroneous debit resulting in a financial loss to the customer by way of reduction in the minimum balance applicable for payment of interest on Savings bank deposit or payment of additional interest to the Bank in a loan account, the Bank shall compensate the customer for such loss.
2. If the customer has suffered any financial loss incidental to return of a cheque or failure of direct debit instructions due to insufficiency of balance on account of the unauthorized/ erroneous debit, the Bank shall compensate the customer to the extent of such financial losses.
3. The Bank shall compensate the financial loss, supported with documentary evidence, to the extent of actual amount that the customer might incur due to deficiency in service on the part of the bank or any act of omission or commission directly attributable to the bank or its employees. A few instances of such cases of unauthorized debits and/ or erroneous debit or credit entries and their possible impacts on the interest of the customers are enumerated below:
  - 3.1 Due to erroneous debit in savings account, payment of telephone/ electricity bill, school fees, etc. may get delayed and payment after due date may result in deprivation of rebate/ discount/ commission and/ or imposition of fine/ penalty etc. In such cases, the Bank shall compensate the actual amount of rebate/ discount/ commission/fines/penalty etc., as the case may be.
  - 3.2 Due to wrong debit in a Savings account the balance in the same may be less by that sum for the purpose of calculation of interest. To compensate the loss, the amount wrongly debited shall be credited with value-dated effect.
  - 3.3 Consequent upon unauthorized/ erroneous debit, due to fall in minimum balance in the account resulting in levying of service charges, if any, shall be refunded to the customer.
  - 3.4 Where amount deposited towards repayment/ installments in a loan account is not credited, additional interest is accrued on account of that amount. In such cases, the amount of excess interest so charged shall be refunded in the loan account as compensation.
  - 3.5 In case of a running borrowal account, if an amount deposited by the customer is not credited in that account by mistake of the Bank, additional interest pertaining

to that amount accrues in the account. On detection of such error, the amount shall be immediately credited in the account with value dated effect.

3.6 In case of borrowal accounts, the cheque deposited by the customer for collection through local clearing if not sent by the branch for reason whatsoever, additional interest accrued in the account arising out of non-credit of the amount of the cheque shall be compensated by crediting the amount with value dated effect.

3.7 The compensation shall be paid in accordance with the "Customer Protection Policy - Limiting Liability of Customers in Unauthorized Electronic Banking Transactions", depending on limited, zero or overall liability of the customer and the Bank.

## **II. Time limit for verification of the entry reported to be erroneous by the customer:**

In case of verification of the entry reported to be erroneous by the customer does not involve a third party, the Bank shall arrange to complete the process of verification within 7 days from the date of reporting of erroneous debit. In case, the verification involves a third party, the Bank shall complete the verification process within a maximum time period of 30 days from the date of reporting of erroneous transaction by the customer to be defined by circular instructions from time to time.

## **III. Erroneous Debits arising on account of fraudulent or other transactions**

1. In case of any fraud, if the Bank is convinced that an irregularity / fraud has been committed by its employees towards any customer, the Bank shall at once acknowledge its liability and pay the just claim. However, such claims for restitution shall be disposed of as per the powers delegated to authorities at various levels by the Bank via circularized instructions from time to time.
2. In cases where the Bank is at fault, the customer shall be compensated without demur in accordance with this policy.

## **IV. ECS/direct debits/other debits to accounts:**

Bank, in the event of failure to meet the ECS/ direct debit instructions of the Customer in time, shall compensate to the extent of any financial loss that the customer would incur on account of delay in carrying out the instruction/failure to carry out the instructions. The Bank shall refund the amount of service charges debited in the customer's account in excess/ in violation of schedule of service charges when pointed out by the customer after proper scrutiny. The Bank shall also compensate the consequential financial loss, if any, to

the customer for debit of excess service charges after proper verification/ scrutiny of agreed terms and conditions.

**V. Payment of Cheques after Stop Payment Instructions:**

In case a cheque has been paid after stop payment instruction is acknowledged by the Bank, the amount of the cheque shall be credited by the Bank along with value-dated effect within 14 days from the date of the customer intimating the transaction to the Bank. The Bank shall compensate the financial loss, to the extent of actual amount that the customer might incur, after ascertaining and being satisfied about the amount of such loss.

**VI. Foreign Exchange Services:**

1. The Bank may not compensate the customer for delays in collection of cheques designated in foreign currencies sent to foreign countries as the Bank may not be able to ensure prompt credit from overseas banks. Time for collection of instruments drawn on banks in foreign countries differ from country to country and even within a country, from place to place. The time norms for return of instruments cleared provisionally also vary from country to country.
2. Compensation will be paid in case of delay in crediting customer's account while availing forex services (inward remittances & Export collection etc.) as under:

"In case of delay beyond the day when the amount is due for credit, the customer will be compensated **(i)** for any loss on account of interest @ 2% over the minimum savings bank interest rate of the bank for due period beyond the due date and **(ii)** also for adverse movement of forex rate, calculated based on the difference between the TT buying rate applicable on actual date of credit and due for credit date."

**VII. Remittances in India:**

1. Payment of Interest for delayed Collection of Outstation Cheques:
  - 1.1 The Bank shall pay interest at the prevailing savings bank deposit rate (rate applicable for Saving deposit of below 1 Lac) to the customer on the amount of collection instruments in case there is delay in giving credit beyond the time period mentioned hereinafter. Such interest shall be paid without any demand from customers in all types of accounts. There shall be no distinction between instruments drawn on the Bank's own branches or on other banks for the purpose of payment of interest on delayed collection.



- 1.2 In the event the proceeds of cheque under collection are credited to an overdraft/loan account of the customer, interest shall be paid at the rate applicable to the respective loan account. For extraordinary delay, interest shall be paid at the rate of 2% above the rate applicable to the respective loan account. Payment of interest as stated above shall be applicable only for instruments sent for collection within India.
2. Compensation for financial loss suffered by the customers due to loss of instrument after it has been handed over to the bank for collection:
- 2.1 In case a cheque or an instrument accepted for collection is lost in transit or in the clearing process or at the paying bank's branch, the Bank shall immediately on coming to know about the loss, bring the same to the notice of the account holder so that the account holder can inform the drawer to record stop payment and can also ensure that other cheques issued by him / her are not dishonored due to non-credit of the amount of the lost cheque/instruments. The Bank shall provide all assistance to the customer to obtain a duplicate instrument from the drawer of the cheque.
3. Issue of Duplicate Draft and Compensation for delays:
- 3.1 Duplicate draft shall be issued on request within a fortnight from the date of receipt of such request from the purchaser thereof. For delay beyond the above stipulated period, interest at the rate applicable for Fixed Deposit of Corresponding period shall be paid as compensation to the customer for such delay.
4. Transaction of "at par instruments" of Co-operative Banks by Commercial Banks:
- 4.1 In case of arrangement for payment of "at par" instruments of co-operative banks, the Bank shall not honour cheques drawn on current accounts maintained by other banks with it unless arrangements are made for funding cheques issued. Issuing bank shall be responsible to compensate the cheque holder for non-payment/delayed payment of cheques in the absence of adequate funding arrangement.

**VIII. Violation of the Code by Bank's employees and agents:**



In the event of receipt of any complaint from the customer that the Bank's employee / representative / courier has engaged in any improper conduct or acted in violation of the Code of Bank's commitment to Customers, the Bank shall compensate to the customer, on merit of the individual cases, the financial losses for the act of such employee / representative / courier after proper investigation.

**IX. Lenders' Liability:**

Commitments to Borrowers: The Bank shall adopt the principles of lenders of liability. In terms of the guidelines for lenders liability and the Code of Bank's Commitment to customers, the Bank shall return to the borrowers all the securities / documents / title deeds to mortgaged property within 15 working days of repayment of all dues agreed to or contracted. The Bank shall compensate the borrower for monetary loss suffered, if any, due to delay in return of the same, at the rate of Rs. 100 per week, subject to maximum Rs. 1000.00 (Rupees One thousand only)

**X. ATM Failure:**

The Bank shall refund the customer the amount wrongfully debited on account of failed ATM transactions within a maximum period specified by RBI from time to time from the day of transaction. For any failure to re-credit the customer's account within that time period, the Bank shall pay compensation to the aggrieved customer as mandated by RBI from time to time. Such compensation shall be paid by the Bank, suo moto, without waiting for a complaint or claim from the customer. As per RBI Circular on Harmonization of Turn Around Time (TAT) and customer compensation for failed transactions using authorised Payment Systems, dated September 20, 2019, the specified period is mentioned as five days from date of transaction. Further, in line with the aforesaid circular, compensation for delay will include failed POS transactions, Card Not Present (CNP) (e-commerce) transactions and other electronic/digital transactions such as IMPS, UPI, NACH, AEPS, ABPS, etc.

**XI. Debit/Credit Card:**

In case a Debit or Credit card is issued to a customer, the Bank shall be liable to compensate the complainant for the loss of his/her time, expenses, financial loss as well as for the harassment and mental anguish suffered by him/her for the fault of the card-issuer and where the grievance has not been redressed in time.

**XII. Other areas of deficiencies in services:**

1. Where loan has been allowed against Bank's own Fixed Deposit Receipt and the branch, after maturity of the FD do not adjust the loan account thereby interest is charged on the loan outstanding, excess interest charged thereof in the loan account shall be refunded to the customer.
2. Where the Bank after adjustment of the loan account do not remit/credit the remaining amount of FD to the customer's account but keeps balance in sundry creditor's account, the Bank shall compensate to the customer the interest as payable for the amount kept in the sundry creditor's account at savings bank interest rate, if and only if the customer has not been duly informed.
3. However, adoption of the compensation policy shall not absolve accountability of the concerned employee responsible for the lapses/ deficiencies leading to financial loss to the Bank.
4. While considering the compensation on account of the above items, bank will ensure that under no circumstances the compensation amount to be paid out to a specific customer does not exceed the actual amount of nominal financial loss subject to relevant RBI guidelines and awards/directions given by any court of law / statutory bodies. However, the actual compensation may be decided on case to case basis by the competent authority.

### **XIII. Applications Supported by Block Amount (ASBA)**

#### **1. Introduction:**

The Securities and Exchange Board of India ('SEBI'), through its circular SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, had advocated the need to have a uniform policy for calculation of minimum compensation payable to Retail Individual Investors ('RIIs') in an IPO in scenarios mentioned in Para 17.2 a), b) and c) below. While doing so, the following factors have been taken into account:

- a) the opportunity loss suffered by the investor due to non-allotment of shares;
  - b) the number of times the issue was oversubscribed in the relevant category;
  - c) the probability of allotment; and
  - d) the listing gains if any on the day of listing.
2. The Compensation Policy for ASBA envisages to consider instances wherein applicants (RIIs) in an Initial Public Offering (IPO) have failed to get allotment of specified securities and in the process may have suffered an opportunity loss due to the following factors:

- i. Failure on part of the bank to make bids in the concerned Exchange system even after the amount has been blocked in the investors' bank account with the bank.
- ii. Failure on part of the bank to process the ASBA applications even when they have been submitted within time.
- iii. Any other failures on part of the bank which have resulted in the rejection of the application form.

Further, after stabilisation of ASBA through UPI channel, SEBI has issued a circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, for redressal of investor grievances for ASBA through UPI. The Compensation Policy also covers the areas pertaining to Block/Unblock of funds of ASBA (IPO) applications submitted via using UPI platform and wherein investor may have suffered an opportunity loss due to the following factors:

- a) Failure to unblock funds for cancelled/withdrawn/deleted cases in the Stock Exchanges platform.
- b) Failure to unblock the funds in cases of partial allotment by the next working day from the finalization of basis of allotment (BOA).
- c) Failure to unblock the funds in cases of non-allotment by BOA+1.
- d) SCSB (Self Certified Syndicate Banks) blocking multiple amounts for the same UPI application.
- e) SCSB blocking more amounts in the investors account than the application amount.
- f) Delay in receipt of mandate by investors for blocking of funds due to systemic issues at Intermediaries/SCSBs.

3. Objective:

The objective of the Policy is to establish a process through which the applicant (RII) is compensated for the opportunity loss suffered due to deficiency in service or an act of omission or commission directly attributable to the Bank.

4. Coverage of compensation:

The Policy covers only compensation for opportunity losses which customer might incur due to deficiency in the services offered by the bank which can be measured directly and as such the commitments under the Policy are without prejudice to any right the bank will have in defending its position before any forum duly constituted to adjudicate banker-customer disputes.

5. Level of compensation:

Compensation to Retail Individual Investors (RIIs) in an Initial Public Offer (IPO):

- a) The formula for calculation of minimum fair compensation on the basis of SEBI guidelines shall be as follows:

$$\text{Compensation} = (\text{Listing price}^* - \text{Issue Price}) \times \left( \frac{\text{No. of shares that would have been allotted if bid was successful}}{\text{No. of shares allotted}} \right) \times \text{Probability of allotment of shares determined on the basis of allotment}$$

In case, during processing of the ASBA application form, the bid is placed for lesser quantity than that the application form, the formula for calculation of minimum fair compensation will be:

$$\text{Compensation} = (\text{Listing price}^* - \text{Issue Price}) \times \left( \frac{\text{No. of shares that would have been allotted if bid was successful} - \text{No. of shares allotted}}{\text{No. of shares allotted}} \right) \times \text{Probability of allotment of shares determined on the basis of allotment}$$

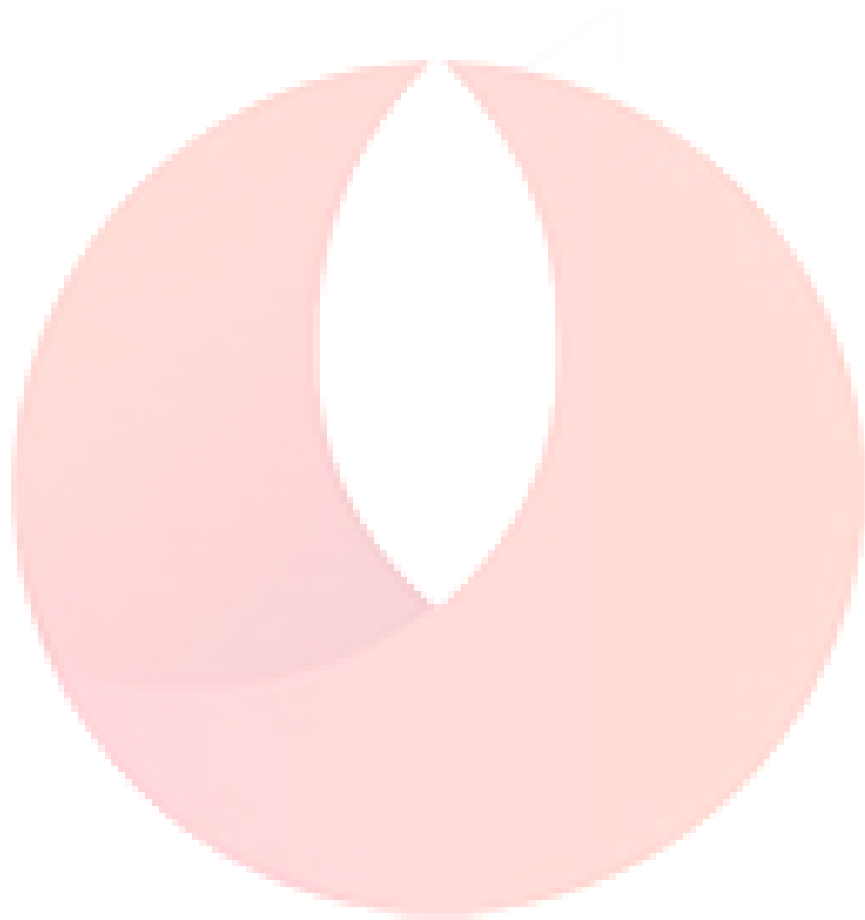
\*Listing price shall be taken as the highest of the opening prices on the day of listing across the recognized stock Exchanges.

- b) In case of issues which are subscribed between 90-100%, i.e. non oversubscribed issues, the applicants would be compensated for all the shares which they would have been allotted.
- c) The Bank shall refer to the allotment ratio, provided by the RTAs, for the purpose of arriving at the compensation.
- d) Compensation, proposed to be paid in line with the prescribed guidelines, shall be approved as per the existing delegation of powers (DOP) of the Bank.
- e) No compensation would be payable to the applicant in case the listing price is below the issue price.
- f) Any applicant whose application has not been considered for allotment, due to failure on the part of the Bank, shall have the option to seek redressal of the same within three months of the listing date.
- g) On receipt of such application / complaint, the Bank shall resolve the same within 15 days, failing which it will pay interest at the rate of 15% per annum for any delay beyond the said period of 15 days.

#### XIV. Force Majeure:

The Bank shall not be liable to compensate customers for delayed credit if some unforeseen event including but not limited to civil commotion, sabotage, lockout, strike or other labour disturbances, accident, fires, natural disasters or other "Acts of God", war, damage to the Bank's facilities or of its correspondent bank(s), absence of the usual means of

communication or all types of transportation, etc. beyond the control of the Bank prevents it from performing its obligations within the specified service delivery parameters.



## C. DUES COLLECTION AND SECURITIES REPOSSESSION POLICY

### 1. Introduction:

- 1.1. The debt collection policy of the bank is built around dignity and respect to customers. Bank will not follow policies that are unduly coercive in collection of dues. The policy is built on courtesy, fair treatment and persuasion. The bank believes in following fair practices with regard to collection of dues and repossession of security and thereby fostering customer confidence and long-term relationship.
- 1.2. The repayment schedule for any loan sanctioned by the bank will be fixed taking into account paying capacity and cash flow pattern of the borrower. The bank will inform the interest rate and the repayment schedule, to the customer through sanction letter. The bank would expect the customers to adhere to the repayment schedule agreed to and approach the bank for assistance and guidance in case of genuine difficulty in meeting repayment obligations.
- 1.3. Bank's Security Repossession Policy aims at recovery of dues in the event of default and is not aimed at whimsical deprivation of the property. The policy recognizes fairness and transparency in repossession, valuation and realization of security. All the practices adopted by the bank for follow up and recovery of dues and repossession of security will be in consonance with the law.

### 2. General Guidelines:

- 2.1. All the members of the staff or any person authorized to represent our bank in collection or/and security repossession would follow the guidelines set out below:
- 2.2. The customer would be contacted ordinarily at the place of his/her business/occupation and if unavailable at the place of his/her business/occupation, at the place of his/her residence.
- 2.3. Identity and authority of persons authorized to represent bank for follow up and recovery of dues would be made known to the borrowers at the first instance. The bank staff or any person authorized to represent the bank in collection of dues or/and security repossession will identify himself / herself and display the authority letter issued by the bank upon request.
- 2.4. The bank would respect privacy of its borrowers.



- 2.5. The bank is committed to ensure that all written and verbal communication with its borrowers will be in simple business language and bank will adopt civil manners for interaction with borrowers.
- 2.6. Normally the bank's representatives will contact the borrower between 08:00 hrs and 19:00 hrs, unless the special circumstance of his/her business or occupation requires the bank to contact at a different time.
- 2.7. Borrower's requests to avoid calls at a particular time or at a particular place would be honoured as far as possible.
- 2.8. The bank will document the efforts made for the recovery of dues and the copies of communication sent to customers, if any, will be kept on record.
- 2.9. Inappropriate occasions such as bereavement in the family or such other calamitous occasions will be avoided for making calls/visits to collect dues.
- 2.10. The Bank will provide necessary assistance to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
- 2.11. The Bank shall abide by the relevant provisions of extant regulatory guidelines on Fair Practices Code for Lenders, Outsourcing of Financial Services, Recovery Agents engaged by Banks, Code of Bank's Commitment to Customers, Fair Practice Code formulated for Microfinance Borrowers, RBI Master Direction on Regulatory Framework for Microfinance Loans etc.

### **3. Giving notice to borrowers**

- 3.1. While written communications, telephonic reminders or visits by the bank's representatives to the borrowers' place or residence will be used as loan follow up measures, the bank will not initiate any legal or other recovery measures including repossession of the security without giving due notice in writing. Any genuine difficulties expressed/disputes raised by the customer will be considered by the banks before initiating recovery measures. Bank will follow all such procedures as required under law for recovery/repossession of security.

### **4. Repossession of Security**

- 4.1. Repossession of security is aimed at recovery of dues and not to deprive the borrower of the property. The recovery process through repossession of security will involve repossession, valuation of security and realization of security through appropriate means. All these would be carried out in a fair and transparent manner. Repossession will be done only after issuing the



notice as detailed above. Due process of law will be followed while taking repossession of the property. The bank will take all reasonable care for ensuring the safety and security of the property after taking custody, in the ordinary course of the business and necessary cost will be charged to borrower.

## **5. Valuation and Sale of Property**

- 5.1. Valuation and sale of property repossessed by the bank will be carried out as per law and in a fair and transparent manner. The bank will have right to recover from the borrower the balance due if any, after sale of property. Excess amount if any, obtained on sale of property will be returned to the borrower after meeting all the related expenses provided the bank is not having any other claims against the customer.
- 5.2. In the case of hypothecated assets after taking possession if no payment is forthcoming, a sale notice will be given as per the provisions of the SARFAESI Act / any other applicable law. Thereafter the bank will arrange for sale of the hypothecated assets in such manner as deemed fit by the bank inclusive of E-auction. When sale is envisaged by public auction or by tender, the same will be published in two leading newspapers out of which one is in local vernacular paper.

## **6. Opportunity for the borrower to take back the security**

- 6.1. As indicated earlier in the policy document, the bank will resort to repossession of security only for the purpose of realization of its dues as the last resort and not with intention of depriving the borrower of the property. Accordingly, the bank will be willing to consider handing over possession of property to the borrower any time after repossession and before sale transaction of the property takes place, provided the bank dues are cleared in full. If satisfied with the genuineness of borrower's inability to pay the loan installments as per the schedule which resulted in the repossession of security, the bank may consider handing over the property after receiving the installments in arrears. However, this would be subject to the bank being convinced of the arrangements made by the borrower to ensure timely repayment of remaining installments in future.
- 6.2. If the amounts are repaid, either as stipulated by the bank or dues settled as agreed to by the bank, possession of seized assets will be handed back to the

borrower within seven days after getting permission from the competent/sanctioning authority of the bank or court/DRT concerned if recovery proceedings are filed and pending before such forums.

## **7. Engagement of recovery agents**

- 7.1. The bank may utilize the services of recovery agents for collection of dues and repossession of securities. Recovery agents will be appointed as per regulatory guidelines issued in this regard. In this respect:
- 7.2. Only recovery agents from the approved panels will be engaged by the bank.
- 7.3. In case bank engages service of such recovery/enforcement/seizure agent for any recovery case, the identity of the agent will be disclosed to the borrower
- 7.4. The recovery agents engaged by the bank will be required to follow a code of conduct covering their dealings with customers.

## D. CHEQUE COLLECTION POLICY

### 1. Introduction

- 1.1. Collection of cheques, deposited by its customers, is a basic service undertaken by the banks. While most of the cheques would be drawn on local bank branches, some could also be drawn on non-local bank branches.
- 1.2. In terms of RBI guidelines and with the objective of achieving efficiencies in collection of proceeds of cheques, providing funds to customers in time and also to disclose to the customers the Bank's obligations and the customers' rights, Bank has formulated a Cheque Collection Policy (CCP) taking into account its technological capabilities, systems and processes adopted for clearing arrangements and other internal arrangements including correspondent banking arrangements for clearing, if any. Adequate care will be taken to ensure that the interests of the small depositors are fully protected. The compensation payable for the delay in the collection of cheques has also been included in the Cheque Collection Policy.
- 1.3. This collection policy of the Bank is a reflection of the Bank's on-going efforts to provide better service to their customers and set higher standards for performance. The policy is based on principles of transparency and fairness in the treatment of customers. The bank is committed to increased use of technology to provide quick collection services to its customers.
- 1.4. This policy document covers the following aspects:
  - 1.4.1. Collection of cheques and other instruments payable locally, at centers within India and abroad.
  - 1.4.2. Bank's commitment regarding time norms for collection of instruments.
  - 1.4.3. Policy on payment of interest in cases where the bank fails to meet time norms for realization of proceeds of instruments.
  - 1.4.4. Bank's policy on dealing with collection instruments lost in transit.
  - 1.4.5. Bank's branches will give wide publicity to the CCP by prominently displaying salient features thereof in bold and visible letters on their notice boards. A copy of the complete CCP shall also be made available by the branch manager, if any customer requires so.
- 1.5. Account payee cheques for any person other than the payee constituent shall not be collected. However, in line with regulatory directives, account payee cheques, drawn for an amount not exceeding rupees fifty thousand, may be

collected to the account of Bank's customers who are co-operative credit societies, provided the payees of such cheques are the constituents of such co-operative credit societies.

## **2. Arrangements and Time Frame for Collection of Local / Outstation Cheques / Instruments**

### **2.1. Local Cheques:**

2.1.1. All cheques and other negotiable instruments payable locally would be presented through the clearing system prevailing at the centre. Instruments deposited at branch counters and in collection boxes within the branch premises before the specified cut off time will be presented for clearing on the same day. Acknowledgement will be provided to customers who tender the cheques at the counter. The cut off timings varies from branch to branch depending on the local clearing arrangements. The applicable cut off timings are displayed on the cheque drop boxes and in branch notice boards for the benefit of the customers. Cheques deposited after the cut off time will be presented in the next clearing cycle.

2.1.2. As a policy, the Bank will give credit to the customer account on the same day clearing settlement takes place. Withdrawal of amounts so credited would be permitted as per the cheque return schedule of the clearing house.

2.1.3. Branches situated at centers which are not members of any CTS Grid or where no clearing house exists, would present local cheques on drawee banks across the counter and it would be Bank's endeavor to credit the proceeds at the earliest, but not later than third working day from the date of deposit by customer.

### **2.2. Payable at par (PAP) Cheque books:**

2.2.1. Payable at par / multi-city CTS 2010 standard cheques are issued to all customers of the bank. There will be no value cap for PAP cheque issuance and no charges will be levied for payment of PAP cheques.

### **2.3. Outstation Cheques:**

2.3.1. Cheques drawn on other banks at outstation centres will normally be collected through bank's own branches at those centres. Where the Bank does not have a branch of its own, the instrument would be directly sent for collection to the drawee bank or collected through a correspondent bank. Cheques drawn on Bank's own branches at outstation centers will be collected using inter-branch arrangements in vogue. The Branches which are connected through a centralized processing arrangement and are offering anywhere banking services to its

customers will provide same day credit to customers in respect of outstation instruments drawn on any of its branches in the CBS network if received in the branch within branch business hours

2.3.2. Time frame for collection of Outstation Cheques / Instruments: For cheques and other instruments sent for collection to centers within the country the following time norms shall be applied:

2.3.2.1. Cheques payable at CTS centers – Maximum period of 7 days.

2.3.2.2. Non CTS Centers - Maximum period of 10 days

2.3.3. Charges will be applicable on the above as defined from time to time in the Bank's Schedule of Charges.

### **3. Immediate Credit for Local / Outstation cheques**

3.1. No immediate credit of local cheques would be given in view of the Bank's efficient clearing procedures, which ensure that delays do not occur in realization of proceeds of the cheques. At centers where no clearing house exists cheques will be presented across the counter and the proceeds will be credited at the earliest.

### **4. Interest payment for delayed collection**

4.1. As part of the compensation policy of the Bank, the Bank will pay interest to its customer on the amount of collection instruments in case there is delay in giving credit beyond the time period mentioned above. Such interest shall be paid without any demand from customers in all types of accounts. There shall be no distinction between instruments drawn on the Bank's own branches or on other banks for the purpose of payment of interest on delayed collection

#### **4.2. Payment of Interest for delayed collection of Local Cheques**

4.2.1. Payment of interest for delayed collection of local cheques, will be as per the Bank's base rate of interest on savings bank account on the amount of the clearing instrument and for the period of delay beyond 3 working days in case there is delay in giving credit beyond the time period mentioned above after the cheque is presented in clearing subject to the cheque being otherwise in order.

#### **4.3. Payment of Interest for Delayed Collection of Outstation Cheques:**

4.3.1. Savings Bank rate for the period of delay beyond 7/10/14 days as the case may be in collection of outstation cheques.

- 4.3.2. Where the delay is beyond 14 days from the maximum time-frame (7/10/14 days) interest will be paid at the rate applicable to for term deposit for the respective period.
- 4.3.3. In case of extraordinary delay, i.e. delays exceeding 90 days from the maximum time-frame (7/10/14 days) interest will be paid at the rate of 2% above the corresponding Term Deposit rate.
- 4.3.4. In the event the proceeds of cheque under collection was to be credited to an overdraft/loan account of the customer, interest will be paid at the rate applicable to the loan account. For extraordinary delays, interest will be paid at the rate of 2% above the rate applicable to the loan account
- 4.3.5. It may be noted that interest payment as given above would be applicable only for instruments sent for collection within India.
- 4.4. Cheques / Instruments lost in transit / in clearing process or at paying bank's branch:**
- 4.4.1. In the event a cheque or an instrument accepted for collection is lost in transit or in the clearing process or at the paying bank's branch, the Bank shall immediately on coming to know of the loss, bring the same to the notice of the account holder so that the account holder can inform the drawer to record stop payment and also take care that cheques, if any, issued by him/her are not dishonoured due to non-credit of the amount of the lost cheques/instruments. The Bank would provide all assistance to the customer to obtain a duplicate instrument from the drawer of the cheque. As a part of the Compensation Policy of the Bank, it will compensate the account holder in respect of instruments lost in transit in the following way
- 4.4.2. In case intimation regarding loss of instrument is conveyed to the customer beyond the time limit stipulated for collection (7 or 10 days as the case may be) interest will be paid for the period exceeding the stipulated collection period at the rates specified above
- 4.4.3. In addition, Bank will pay interest on the amount of the cheque for a further period of 15 days at Savings Bank rate to provide for likely further delay in obtaining duplicate cheque/instrument and collection thereof
- 4.4.4. The Bank would also compensate the customer for any reasonable charges he/she incurs in getting 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.



**5. Cheques returned unpaid by the payee bank or Cheques deposited with wrong account number:**

5.1. In the event of a cheque presented in local clearing or sent for collection being returned unpaid, the instrument along with an advice providing reasons for return would be dispatched to the account holder at his / her mailing address recorded with the Bank within 48 working hours on the address recorded in Bank's database. However, these will be kept in Bank for returning to the customer over the counter if he or she makes a request for the same. If not collected by the customer within 15 days Bank will send them back at the recorded address by post or courier. The instrument may also be handed over to the account holder or to his/her representative with the consent of the account holder. Charges applicable as per the Bank's Schedule of Charges will be levied.

5.1.1. In case a cheque was deposited in non-home branch location, the returned instrument will be despatched to the home branch for onward delivery to the account holder.

5.2. Cheques which are deposited with wrong account number mentioned on the pay-in slip Bank will return such cheques to the customers on the address mentioned within 48 working hours. However, in cases with incomplete address, incomplete phone number, no phone number mentioned on the pay-in slip the Bank will be responsible to keep these instruments for a maximum period of 3 months.

**6. Cheque return charges** would be levied only in cases where the customer is at fault and is responsible for such returns. Cheque return charges will be levied for the illustrative list of reasons for returns, where the customers are not at fault as advised by Reserve Bank of India vide its Circular DPSS.CO.CHD. No.2030 / 03.06.01 / 2012-2013 dated May 7, 2013. The appropriate service charges for cheque collection services if any, will be as per the Bank's policy and is displayed in the Bank's website. In case of cheque deposited by a customer is returned unpaid, intimation will be provided through SMS.

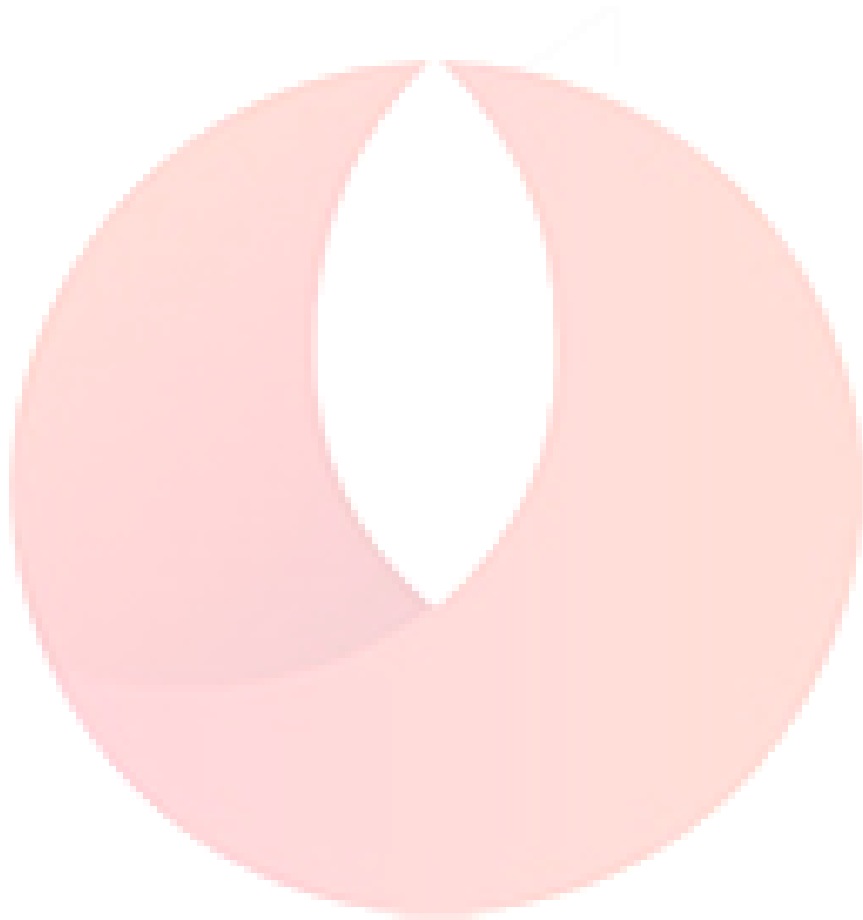
**7. Re-presentation of technical return cheques:** Cheques that need to be re-presented without any recourse to the payee, shall be made in the immediate next presentation clearing not later than 24 hours (excluding holidays) with due notification to the customers of such re-presentation through SMS alert, email, etc.

**8. Force Majeure:**

8.1. The Bank shall not be liable to compensate customers for delayed credit if some unforeseen event (including but not limited to civil commotion, sabotage, lockout, strike or other labour disturbances, accident, fires, natural disasters or other "Acts of



God", war, damage to the Bank's facilities or of its correspondent bank(s), absence of the usual means of communication or all types of transportation, etc.) beyond the control of the Bank prevents it from performing its obligations within the specified service delivery parameters.



## **E. POLICY FOR SETTLEMENT OF CLAIMS IN CASE OF DECEASED DEPOSITORS**

### **1. Introduction:**

1.1. Death of a person is a turbulent period, both mentally and financially, for the members of the bereaved family. Speedy disposal of claim petitions of deceased depositors would be a solace to the legal heirs/nominee/survivor of the deceased depositor. The Bank shall adopt the policy of efficient and hassle-free handling of claim petitions by branches/banking units while ensuring that the money of deceased depositor is claimed by the persons who are entitled thereto.

1.2. The Bank shall settle all claims in respect of deceased depositors and shall release payments to survivor(s) / nominee(s) within a period not exceeding 15 days from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claim(s), to the Bank's satisfaction.

### **2. Educating Customers about Nomination and Survivorship Mandate:**

Bank will take steps to educate Customers about the advantages of Nomination Facility and Survivorship Mandate.

#### **2.1. Survivorship Mandate:**

- a) A joint account opened as "Either or Survivor" or "Anyone or Survivor" or "Former or Survivor" or "Latter or Survivor" will facilitate the surviving account holder(s) to have unimpeded access to the credit balance in the account for withdrawal if one of the co-account holders dies.
- b) If the mandate of survivorship is given / provided, the survivor(s) can give a valid discharge to the bank and payment to survivor(s) can be made in the normal course subject to the only rider that there is no order from a competent court restraining the bank from making such payment.

#### **2.2. Nomination Rules in respect of liability accounts:**

- a) Nomination is the facility made available to depositors whereby in case of death of depositors, the nominee can easily withdraw the deposits without going through the cumbersome procedures of obtaining succession certificates or letter of administration or probate of Will etc. The nomination facility was introduced with the intention of minimizing the hardships caused to the family members on the death of depositor.

- b) The Banking Company (Nomination) Rules form part of the Banking Regulation Act. The nomination facility simplifies the procedure for settlement of claims of deceased depositors as the Bank shall get a valid discharge by making payment of the balance outstanding in a depositor's account at the time of his death or delivering contents of locker or articles kept in safe custody to the nominee.
- c) Nomination facility is purely voluntary and at the discretion of the depositor(s)/hirer(s). It is to be made clear to the depositors/hirers that the nomination is introduced solely for the purpose of simplifying the procedure for settlement of claims of deceased depositors and nomination facility does not take away the rights of legal heirs on the estate of the deceased. The nominee shall be receiving the money/stock from the bank as a trustee of the legal heirs.
- d) Nomination can be made in respect of all types of deposit accounts held jointly or singly including sole proprietorship accounts. However, nomination facility is not available for the following types of deposit accounts.
  - i. Accounts held in the representative capacity - e.g. as trustee, as liquidator, as treasurer etc.
  - ii. Accounts held in the capacity of partnership firm
  - iii. Accounts of joint stock companies/associations/clubs and such other organizations
- e) The essence of the nomination rule is that the facility shall be available only to individual account holders in their own capacity singly or jointly. Since an overdraft account is not a deposit account, no nomination facility is available for credit balance held in overdraft accounts. Settlement of credit balance shall be processed through the usual legal process.
- f) Nomination facility is available for non-resident accounts also, i.e. for NRE, NRO, FCNR, RFC as well as the following types of accounts:
  - i. Accounts opened by foreign nationals who are permanently resident in India
  - ii. Accounts opened by foreign nationals who are staying in India for pursuing studies, employment, business etc.
  - iii. Accounts opened by foreign nationals who are on a temporary visit to India for tour purposes
- g) Only the account holders can nominate. In the case of joint deposits with other individuals, the nomination shall be done by the depositors jointly. In the case of

joint deposits, the right to the nominee arises only on the death of all the joint depositors. A nominee cannot appoint another nominee as the right to make nomination vests with the depositor(s) alone.

- h) Nomination can be accepted either at the time of opening the account or at any time subsequently during the period in which the deposit is held by the Bank to the credit of the depositor.
- i) If the depositor is a minor, the nomination shall be made by a person lawfully entitled to act on behalf of the minor. In such cases the nomination shall be made by the natural guardian or the person who is lawfully entitled to act on behalf of the minor. When the minor attains majority a fresh nomination form or a consent letter shall be given by the depositor (erstwhile minor).
- j) Nomination can be accepted in favour of an individual only. Nomination can be made in favour of only one person only, and nomination in favour of more than one person shall never be accepted, even if deposit is held by two or more individuals jointly. Further a nominee cannot be an Association, Society, Trustee or any other organization or Office bearer in his official capacity.
- k) A minor can also be appointed as a nominee. However, in such cases, the depositor may appoint another individual, not being a minor, to receive the amount of deposit on behalf of the nominee in the event of death of the depositor(s) during the minority of the nominee
- l) Rights of a Nominee: The Bank shall follow Banking Company (Nomination) Rules wherever applicable. As per the Banking Company (Nomination) Rules, on the death of the sole depositor or all the depositors as the case may be, the nominee shall be entitled to the following rights:
  - i. The nominee shall be entitled to receive the principal money along with accrued interest on account of the deposit in respect of which he is nominated.
  - ii. The nominee shall not be entitled to receive the periodical interest during the currency of deposit. However, on maturity of the deposit, the principal as well as accrued interest may be paid to the nominee at the time of settling the claim.
  - iii. The nominee shall be entitled to get the account closed prematurely, subject to identification and other procedures. Wherever nominee has to sign, the word "Nominee" may be added beneath his signature to indicate the capacity in which he is claiming.
  - iv. The nominee shall not be entitled to raise loan on the security of deposit.

2.3. Nomination Rules in Respect Of Safe Deposit Lockers And Safe Custody Articles:

- a) The facility is available to lockers held in individual capacity either singly or jointly. Hence lockers hired in representative capacity such as Trustee, Liquidator or in the name of Companies, Associations etc. are not eligible for this facility. In the case of Safe Custody Articles also, the facility is available to only a depositor who has deposited the article for safe custody in his individual capacity. The facility is not available if the safe custody article is deposited jointly by more than one individual.
- b) Only the locker hirer/depositor of safe custody article can make nomination. If locker is hired by more than one individual, the nomination shall be made jointly by all the hirers.
- c) Nomination can be accepted at any time as long as all the hirers are alive and the contract of locker hire is in force. So also, nomination in respect of the safe custody articles can be accepted at any time as long as the article is in Bank's custody.
- d) For each locker/safe custody article, a separate nomination application shall be required. However, where there are already some lockers/safe custody articles held/deposited by an individual and no nomination has been made in respect of them, then nomination for all such lockers/articles can be exercised through a single nomination application form provided the same individual is appointed as a nominee for all the lockers/articles.
- e) A nominee cannot appoint another nominee.
- f) In the case of jointly hired lockers, on the death of one of the hirers, no further operations shall be allowed. The locker shall be vacated observing the prescribed procedure and the contents of the locker shall be handed over to the nominee and the surviving hirers jointly.
- g) Nomination shall be accepted in favour of individuals only. A nominee cannot be an Association, Society, Trustee or any other organization or Office bearer in his official capacity.
- h) In the case of lockers/safe custody articles hired/deposited by sole hirer/depositor, nomination shall be accepted in favour of one individual only.
- i) In the case of lockers hired jointly by two or more individuals, nomination can be made in favour of more than one person.
- j) A minor can also be appointed as a nominee to receive the contents of a Safe Deposit Locker/Safe Custody Article. But at the time of nomination itself, the



person who is entitled to receive the contents of Safe Deposit Locker/Safe Custody Article on behalf of the minor nominee shall be specified.

- k) The bank shall obtain a separate statement from the nominee (claimant) or the person competent to receive articles on behalf of the minor, as the case may be, that all the contents in the locker or in the safe custody of the bank, as the case may be, are received and the locker is empty and they have no objection to allotment of the locker to any other customer as per norms.
- l) Illiterate persons can also be appointed as a nominee.

3. Action to be taken by bank on intimation of death of an account holder:

- 3.1. An announcement of death in newspaper, production of a death certificate or a report from a reliable source etc., will be sufficient notice to the Bank about the death of the account holder.
- 3.2. As soon as the Branch becomes aware of the death of the account holder, it will record the fact in the relevant account in the system and restrict operation in the account as applicable.
- 3.3. If the deceased account holder had appointed a nominee, a letter will be issued to the nominee informing him/her about the death of the account holder.

4. Further operation in the Account: Further operation in the different types of account will be allowed as follows: -

- 4.1. Individual Accounts: No further cheques should be paid even though they be dated prior to the date of death of the account holder.
- 4.2. Joint Accounts: If the balance is payable to the survivor(s), cheques signed by the survivor(s) may be paid to the debit of the account. Further, in the case of a joint account:
  - a) Standing in two names with mode of operation being either or survivor, upon intimation of death of one of the account holders by production of death certificate, the account needs to be converted into single account in the name of the survivor.
  - b) Standing in three or more names where the mode of operation is 'Anyone or survivor', upon intimation of death of one of the account holders by production of death certificate the account will continue in the name of the remaining two account holders with the mode of operation to continue as 'Either or survivor'.

- c) Standing in joint names where the mode of operation is jointly upon intimation of death of one of the account holders by production of death certificate, all operations in the account to be stopped till the legal heirs of the deceased are identified. The same process as outlined as regards single account wherein there is no nomination shall be followed as regards the share of deceased account holder.
- 4.3. Proprietary Accounts: No further cheques should be paid even though they be dated prior to the date of death of the account holder.
- 4.4. Partnership Accounts: The death of a partner has, ordinarily, the legal effect of dissolving the firm. The surviving partner(s) can, however, operate the A/C for the purpose of winding up; and any cheques drawn by the surviving partner(s) can be paid. Cheques drawn by the deceased partner and presented after his death, should not be paid. The branches should request the surviving partner(s) to close the a/c by drawing a cheque signed by all of them and open a new a/c through which all further transactions may be passed.
- 4.5. Hindu Undivided Family Firm Accounts: In case of death of the Karta, the operation in A/c should be stopped. In such an event the HUF account may be settled as under:
- a) In case the balance in the account is within Rs. 10,000/- by obtaining an affidavit cum indemnity from surviving members and legal heirs with two guarantors confirming their acceptance to one of the members as the new Karta. Banks shall allow the new Karta to continue to operate the existing account on the basis of such documents.
- b) In case the balance in the account is more than Rs. 10,000/- a similar procedure as mentioned above to be followed and account is to be closed and balance in the account to be paid to the new Karta.
- 4.6. Trust Accounts: The Trustees have to act jointly unless there is an express provision to the contrary in the Trust Deed. In case of death of any, trustee, the operation on the a/c should be stopped unless the, relative Trust Deed confers express powers on the surviving trustee to act. In the absence of any specific provision in the Trust Deed, it is not safe for the Bank to assume that the surviving trustees possess full powers to deal with the A/C. Branches should, therefore, not allow the surviving trustees to operate on the a/c or withdraw the balance. In case of death of sole trustee, operation on the A/C should be immediately stopped.
- 4.7. Executor's and Administrator's Accounts: On the death of an executor or administrator unless otherwise provided for the in the Will or Probate or Letter of Administration, all the powers of the office bearers become vested in the surviving executors or administrators. The a/c should be allowed to be operated by co-executor(s), but the cheques signed by the deceased executor or administrator and

presented after notice of his death should not be paid in the a/c. In case of death of a sole Executor or Administrator, it will be necessary to obtain fresh order of the court appointing a new Administrator.

- 4.8. Limited Company's Accounts: Where notice of death is received in respect of a person who is authorized to operate an A/C of a Limited Co., outstanding cheques drawn by such person of the Company can still be paid. The Board resolution submitted by the Company regarding the operation of its Account should be examined by the branch to see whether any amendment or new resolution is necessary.
  - 4.9. Association, Society, club Account: The instructions given in respect of Limited Company's A/Cs shall also apply to A/Cs of Association, Society, Club etc.
  - 4.10 Accounts operated by a holder of Power of Attorney or Letter of Mandate: Upon the death of the principal, the authority of Attorney or Mandate holder stands cancelled. The operation on the a/c should be immediately stopped and no cheques signed by Attorney/Mandate holder should be paid after receipt of notice of death of the Principal.
5. Treatment of inflow of funds in the name of the deceased depositor:
- 5.1. In the event there is an inflow of funds in the name of the deceased depositor, The Bank may seek authorisation from the survivor(s)/nominee to return the pipeline flows to the remitter with the remark 'Accountholder deceased' and to intimate the survivor(s)/nominee accordingly. This will enable the survivor(s)/nominee to approach the remitter to effect payment in the name of the appropriate beneficiary.
6. Settlement of claims - Single holder accounts / facilities:
- 6.1. Savings Account / Current Account
    - a) With nomination - The balance outstanding shall be paid to the nominee on verification of his/her identity and submission of proof of death of the depositor.
    - b) Without nomination - The balance outstanding shall be paid to the legal heirs (or any one of them as mandated by all of the legal heirs) on verification of the identity / authority of the legal heirs and submission of proof of death of the depositor.
  - 6.2. Term Deposit Account -
    - a) With nomination - The balance outstanding shall be paid to the nominee, on verification of his/her identity and submission of proof of death of the depositor, at maturity. The nominee named for the deposit is entitled to prematurely withdraw the said deposit, if he /she so requests the bank, without seeking the

concurrence of the legal heirs. Payment of the proceeds of such deposits to the nominee will represent a valid discharge of the bank's liability

- b) Without nomination - The balance outstanding shall be paid to the legal heirs (or any one of them as mandated by all the legal heirs) on verification of the identity / authority of the legal heirs and submission of proof of death of the depositor. Premature termination shall be permitted on joint request by all legal heirs (or any of them as mandated by all the legal heirs).

#### 6.3. Safe Deposit Locker -

- a) With nomination - The nominee shall be allowed to access the locker and remove the contents on identification and verification of proof of death of locker hirer. Before permitting the nominee to remove contents of the Safe Deposit Locker, the Bank shall prepare an inventory of the articles in the presence of nominee and two independent witnesses.
- b) Without nomination - Legal heir(s) of the deceased locker hirer or a person mandated by the legal heir(s) shall be allowed to access the locker and remove the contents on verification of proof of death of locker hirer. The legal heir(s) shall have to produce documents to establish his/ their identity. Before permitting legal heir(s) to remove contents of the Safe Deposit Locker the Bank shall prepare an inventory of the articles in the presence of legal heir(s)/ mandate holder and two independent witnesses.

#### 6.4. Safe Custody Articles -

- a) With nomination - Safe custody articles shall be delivered to the nominee on identification and verification of proof of death of depositor. Before permitting nominee to remove contents of the Safe Deposit Locker, the Bank shall prepare an inventory of the articles in the presence of nominee and two independent witnesses.
7. Without nomination - Safe custody articles shall be delivered to the legal heir(s) or a person mandated by the legal heir(s) on establishing his/ their identification and verification of proof of death of the depositor. Before permitting legal heir(s) to remove contents of a Safe Custody Articles the Bank shall prepare an inventory of the articles in the presence of legal heir(s)/ mandate holder and two independent witnesses. Settlement of claims - Joint holder accounts / facilities, without survivorship mandate:

#### 7.1. Savings Account/ Current Account -

- a) With nomination:

- i. In the event of death of one (or more but not all) of the joint account holders, the balance outstanding shall be paid jointly to survivor(s) and the legal heirs of the deceased joint account holder (or any of them as mandated by all the legal heirs) against their joint claim on verification of the authority of the legal heirs and submission of proof of death of the depositors.
  - ii. In the event of death of both / all joint account holders, the balance outstanding at the time of death of the depositors shall be paid to the nominee on verification of his identity and submission of proof of death of the depositors
- b) Without nomination:
- i. In the event of death of one (or more but not all) of the joint account holders, the amount outstanding shall be paid jointly to survivor(s) and the legal heirs of the deceased account holder (or any one of them as mandated by all the legal heirs) against their joint claim on verification of the authority of legal heirs and submission of proof of death of the depositor.
  - ii. In the event of death of both/ all joint account holders, the balance outstanding shall be paid jointly to the legal heir(s) of all the deceased depositors (or any of them as mandated by all the legal heirs) on verification of authority of the legal heirs and proof of death of the depositors

## 7.2. Term Deposit Account -

- a) With nomination:
- i. In the event of death of one (or more but not all) of the joint account holders, the balance outstanding shall be paid jointly to survivor(s) and the legal heirs of the deceased joint account holder (or any one of them as mandated by all the legal heirs) on verification of identity of the legal heirs and proof of death of the depositor on maturity of the deposit.
  - ii. In the event of death of both/ all the joint account holders, the balance outstanding at the time of death of the depositors shall be paid to the nominee on verification of his/her identity and the proof of death of depositors on maturity of the deposit
- b) Without nomination:
- i. In the event of death of one (or more but not all) of the joint account holders, the balance outstanding shall be paid jointly to the survivor(s) and the legal heir(s) of the deceased joint account holders (or any of them as mandated by all the legal heirs) against their joint claim on verification of authority of the legal heirs and proof of death of the depositor on maturity of the deposit



- ii. In the event of death of both/ all the joint account holders, the balance outstanding shall be paid jointly to the legal heirs of all the deceased depositors (or any one of them as mandated by all legal heirs) on verification of authority of the legal heirs and proof of death of depositors on the maturity of the deposit
- c) Premature termination of Term Deposit Account -

- i. With nomination: In the event of death of one (or more but not all) of the joint account holders, premature termination shall be permitted against joint request of the survivor(s) and the legal heir(s) (or any one of them as mandated by all legal heirs) as per the terms of contract on verification of identity of the legal heirs and proof of death of depositor.

In the event of death of both/ all the joint account holders Premature termination of term deposit account as per the terms of contract shall be permitted at the request of the nominee on verification of his/her identity and proof of the death of the depositors

- ii. Without nomination: In the event of death of one (or more but not all) of the joint account holders, premature termination shall be permitted against joint request by the survivor(s) and the legal heir(s) of all the deceased depositors (or any one of them as mandated by all legal heirs) as per the terms of contract on verification of authority of legal heirs and proof of death of depositor.

In the event of death of both/ all the joint account holders, premature termination shall be permitted against joint request by all legal heirs of the deceased depositors (or any one of them as mandated by all legal heirs) as per the terms of contract on verification of authority of legal heirs and proof of death of depositors.

### 7.3. Safe Deposit Lockers -

- a) With nomination:
  - i. In the event of the death of one (or more but not all) of the joint locker hirers the nominee(s) shall be jointly allowed to access the locker and remove the contents on identification and verification of proof of death of the locker hirer(s) along with the surviving hirer(s).
  - ii. In the event of death of both/ all joint locker hirers the nominee(s) shall be allowed to access the locker and remove the contents on establishing his/her/their identity and verification of proof of the death of the hirers.



iii. Before permitting surviving hirer(s) and/or nominee(s) to remove contents of the Safe Deposit Locker, the Bank shall prepare an inventory of the articles in their presence along with two independent witnesses.

b) Without nomination:

- i. In the event of death of one (or more but not all) of the locker hirers, the surviving hirer(s) and legal heirs of the deceased hirer (or a person mandated by them) shall be allowed to access the locker and remove the contents on verification of authority of legal heirs and proof of death of the hirer.
- ii. In the event of death of both / all the joint locker hirers, all the legal heirs (or any one of them as mandated by all legal heirs) shall be allowed to access the locker and remove the contents on verification of authority of legal heirs and proof of death of the locker hirers.
- iii. Before permitting surviving hirers and mandated legal heir(s) to remove contents of a Safe Deposit Locker, the Bank shall prepare an inventory of the articles in the presence of surviving hirers, mandated legal heir(s) and two independent witnesses.

7.4. Safe Custody Article(s):

- i. Generally safe custody articles are not accepted in joint names. Even if accepted in joint names nomination facility is not provided.

8. Settlement of claims - Joint holder accounts / facilities, with survivorship mandate

8.1. Savings Account/ Current Account -

a) With nomination:

- i. In the event of death of one (or more but not all) of the depositors, the balance outstanding shall be paid to survivor (s) on verification of proof of death of the depositor.
- ii. In the event of death of both/all the joint depositors, the balance outstanding shall be paid to the nominee on verification of his/her identity (such as Election ID Card, PAN Card, Passport etc.) and proof of death of depositors.

b) Savings Account/ Current Account - without nomination

- i. In the event of death of one (or more but not all) of the depositors, the balance outstanding shall be paid to survivor on verification of proof of death of the depositor.

- ii. In the event of death of both/ all the joint depositors, the balance outstanding shall be paid jointly to the legal heirs (or any one of them as mandated by all the legal heirs) on verification of authority of legal heirs and proof of death of depositors.

#### 8.2. Term Deposit Account:

##### a) With nomination:

- i. In the event of death of one (or more but not all) of the depositors, the balance outstanding shall be paid to survivor(s) on verification of proof of death of the depositors on maturity of deposit or as agreed at the time of opening of deposit.
- ii. In the event of death of all joint depositors, the balance outstanding shall be paid to the nominee on verification of his/her identity (such as Election ID Card, PAN Card, Passport etc.) and proof of death of depositors on maturity of deposit or as agreed at the time of opening of deposit.

##### b) Without nomination:

- i. In the event of death of one of the depositors (or more, but not all), the balance outstanding shall be paid to the survivors on verification of proof of death of the depositor on maturity of deposit or as agreed at the time of opening of deposit.
- ii. In the event of death of all joint depositors, the balance outstanding shall be paid to the legal heir(s) of all the deceased depositors (or any one of them as mandated by all the legal heirs of joint holders) on verification of authority of legal heirs and proof of death of depositors on maturity of deposit.

#### 8.3. Premature termination of Term Deposit Account:

##### a) With nomination:

- i. In the event of death of all the joint depositors, the nominee shall have right to seek premature termination of term deposit account as per the terms of the contract on verification of his/her identity (such as Election ID Card, PAN Card, passport etc.) and proof of death of depositors.

##### b) Without nomination

- i. In the event of death of one (or more but not all) of the depositors, the survivor(s) shall have the right to seek premature termination of term deposit account as per the terms of contract on verification of proof of death of the depositor.

- ii. If the operating instruction is 'Either or Survivor' and one of the depositors expires before the maturity, no pre-payment of the fixed/term deposit may be allowed without the concurrence of the legal heirs of the deceased joint holder. This, however, would not stand in the way of making payment to the survivor on maturity.
- iii. In case the mandate is 'Former or Survivor', 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 the surviving depositor and the legal heirs of the deceased in case of death of one of the depositors.
- iv. In case of term deposits with "Either or Survivor" or "Former or Survivor" mandate, banks are permitted to 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. The Bank will, therefore, incorporate the aforesaid clause in the account opening form and also inform their existing as well as future term deposit holders about the availability of such an option.
- v. The joint deposit holders will be permitted to give the mandate either at the time of placing fixed deposit or anytime subsequently during the term / tenure of the deposit. If such a mandate is obtained, the Bank will 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
- vi. Such premature withdrawal shall not attract any penal charge. However, the interest rate shall be the rate applicable for the period the deposit has remained with the bank or the contacted rate, whichever is lower.
- vii. In the event of death of one (or more but not all) of the depositors premature termination shall 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
- viii. In the event of death of all joint depositors, premature termination shall 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

9. Safe deposit Lockers:

a) With nomination

- i. At present BR Act (Section 45 ZE) does not provide nomination facility in respect of lockers with "Either or Survivor" / "Former or Survivor" / "Anyone

or Survivors”/ “Latter or Survivor” mandate. Hence operational instructions are not given in this regard. However, as per the above act, nomination facility is available only where the operations in lockers are done ‘jointly’ under the joint signatures of all the hirers.

b) Without nomination

- i. In the event (Section 45 ZE) does not provide nomination facility in respect of lockers with “Either or Survivor” / “Former or Survivor”/“Anyone or Survivors”/ “Latter or Survivor” mandate. Hence operational instructions are not given in this regard
- ii. In the event of death of all the locker hirers, all the legal heirs of the deceased joint hirers (or any one of them as mandated by all legal heirs) shall be allowed to access the locker and remove the contents on verification of the authority of legal heirs and proof of death of the locker hirers
- iii. Before permitting the surviving hirers/ legal heir(s) to remove contents of a Safe Deposit Locker, the Bank shall prepare an inventory of the articles in the presence of surviving hirers/legal heirs and two independent witnesses.

10. Safe Custody Article(s):

- i. Generally safe custody articles are not accepted in joint names. Even if accepted in joint names nomination facility is not provided.

11. Settlement of claims in respect of missing persons:

11.1. The settlement of claims in respect of missing persons shall be governed by the provisions of Section 107/108 of the Indian Evidence Act, 1872. Section 107 deals with presumption of continuance and Section 108 deals with presumption of death. As per the provisions of Section 108 of the said Act, presumption of death can be raised only after a lapse of seven years from the date of his/ her being reported missing. As such, nominee/ legal heirs have to raise an express presumption of death of the subscriber under Section 107/ 108 of the Indian Evidence Act before a competent court. If the court presumes that he/ she is dead, then the claim in respect of a missing person can be settled as is done for any other deceased accounts

12. Settlement of claims where minor is a depositor:

12.1. In the case of an account opened on production of a guardianship certificate, the balance would be held at the disposal of the competent Court. The guardian shall not be allowed to draw on the account after notice of death of the minor.

12.2. In case of an account opened in the name of a guardian without production of guardianship certificate, the balance may be permitted to be withdrawn by the guardian

12.3. In the case of a joint account with the guardian, the balance will be held at the absolute disposal of the guardian. In each case, the minor's death certificate should be duly recorded

13. Procedure for settlement of balances in deposit accounts:

13.1. Liability Accounts with survivor/nominee clause:

- a) In the case of deposit accounts where the depositor had utilized the nomination facility and made a valid nomination or where the account was opened with the survivorship clause ("either or survivor", or "anyone or survivor", or "former or survivor" or "latter or survivor"), the payment of the balance in the deposit account to the survivor(s)/nominee of a deceased deposit account holder will represent a valid discharge of the bank's liability provided:
  - i. The bank has exercised due care and caution in establishing the identity of the survivor(s) / nominee and the fact of death of the account holder, through appropriate documentary evidence,
  - ii. There is no order from the competent court restraining the bank from making the payment from the account of the deceased; and
  - iii. It has been made clear to the survivor(s) / nominee that he would be receiving the payment from the bank as a trustee of the legal heirs of the deceased depositor, i.e., such payment to him shall not affect the right or claim which any person may have against the survivor(s) / nominee to whom the payment is made.
- b) Since the payment made to the survivor(s) / nominee, subject to the foregoing conditions, would constitute a full discharge of the bank's liability, while making payment to the survivor(s) / nominee of the deceased depositor, the Bank will not insist on production of succession certificate, letter of administration or probate, etc., or obtain any bond of indemnity or surety from the survivor(s)/nominee, irrespective of the amount standing to the credit of the deceased account holder.
- c) The Branch Head shall be the competent authority to approve such payments.
- d) Documentary requirements for Claims - Liability accounts with Nomination:
  - i. Claim Form.



- ii. Death certificate issued by municipal authorities/ government department. The photocopy should be original sighted by the Bank officer
  - iii. Death Certificate issued in other than English language in India will be translated by the Bank in India
  - iv. For Death Certificate (DC) issued outside India, the Death Certificate should be authenticated by any one or more of the following modes, done in the country of its issuance:
    - 1. Verified by the Branch/ Office of the Bank; or
    - 2. Notarised by the Notary Public; or
    - 3. Apostilled; or
    - 4. Consularised
  - v. In case the Death Certificate had been not written in English and issued outside India it should be attested by official translator and on letterhead
  - vi. KYC details and proofs of the legal heirs/Survivor/Nominee
  - vii. Customer Copy of Nomination, if any
  - viii. Account details of the Claimant(s) (If available)
- 13.2. Accounts without the survivor/nominee clause:
- a) In a deceased account where there is neither Survivorship clause nor Nomination, the Bank will deliver the assets only to the legal heirs.
  - b) In case where the deceased depositor had not made any nomination or for the accounts not opened with the survivorship clause ("either or survivor", or "anyone or survivor", or "former or survivor" or "latter or survivor"), the Bank will follow a simplified procedure for repayment to legal heir(s) of the depositor keeping in view the imperative need to avoid inconvenience and undue hardship to the common person.
  - c) Settlement without legal representation:
    - i. In cases where the total claim amount does not exceed Rs.10 lakhs (rupees ten lakhs), the claim will be settled, without production of legal representation, on the basis of Indemnity - cum - Affidavit. This is applicable only when:
      - a) The customer has died **INTESTATE** i.e. without a **WILL** and
      - b) There are no disputes among the legal heirs and all the legal heirs (other than those who have furnished a Letter of Disclaimer) join in



indemnifying the Bank and there is no reasonable doubt about the genuineness of the claimant(s) being the only legal heirs.

- d) Documents required for settlement without legal representation:
- i. Death certificate issued by municipal authorities/government department. The photocopy should be original sighted by the Bank officer
  - ii. Death Certificate issued in other than English language in India will be translated by the Bank in India
  - iii. For Death Certificate (DC) issued outside India, the Death Certificate should be authenticated by any one or more of the following modes, done in the country of its issuance:
    1. Verified by the Branch/ Office of the Bank; or
    2. Notarised by the Notary Public; or
    3. Apostilled; or
    4. Consularised
  - iv. In case the Death Certificate had been not written in English and issued outside India it should be attested by official translator and on letterhead
  - v. KYC details and proofs of all the legal heir(s)
  - vi. Account details of the Claimant(s) (If available)
  - vii. Claim Form duly filled and signed by the Claimant(s), other than those who signed the letter of disclaimer.
  - viii. Letter of disclaimer
  - ix. The Declaration in the Claim Form regarding the Legal Heirs(s) of the deceased is to be signed by-
  - x. One independent person well known to the family of the deceased but unconnected with it and acceptable to the Bank OR
  - xi. By any account holder of the Bank known to the family of the deceased but unconnected with it OR
  - xii. By any Govt. Official whose signature is verifiable by the Bank.
  - xiii. Stamped Letter of Indemnity from the Claimant(s)

- xiv. One Surety good for the amount or two Sureties jointly good for the amount. Any legal heir(s) who has signed the Letter of Disclaimer in favour of other legal heir(s) may stand as surety if he/she is independently good for the amount of claim.
- e) The Cluster Head /Regional Head/Zonal Head/Head Branch Banking &Head Retail Banking shall be the competent authority to approve such payments as per the following grid after due vetting of the claim documents by the Bank's legal department:
  - I. Cluster Head - Up to an amount of Rs.1 lac
  - II. Regional Head - Up to an amount of Rs. 5 lacs.
  - III. Zonal Head - Up to an amount of Rs. 10 lacs.
  - IV. Head Branch Banking - Up to an amount of Rs. 25 lacs.
  - V. Head Retail Banking- Any amount above 25 lacs.

#### 13.3.Settlement with legal representation:

- a) Cases where the total claim amount exceeds Rs.10 lakhs (rupees ten lakhs), or the requisite documents are not available / conditions are not satisfied for settlement without legal representation, the claim will be settled, with on the basis of legal representation
- b) A legal representation is one that is granted by a Court of Law entitling the legal heirs of the deceased to collect the debts/securities or assets of the deceased. Bank may opt for settling the matter through legal representation. The following documents represent different forms of legal representation:
  - i. Succession Certificate
  - ii. Wills and Probate
  - iii. Letter of Administration
  - iv. Order of the Administrative General attached to the High Court
- c) Settlement of claims with legal representation will be done after due scrutiny of all relevant documents by the legal department of the Bank.

- d) The Cluster Head /Regional Head/Zonal Head/Head Branch Banking / Head Retail Banking shall be the competent authority to approve such payments as per the following grid after clearance by legal department:
- I. Cluster Head - Up to an amount of Rs.10 lacs
  - II. Regional Head - Up to an amount of Rs. 30 lacs.
  - III. Zonal Head - Up to an amount of Rs. 50 lacs.
  - IV. Head Branch Banking - Up to an amount of Rs. 1 crore
  - V. Head Retail Banking - Any amount above Rs. 1 crore.

14. Documentary requirements for Claims -

14.1. Liability/Depositors with Nomination

- i. Claim Form
- ii. Death certificate issued by municipal authorities/government department. The photocopy should be original sighted by the Bank officer
- iii. Death Certificate issued in other than English language in India will be translated by the Bank in India
- iv. For Death Certificate (DC) issued outside India, the Death Certificate should be attested by Indian Embassy located in country issuing the DC or embassy of the country issuing DC located in India
- v. In case the Death Certificate had been not written in English and issued outside India it should be attested by official translator and on letterhead
- vi. Proof of Address and Photo ID of the legal heirs/Survivor/Nominee
- vii. Customer Copy of Nomination, if any

14.2. Liability/Depositors without Nomination/Survivor clause:

- i. Claim Form
- ii. Death Certificate issued by municipal authorities/government department
- iii. Death Certificate issued in other than English language in India will be translated by the Bank in India

- iv. For Death Certificate (DC) issued outside India, the Death Certificate should be attested by Indian Embassy located in country issuing the DC or embassy of the country issuing DC located in India
  - v. In case the Death Certificate had been not been written in English and issued outside India it should be attested by official translator and on letterhead
  - vi. Proof of Address and Photo ID of the legal heirs/Survivor
  - vii. Indemnity cum Affidavit
  - viii. Where the claim amount exceeded 5 lakh, along with the claim form, death certificate and
  - ix. Proof of Address, Photo ID as mentioned below, Probated Will/Succession Certificate/Letter of Administration issued by competent jurisdiction, in India need to be submitted
- 14.3. Claim forms are available on the bank's website so that claimants of the deceased depositor can access and download the forms without having to visit the concerned bank/branch to obtain such forms for filing claim with the bank.
15. Payment of interest in case of term deposit accounts of deceased depositor(s): In case of a term deposit of deceased depositors, interest shall be paid in the manner indicated below:
- 15.1. If date of payment of claim is date of maturity of the deposit, the maturity proceeds will be paid at the contracted rate.
  - 15.2. In case of premature withdrawal i.e., in the event of the payment of deposit being claimed before the maturity date - interest will be paid on at applicable rate with reference to the period for which the deposit has remained with the Bank up to date of payment without charging penalty
  - 15.3. For claims after the date of maturity and no auto renewal instructions exist -
    - a) If the date of death of the customer is prior to the maturity date, the Bank shall pay interest at the contracted rate till 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.
    - b) If the date of death of the customer is after the maturity date of the deposit, bank shall pay interest at the savings deposit rate obtaining on the date of maturity on the maturity amount from date of maturity till date of payment.

15.4. Premature withdrawal will not attract any penal charge.

15.5. In case of an NRE deposit, when the claimants are residents, the deposit on maturity should be treated as a domestic rupee deposit and interest should be paid for the subsequent period at a rate applicable to a domestic deposit of similar maturity till such time the claim is settled.

16. Reporting to Customer Service Committee of the Board:

16.1. A report will be placed before the Customer Service Committee of the Board, at appropriate intervals, on an ongoing basis, comprising the details of the number of claims received pertaining to deceased depositors / locker-hirers / depositors of safe custody article accounts and those pending beyond the stipulated period, giving reasons therefore.

17. Release of other assets of the deceased borrowers to their legal heirs.

The principle and procedure for settlement of balances in deposit accounts would be extended for settlement of claims in respect of other assets of deceased customers including securities held against advances after adjustment thereof.

## F. POLICY ON INOPERATIVE ACCOUNTS AND UNCLAIMED DEPOSITS

### 1. Introduction

- a. 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.
- b. In view of the increase in the amount of the unclaimed deposits with banks year after year and the inherent risk associated with such deposits, the Bank shall play a more pro-active role in finding the whereabouts of the account holders whose accounts have remained inoperative. With a view to further strengthen the regulatory framework for inoperative accounts and unclaimed deposits, this policy document is formed which details classification of inoperative accounts/unclaimed deposits, procedure for activation of eligible inoperative accounts, settling claims against unclaimed deposits, grievance mechanism for quick resolution of complaints, record keeping, displaying inoperative accounts / unclaimed deposits on bank's website, delegation of powers for settlement of claims for such accounts and periodic review of such accounts.

### 2. Classification of Inoperative Accounts / Unclaimed Deposits

#### a. Inoperative Accounts

- i. A current account/saving account shall be treated as 'Inoperative Account' if there has been no 'Customer Induced Transaction' for a continuous period of 24 months. In case the customer has given a mandate for crediting the interest on Fixed Deposit account to the Savings Bank account/ Current account, since the interest on Fixed Deposit account is credited to the accounts as per the mandate of the customer, the same shall be treated as a customer induced transaction. As such, the account shall be treated as operative account as long as the interest on Fixed Deposit account is credited to the account. The account shall be treated as inoperative account only after two years from the date of the last credit entry of the interest on Fixed Deposit account, if there are no other operations in the account.

#### b. Unclaimed Deposits

- i. Following RBI circular no. RBI / 2008-09 / 138 dated 22<sup>nd</sup> August 2008, the Bank shall (i) pay interest on savings accounts on regular basis whether the account is operative or not, (ii) pay interest at savings rate



on the unclaimed amount if a Fixed Deposit Receipt matures and proceeds are unpaid.

ii. Operative Accounts: An account shall be classified as unclaimed deposits if the same is not operated (other than interest credits and service charge debits which are bank induced transactions) for 10 years and more from the date of last operation.

iii. Term Deposits: A term deposit account shall be classified as unclaimed deposit if the same is not renewed/withdrawn after 10 years or more from the date of maturity.

3. Display of data on unclaimed deposits on web site of the bank:

a. The Bank shall display the list of inoperative accounts / unclaimed deposits which are inactive / inoperative for ten years or more on its website. The list so displayed shall contain only the names of the account holder(s) and his/her address. In case such accounts are not in the name of individuals, the names of individuals authorized to operate the accounts shall also to be indicated. However, the account number, its type and the name of the branch shall not be disclosed on the bank's website.

4. Redressal of complaints and grievances

a. For any complaint / grievance with regard to services rendered by the Bank, customers shall have 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 shall be displayed in the branch premises. The branch officials shall provide all required information regarding procedure for lodging the complaint.

## **G. CUSTOMER PRIVACY POLICY**

### **1. Statements of Practices and Policies**

1.1. The Bank recognizes that one of its fundamental responsibilities is to ensure that the Bank protects personal information entrusted to the Bank by its customers. This is critical for the maintenance of the Bank's reputation and for complying with its legal and regulatory obligations to protect the Banks's customer information. The Bank also follows a transparent policy to handle personal information of its customers.

1.2. In this Policy, personal information means any information that relates to a natural person, which either directly or indirectly, in combination with other information available or likely to be available with the Bank, is capable of identifying such person.

1.3. The Policy is in compliance with the Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules 2011 (the "IT Rules") contained in the Information Technology Act 2000.

### **2. Applicability**

2.1. This Policy is applicable to personal information collected by the Bank directly from the customer or through the Bank's online portals, electronic communications as also any information collected by the Bank's server from the customer's browser.

### **3. Accuracy**

3.1. The Bank shall have processes in place to ensure that the personal information residing with it is complete, accurate and current. If at any point of time, there is a reason to believe that personal information residing with the Bank is incorrect, the customer may inform the Bank in this regard. The Bank shall correct the erroneous information as quickly as possible.

### **4. Purpose of collection and Usage of Personal Information**

The Bank shall use the information collected to manage its business and offer an enhanced, personalized online experience on its website. Further, it shall enable the Bank to:

- 4.1. Process applications, requests and transactions
- 4.2. Maintain internal records as per regulatory guidelines
- 4.3. Provide services to customers, including responding to customer requests
- 4.4. Comply with all applicable laws and regulations
- 4.5. Recognize the customer when he conducts online banking
- 4.6. Understand the needs and provide relevant product and service offers

4.7. If a customer does not wish to provide consent for usage of its sensitive personal data or information or later withdraws the consent, the Bank shall have the right not to provide services or to withdraw the services for which the information was sought from the customer.

## 5. Disclosure / Sharing of Information

5.1. The Bank shall not disclose personal information of its customers without their prior consent unless such disclosure has been agreed to in a contract between the body corporate and customer, or where the disclosure is necessary for compliance of a legal obligation. In-case Bank discloses the personal information to Third Parties, such Third Parties shall be bound contractually to ensure that they protect customer personal information in accordance with applicable laws.

5.2. The above obligations relating to sharing of personal data or information shall not apply to information shared with government mandated under the law to obtain such information or by an order under law for the time being in force. Further, if any personal data or information is freely available or accessible in the public domain, the Bank shall not have any obligations regarding the same.

5.3. No specific information about customer accounts or other personally identifiable data shall be shared with nonaffiliated third parties unless any of the following conditions is met:

5.3.1. To help complete a transaction initiated by the customer

5.3.2. To perform support services through an outsourced entity provided it conforms to the Privacy Policy of the Bank

5.3.3. The customer / applicant has specifically authorized it

5.3.4. Conform to legal requirements or comply with legal process

5.3.5. The information is shared with Government agencies mandated under law

5.3.6. The information is shared with any third party by an order under the law

5.3.7. Protect and defend Banks' rights, interests or property

5.3.8. Enforce the terms and conditions of the products or services

5.3.9. Act to protect the interests of Bank, or its members, constituents or of other person

## 6. Security Practices

6.1. The security of personal information is a priority and shall be ensured by maintaining physical, electronic, and procedural safeguards that meet applicable laws to protect customer information against loss, misuse, damage and unauthorized access, modifications or disclosures. Employees shall be trained in the proper handling of personal information. When other companies are used to provide services on behalf of

the Bank, it shall ensure that such companies protect the confidentiality of personal information they receive in the same manner the Bank protects. The Bank shall continuously review and enhance its security policies and security measures to consistently maintain a high level of security.

7. Amendments

7.1. The Bank shall reserve the right to change or update this Policy or practice, at any time with reasonable notice to customers on Bank's website so that customers are always aware of the information which is collected, for what purpose Bank uses it, and under what circumstances, if any, Bank may disclose it.

8. By virtue of this privacy policy, the customer assents to collection, use, transfer, disclosure, retention and other processing of her/his personal information, including sensitive personal information, as described in this Policy.

9. Response to Enquiries and Complaints

9.1. The Bank shall encourage customer enquiries, feedback and complaints which shall help it identify and improve the services provided to the customers.

## **H. GRIEVANCE REDRESSAL POLICY**

### **1. Introduction:**

1.1. Bank is essentially an institution engaged in meeting financial as well as non-financial service needs of the society. Given this, customer service takes the center stage in the banking business. In the present scenario of competitive banking, an excellent customer service is the most important tool for sustained business growth.

1.2. As a service organization, customer service and customer satisfaction should be the prime concern of any bank. The bank believes that providing prompt and efficient service is essential not only to attract new customers, but also to retain existing ones. This policy document aims at minimizing instances of customer complaints and grievances through proper service delivery and review mechanism and to ensure prompt redressal of customer complaints and grievances. The review mechanism should help in identifying shortcomings in product features and service delivery.

### **2. Objective:**

2.1. The Objective of the policy is to spell out the framework for Grievance Redressal in the Bank entailing adherence to the provisions prescribed by the Reserve Bank of India (RBI).

2.2. The bank's policy on grievance redressal follows the under noted principles:

- a) All customers are treated fairly and without bias at all times.
- b) All complaints received from customers are dealt with courtesy as per defined timelines
- c) Customers are fully informed of avenues to escalate their complaints/grievances within the Bank and their rights to alternative remedy, if they are not fully satisfied with the response of the Bank to their complaints.
- d) The employees shall work in good faith and without prejudice towards the interest of the customer

### **3. Applicability/Coverage:**

The grievance redressal mechanism will be applicable and cover complaints received from all customers of the Bank including customers of third party products as well as complaints emanating from rural areas and those relating to financial assistance to Pri-

ority Sector and Government's Poverty Alleviation Programmes. The grievance redressal channels of the bank shall also be available to deal with issues relating to services provided by Outsourced Agencies.

4. **Customer Service Principles:** The Bank's Customer Service Delivery will be based on the following principles:

4.1. **Courtesy** – Every customer will be shown due courtesies, whether or not the Bank is in a position to meet his/her needs. Staff will always be polite in their spoken words, body language and demeanour. Courtesy will be shown in all circumstances, even in difficult situations where the customer does not show similar courtesy in return.

4.2. **Ethics and Transparency** – Every dealing with customer will be done in an honest, equitable, ethical and fair manner. Complete, clear and precise information will be provided, as per extant guidelines, to the customers in response to their queries.

4.3. **Speed and Timeliness** – Customer's needs and instructions should always be given top priority and taken care of promptly without any undue delay. Commencement of banking business and opening of counter services should be done in time rendering uninterrupted service during business hours.

4.4. **Efficiency and Accuracy** – All customer instructions should be executed efficiently and accurately. The information provided by the Bank to the customer should be factual, accurate and unambiguous.

4.5. **Concern** – The bank will always be concerned for the well-being of its customers. Anticipating the customer's problems and guiding them shows that Bank cares for them and is equally concerned.

4.6. **Communication** – Communication with customers should be clear and effective. The Bank will always welcome opinion and suggestions from customers and such opinions/ suggestions will be seriously evaluated, and, if found to be feasible, will be subsequently implemented.

5. **Grievance Redressal Mechanism:**

5.1. The Bank shall follow the principle of "**First Contact Resolution**", i.e., all efforts to be made to resolve the grievance to full satisfaction of the complainant at the point of first contact.

5.2. All efforts shall be made to resolve the grievance to the full satisfaction of the complainant at the point of first contact so as to prevent further escalation of the grievance to external forums like, RBIO, CEPC, CPGRAMS, INGRAM, etc.



- 5.3. Complaints may be received by the Bank from its customers at all levels - Branches, Banking Units, Housing Finance Centers, Cluster Offices, Regional Offices, Zonal Offices and Head Office as well other customer contact points such as Phone Banking Center, Bandhan Bank website, Customer Care mail IDs. Issues raised by customers on social media platforms like facebook, twitter, linkedin, etc. will also be treated as complaints, wherever applicable. The Banking Operations & Customer Service Department at Head Office will act as the nodal department for management of all complaints received by the Bank.
- 5.4. All complaints shall be registered in the complaint management application of the Bank and tracked till closure.
- 5.5. A complaint redressal mechanism, as mentioned below, shall be put in place by the Bank for resolving customer complaints expeditiously, to bring about more transparency and to assist in creating a positive image of the Bank amongst its customers.
- 6. Channels for receiving Customer Grievances / Complaints, turnaround time for resolution and Grievance escalation matrix:**
- 6.1. Level 1 – Branch / Phone Banking Center / Banking Unit / Housing Finance Center / Social Media**
- 6.1.1. Customer can fill up the complaint form (available in our branches or in the website) or just write a letter and submit it to the Branch Head, or any officer, of any one of our branches. Each branch will also have a complaints/suggestions box installed, which will be cleared on a daily basis by the authorized officer.
- 6.1.2. Customers may call our Toll free number at **1800-258-8181** and lodge a complaint.
- 6.1.3. Branch Head will be responsible for resolution of complaints received in his / her branch.
- 6.1.4. Head Phone Banking Center will be responsible for resolution of complaints received at the Phone Banking Center over telephone. He / she will also be responsible for complaints received by mail in the ID [customercare@bandhanbank.com](mailto:customercare@bandhanbank.com).
- 6.1.5. Head Marketing will be responsible for tracking the complaints received through Social Media platforms. The complaints received through social media platforms will promptly be forwarded to the Grievance Redressal Team / Phone Banking Team for redressal.
- 6.1.6. Each complaint will be resolved within 7 days. In case the resolution lies with some other department / branch of the bank, or involves fraud cases, legal cases and cases, which need retrieval of documents and old records the resolution time,

would be up to 10 days. If any case needs additional time, the Bank will inform the customer of the reasons for and provide expected time lines for resolution.

## **6.2. Level 2 – Cluster Offices**

6.2.1. If the customer is not satisfied with the resolution provided and prefer to escalate the complaint, he may do so to the concerned Cluster Head (contact details available in the branches) or the Bank's Nodal Officers to the Reserve Bank Ombudsman of the concerned area (list available in our website). Alternatively, the customer may also directly escalate to our Head Office (details given below).

6.2.2. The Cluster Head will relook into the matter and resolve the complaint within 8 days from receipt of the complaint at Cluster Office. If any case needs additional time, the Bank will inform the customer of the reasons for and provide expected time lines for resolution.

## **6.3. Level 3 – Head Office**

6.3.1. If the customer is not satisfied with the steps taken by the Branch / Cluster Head, he may escalate the complaint to Head-Banking Operations and Customer Service at Head Office.

6.3.2. Head-Banking Operations and Customer Service will look into the matter and arrange to send the reply to the complainant within 15 days of receipt of the complaint at Head Office.

## **6.4. Internal Ombudsman (I.O.):**

6.4.1. The Internal Ombudsman (I.O.) mechanism had been set up by RBI with a view to strengthen the internal grievance redressal system of banks and to ensure that the complaints of the customers are redressed at the level of the bank itself by an authority placed at the highest level of bank's grievance redressal mechanism so as to minimize the need for the customers to approach other fora for redressal.

6.4.2. I.O. shall examine all customer grievances, arising out of an act or omission of the Bank resulting in deficiency in service, received by banks and which are partly or wholly rejected by bank's internal grievance redressal mechanism, except the following:

6.4.3. Complaints related to frauds, misappropriation etc., except in respect of deficiency of service, if any, on the part of the bank

6.4.4. Complaints/references relating to a) internal administration, b) human resources, c) pay and emoluments of staff;

6.4.5. References in the nature of suggestions, requests for concessions in rate of interest charged, rejection of loan proposal, modifications in sanction terms and conditions, enhancement in credit limit, waiver / waive-off of loans, etc., which are primarily in the nature of commercial decisions.

6.4.6. Complaints which have been decided by or are already pending in other fora such as consumer fora, Courts, Debt Recovery Tribunals, etc.

**6.5. Reserve Bank of India Ombudsman (RBIO):**

6.5.1. It will be made known to the customer that if he / she had not received any reply within 30 days after lodging the complaint with the Bank or is not satisfied with the resolution provided by the Bank, then he / she may approach the RBIO for resolution, within one year after the complainant has received the reply from the Bank or, where no reply is received, within one year and 30 days from the date of the complaint. Any customer aggrieved by an act or omission of the Bank resulting in deficiency in service may file a complaint personally or through an authorised representative as defined under clause 3(1)(c) of the Reserve Bank Integrated Ombudsman Scheme, 2021. List of Ombudsman Offices with contact details will be notified in bank's website as well as in the branches in line with the Reserve Bank Integrated Ombudsman Scheme, 2021. Bank will appoint a Principal Nodal Officer (PNO) at its Head Office as per clause number 18(2) of the Reserve Bank Integrated Ombudsman Scheme, 2021. The Principal Nodal Officer shall be responsible for representing the Bank and furnishing information on behalf of the Bank in respect of complaints filed against the Bank. Details of the Principal Nodal Officer as well as the list of nodal officers to the various offices of the RBIO will also be published in bank's website.

6.5.2. The designated Nodal Officers shall assist the Principal Nodal Officer of the Bank in liaising with the offices of the RBIO.

6.5.3. The Nodal Officers, on behalf of the Principal Nodal Officer, will be responsible receiving the complaints referred from the Offices of the RBIOs, investigating and taking corrective actions for resolution of the complaints and submitting the reply to RBIOs well within the time lines allowed by RBIO. They will be prompt in submitting any information called for by the RBIO. The respective Nodal Officers shall register all such complaints in the complaint management application of the Bank and shall also maintain records for future reporting / reference.

6.5.4. The Nodal Officer shall attend, without fail, all proceedings before the RBIO (e.g. conciliation meetings) and shall be well prepared, with all the facts and figures,

to be able to give a clear and accurate account of the matter under discussion from the bank's point of view.

6.5.5. The Nodal Officers will act under the guidance of the Branch Operations & Customer Service Department at Head Office. BOCS Department will be promptly intimated of any complaints received from the offices of RBIO.

6.5.6. All departments / verticals in the bank (e.g. business, legal, etc.) will provide all necessary support to the Nodal Officers for timely and satisfactory resolution of all complaints referred from RBIO Offices.

6.5.7. The Nodal Officers, on behalf of the Principal Nodal Officer, will also be responsible for resolution of the complaints referred from Customer Education & Protection Department of RBI.

## **7. Complaints/suggestions box**

7.1. Each branch should have a Complaints/suggestions box installed, which should be cleared on a daily basis.

## **8. Complaint Book**

8.1. Complaint book with perforated copies should be available in the branches so as to instantly provide an acknowledgement to the customers. A copy of the complaint is required to be forwarded to the Cluster Office along with the remark of the Branch Manager.

## **9. Complaint Register**

9.1. All branches should maintain a separate complaints register in the prescribed format given for entering all the complaints/grievances received by them directly or through their Head Office/Govt. These registers should be maintained irrespective of the fact whether a complaint is received or not in the past. The complaints registers maintained by branches should be scrutinized by the concerned Cluster Head during his periodical visit to the branches and his observations/comments recorded in the relative visit reports.

## **10. Display of the Grievance Redressal Mechanism**

10.1. At each banking outlet a notice explaining the Grievance Redressal Mechanism of the bank shall be prominently displayed. A format of the display is annexed hereto. Further, information relating to grievance redressal mechanism will be posted on the website of the Bank.

## **11. Monitoring System**

11.1. As per directives of the Master Circular on Customer Service, the Bank will constitute three Committees for effective monitoring of customer service including grievance redressal:

- i. **Branch Level Customer Service Committee** – A monthly meeting will be held with customers at all branches.
- ii. **Standing Committee on Customer Service** – This Committee will comprise of senior bank officials along with customer representatives, and will meet quarterly to review compliance with regulatory guidelines regarding customer service in banks and major/frequent areas of complaints.
- iii. **Customer Service Committee of the Board** – This Committee will meet quarterly to review the effectiveness of customer service and grievance redressal mechanism of the Bank and to oversee working of the Standing Committee.

## 12. Reporting System

- 12.1. All complaints received have to be duly registered in the Complaints Management Application. It is the responsibility of the channel/branch/Nodal Officer that receives the complaint to ensure that the issue is resolved timely and due updation is made in complaint management application.
- 12.2. A consolidated report, providing insight into the volume and nature of complaints, received by the Bank as a whole and major/frequent areas of complaints warranting process review / procedural change, will be placed before the Bank's Customer Service Committee of the Board as an agenda item in each of the meetings conducted.
- 12.3. Experts/representatives of customers shall be invited to the meetings of the Customer Service Committee of the Board (CSCB). The selection of the customer's representative/expert would be done from a cross-section of customers from asset and liabilities.
- 12.4. A half-yearly memorandum containing a review of customer service aspects shall be submitted to the Board as per extant regulatory instructions.
- 12.5. Statement of complaints and unimplemented awards of the Reserve Bank of India Ombudsman will be disclosed by the Bank along with financial results.



## I. CUSTOMER EDUCATION POLICY

### 1. Introduction

- 1.1. With the penetration of banking services across length and breadth of the country, the customer's experience of banking is no longer fully under the control of the bank. With fraudsters, including cyber-criminals, constantly creating more diverse and complex fraudulent modus operandi using advanced technology and social engineering techniques to access their victims' accounts, spreading awareness among consumers becomes imperative. Continual education and timely information provided to customers shall help them to understand security requirements and take appropriate steps in reporting security problems.
- 1.2. To generate a standard understanding of the evolving fraud scenarios, the bank intends to run awareness programs targeting the larger customer base. The Bank shall also run awareness programs for various other stakeholders, including bank employees, who can then act as resource persons for addressing customer queries, law enforcement personnel for an effective response to customer complaints and media for dissemination of accurate and timely information. Any interface with the media shall be directly handled at the Head Office.

### 2. Scope

- 2.1. The scope of this Customer Education Policy shall cover the following aspects:
- 2.2. Framework to evaluate the effectiveness of an awareness program
- 2.3. Customer communication framework
- 2.4. Planning, organizing and implementing a fraud awareness raising initiative
- 2.5. Addressing potential risks associated with awareness initiatives
- 2.6. Development of a safe and secure culture by encouraging users to act responsibly and operate more securely

### 3. Roles/Responsibilities and organizational structure

- 3.1. The Bank shall identify and involve key stakeholders in decision-making, planning, implementation and evaluation in order to get desired support for the awareness program.

### 4. Board of Directors/Senior Management



4.1. The Board of Directors/Senior Management shall be committed towards the process of consumer education initiatives by providing adequate resources, evaluating the effectiveness of the process and fine-tuning and improving customer education measures on an ongoing basis.

## 5. Customer education strategy

### 5.1. Defining 'Awareness'

5.1.1. The Bank shall consider security awareness as the basic component of its education strategy towards bringing about the desired change in the attitude, behavior and practice of its target audience (e.g. customers, general public, employees etc.).

5.1.2. Awareness activities shall be done on an ongoing basis, using a variety of delivery methods which shall focus on security aspects.

## 6. Objectives of the awareness program

6.1. The Bank shall set up awareness programs to:

6.2. Provide a focal point and a driving force for a range of awareness, training and educational activities

6.3. Provide general and specific information about fraud risk trends, types or controls to people who need to know

6.4. Help consumers identify areas vulnerable to fraud attempts and make them aware of their responsibilities in relation to fraud prevention

6.5. Motivate individuals to adopt recommended guidelines or practices

6.6. Create a stronger culture of security with better understanding and commitment

6.7. Help minimize the number and extent of incidents, thus reducing costs directly (fraud losses) and indirectly (for example, reduced need to investigate)

## 7. Stakeholder support

7.1. The Bank shall build consensus amongst decision makers and stakeholders for financial and administrative support for the awareness program. In this respect, the Bank shall identify both fixed and variable costs which shall include personnel, operation costs, awareness material, advertisements and promotions and maintenance of its website

**J. POLICY ON FREQUENT DISHONOUR OF INWARD CLEARING CHEQUES & NACH/ECS FOR FINANCIAL REASONS**

**1. Introduction:**

- 1.1 RBI has advised on Dishonour of Cheques – Procedure thereof in Para number 15 of its Master Circular on Customer Service in Banks, vide Circular DBR NO.Leg.BC.21/09.07.006/2015-16 dated July 01, 2015, placed as **Annexure I**.
- 1.2 Further, RBI, vide its circular DBR.No.BC.3/09.07.005/2016-17 on “Dishonour of Cheques – Modification in procedure” dated August 04, 2016, placed as **Annexure II**, had reviewed the above instructions and left it to the discretion of the banks to determine their response to dishonour of cheques of the account holders and has also advised the Banks to put in place an appropriate and transparent policy, approved by the Board or its Committee, taking into consideration the need to prevent misuse of the cheque drawing facility and avoid penalising customers for unintended dishonour of cheques.
- 1.3 In light of the above instructions the policy on frequent dishonour of inward cheques & NACH/ECS due to financial reasons and actions to be undertaken thereon has been formulated by the Bank, which shall be duly approved by the Board of the Bank.
- 1.4 The Policy will be hosted on the Bank’s website ([www.bandhanbank.com](http://www.bandhanbank.com)) and shall be referred to in the terms and conditions of the account opening form. SMS would be sent to customers advising them to refer to Policy on frequent dishonour of inward cheques & NACH/ECS for financial reasons hosted on our website.
- 1.5 Bank’s branches will give wide publicity to this Policy by prominently displaying salient features thereof in bold and visible letters on their notice boards.

**2. Dealing with frequent Dishonour/Return of Inward Clearing Cheques & NACH/ECS:**

- 2.1 A paying branch will return dishonored inward cheques presented through clearing houses strictly as per the return discipline prescribed for the respective clearing house in terms of Uniform Regulations and Rules for Banker’s Clearing Houses.
- 2.2 Inward cheques dishonored for want of funds in respect of all accounts will be returned along with a memo indicating therein the reason for dishonor as “Insufficient Funds”.

- 2.3 The Bank will not levy any penal charges for return of cheques for non-financial (technical) reasons. However, charges are levied in case of cheque returns for financial reasons as per the bank's standard Schedule of Charges.
- 2.4 These penalties are not only charges for handling the instrument but also act as deterrent for recurrence of such behaviour on part of the customer.
- 2.5 Corrective/punitive actions will be taken by the bank against the drawer including closure of accounts, in case inward cheques & NACH/ECS are returned as per frequency enumerated below. This measure would bring desired discipline in the conduct of liability accounts.
- 2.5.1 **Rs. 1 crore and above in Savings & Current account**
- 2.5.1 a) In the event of dishonour of an inward cheque valuing rupees one crore and above drawn on a particular account of the drawer on four occasions during the financial year for want of sufficient funds in the account, no fresh cheque book would be issued to that account. The bank may consider closing the account at its discretion.
- 2.5.1 b) If a cheque is dishonoured for a third time on a particular account of the drawer during the financial year, the bank will issue a cautionary advice to the concerned constituent drawing his attention to aforesaid condition and consequential stoppage of cheque facility in the event of cheque being dishonoured on fourth occasion on the same account during the financial year. Similar cautionary advice will be issued if the bank intends to close the account.
- 2.5.2 **Below Rs. 1 crore**
- 2.5.2 a) When inward cheques & NACH/ECS, dishonored due to financial reasons, reach the below mentioned threshold limit during a financial quarter, branches after conducting enquiries on the customer's transactions, should issue a cautionary advice to the concerned account holder drawing his/her attention to aforesaid irregularity and consequential stoppage of cheque facility and even closure of account. After issuing of letter if the customer is not forthcoming for closing the account voluntarily, the branch shall close the account after expiry of the notice period and the proceeds should be handed over to the customer.

Sl No	Type of Account	Number of Inward Cheques & NACH/ECS returned due to lack of funds/insufficient funds during a financial quarter
1	Savings	5
2	Current	5

\* Cheque return cases above 1 crore in the quarter shall also be considered

2.5.2 b) The bank may consider closing Savings Bank account/Current account in all eligible cases. Such account closed should be checked by auditor and should form part of audit check list.

2.6 Accounts such as cash credit account, overdraft account with frequent dishonour/return of inward cheque & NACH/ECS may be treated as stressed accounts and dealt with accordingly.

2.7 For all cases of cheque return of higher values (10 lacs & above), for financial reasons, the respective Branch Head/Cluster Head will personally conduct an enhanced due diligence (EDD) in the account & necessary action will be taken, in consultation with the respective Regional Head, based on the outcome of the site visit/profile checks.

### 3. Exceptions to Cheque Returns in the accounts:

3.1 Any exemption for allowing the accounts to operate despite return of inward cheques & NACH/ECS beyond the threshold limits shall be approved by the Zonal Head after analyzing the reasons and relationship of the customer with the bank for which record should be maintained for verification in future. Monthly control return should be submitted to Head-Branch Banking for such exempted cases with rationale.

### 4. Enablers & MIS:

4.1 Monthly report of inward cheques & NACH/ECS returned for financial reasons shall be provided/made available to Branch officials.

### Review of policy

The policy shall be reviewed annually. If any modifications are mandated because of changes in the regulatory directions or if any change /modification is felt necessary in between, the same will be incorporated after seeking approval of the MD & CEO.

**Annexure I**

**GLOSSARY**

<b>Term</b>	<b>Description</b>
ATM	Automated Teller Machine
BU	Banking Units
ECS	Electronic Clearing Service
FCNR	Foreign Currency Non-Resident Account
FD	Fixed Deposit
NRE	Non Resident External Account
NRO	Non Resident Ordinary Account
PNO	Principal Nodal Officer
RFC	Resident Foreign Currency

**ANNEXURE II**
**RBI Circulars Referenced for this Policy**

Sr. No.	Circular Reference Number	Description
1	Draft Charter of Customer Rights dated August 22, 2014	This draft covers right to fair treatment, transparency, suitability, privacy, grievance redressal and compensation.
2	Master Circular No. RBI/2014-15/57 dated July 1, 2014	Master Circular on Para-banking activities
3	Master Circular No. DBR No. Leg.Bc.21/09.07.006/2015-16 Dated July 01 2015	Master Circular On Customer Services In Banks
4	RBI/DBR/2015-16/18 Master Direction DBR.AML.BC.No.81/14.01.001/2015-16 (Updated as on May 29, 2019)	Master Direction - Know Your Customer (KYC) Direction, 2016
5	RBI Circular CEPD.CO.PRD.Cir.No.01/13.01.013/2020-21 dated January 27, 2021	Strengthening of Grievance Redress Mechanism in Banks
6	Reserve Bank - Integrated Ombudsman Scheme, 2021 - CEPD. PRD. No.S873/13.01.001/2021-22 dated 12.11.2021	The RBI Integrated Ombudsman Scheme, 2021, formulated by the RBI adopts 'One Nation One Ombudsman' approach for grievance redressal and customer protection. The Scheme defines 'deficiency in service' as the ground for filing a complaint, with a specified list of exclusions and enables resolution of complaints of bank customers relating to certain services.



7	RBI/2022-23/92 DoR.AUT.REC.No.27/24.01.041/2 022-23 dated April 21, 2022	Master Direction - Credit Card and Debit Card - Issuance and Conduct Directions, 2022
8	Banking Codes and Standards Board of India: Code of Bank's Commitment to Customers	This code sets minimum standards of banking practices member banks have to follow while they deal with individual customers.

## ANNEXURE III

### Citizen's Charter

#### PREFACE

The ability of the banking industry to achieve the socio-economic objectives and in the process bring more and more customers into its fold will ultimately depend on the satisfaction of the customers. We have a strong belief that a satisfied customer is the foremost factor in developing our business.

In order to become more customer friendly, Bandhan Bank has decided to prepare a charter of its services to its customers. This document shall be known as 'Citizen's Charter' This document has been made in consultation with the key stakeholders and highlights Bandhan Bank's commitments towards the customer satisfaction, thus ensuring accountability and responsibility amongst its officials and staff. This charter for customers not only explains our commitment and responsibilities along with the redressal methods but also specifies the obligation on the part of customers for healthy practices in customer-banker relationships.

This is not a legal document creating rights and obligations. The charter has been prepared to promote fair banking practices and to give information with respect to various activities of the bank which will result into superior customer service.

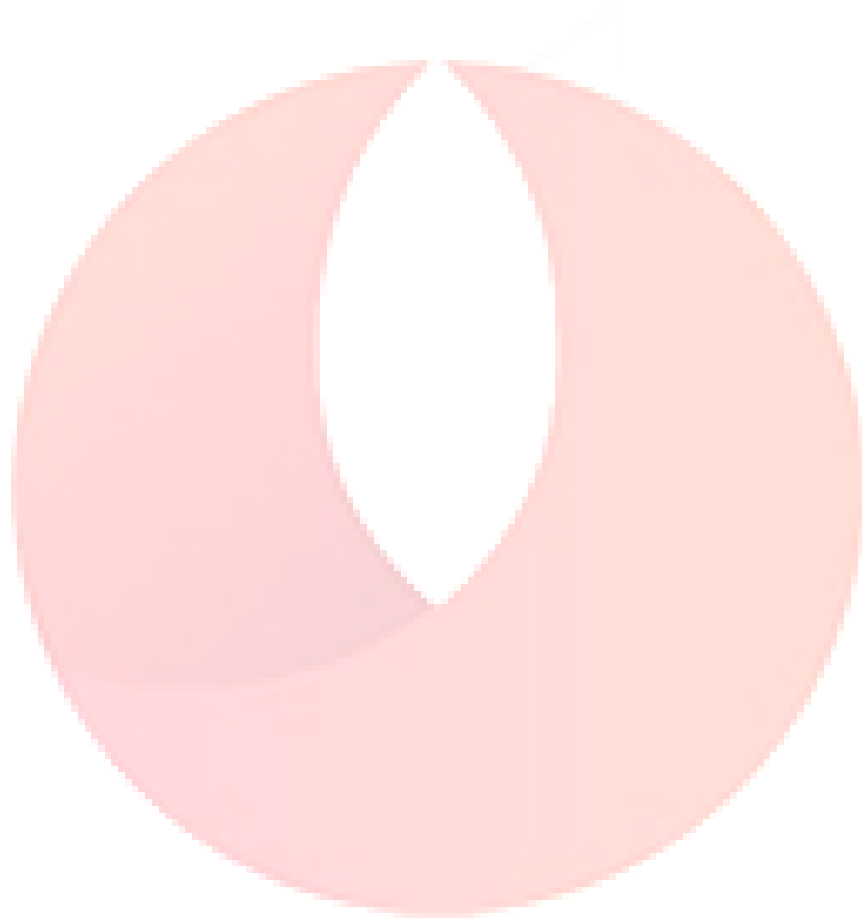
We wish to acknowledge the initiative taken by the Ministry of Finance, Government of India and Ministry of Administrative Reforms and Public Grievances for encouraging us to bring out this charter.

We shall maintain constant consultations with our clientele through various Seminars, Customer Meets, etc., to evaluate, improve and widen the range of service to customer. However, all our customers are requested to keep us informed of their experiences about the various services rendered by the Bank and feel free to comment on this charter. We intend to bring it out in respective Regional Languages in subsequent years.



In this Charter, 'you' denotes the customer and 'we' / 'us', denotes Bandhan Bank (referred to as 'the Bank'), which the customer deals with.

CEO & Managing Director  
Bandhan Bank



## 1. OBJECTIVES OF THE CHARTER

1.1. The Charter has been developed to:

1.1.1. promote good and fair banking practices by setting minimum standards in our dealings with you;

1.1.2. increase transparency so that you can have a better understanding of what you can reasonably expect from us;

1.1.3. encourage market forces, through competition, to achieve higher operating standards;

1.1.4. promote a fair and cordial relationship between you and your bank;

1.1.5. foster trust and confidence in the Bandhan Bank

## 2. APPLICATION OF THE CHARTER

2.1. This Charter applies to all the products and services offered by the Bank, whether they are provided by our branches, Banking Units (BUs) or authorized representatives acting on our behalf, whether across the counter, over the phone, by post, through interactive electronic devices, on the internet or by any other method. However, all products discussed here may or may not be offered by us at all our branches or the banking units, either directly or through authorized representatives.

## 3. OUR KEY COMMITMENTS TO YOU

3.1. To act fairly and reasonably in all our dealings with you by:

3.1.1. Providing minimum banking facilities such as receipt and payment of cash/cheques at the Bank's counters and opening basic savings bank deposit accounts opened for the purpose of financial inclusion.

3.1.2. Meeting the commitments and standards laid out in the Charter for the products and services offered by the Bank.

3.1.3. Ensuring that products and services adhere to relevant laws and regulations in letter and in spirit.

3.1.4. Ensuring that dealings with the customers rest on ethical principles of integrity and transparency.

3.1.5. Operating a secure and reliable banking service and payment system.

3.1.6. Dealing quickly and empathetically with customer grievances arising due to errors, delays in handling of customer related issues or on account of problems arising due to technological failure.

3.1.7. Ensuring that customers are treated fairly at all times.

3.1.8. Ensuring that customers are informed of avenues to escalate their complaints/grievances within the Bank and their rights to alternative remedy, if they are not fully satisfied with the response of the Bank to their complaints / grievances.

3.2. To help you to understand how our financial products and services work by:

3.2.1. Giving you information about them in any one or more of the following languages - Hindi, English or the appropriate local language.

3.2.2. Ensuring that our advertising and promotional literature is clear and not misleading.

3.2.3. Ensuring that you are given clear information about our products and services, the terms and conditions and the interest rates/ service charges, which apply to them.

3.2.4. Giving you information on the facilities provided to you and how you can avail of these and whom and how you may contact for addressing your queries.

3.3. To deal quickly and sympathetically with things that go wrong by:

3.3.1. Correcting mistakes promptly and ensuring that mistakes of such nature do not occur again.

3.3.2. Resolving your complaints promptly.

3.3.3. Telling you how to take your complaint forward if you are still not satisfied with resolution provided.

3.3.4. Providing suitable alternative avenues to alleviate problems arising out of technological failures.

3.4. To help you use your account or service by:

3.4.1. Providing you regular appropriate updates.

3.4.2. Keeping you informed about changes in the interest rates, charges or terms and conditions.

3.4.3. Displaying in our branches and banking units, for your information

3.4.3.1. Services we provide.

3.4.3.2. Minimum balance requirement, if any, for Savings Bank Accounts and Current Accounts and the charges for non-maintenance thereof.

3.4.3.3. Name of the official at the branch / BANKING UNIT whom you may approach if you have a grievance, as applicable.

3.4.3.4. Name and address of the Cluster Manager and the Zonal Manager, whom you can approach if your grievance is not redressed at the branch / BANKING UNIT, as applicable.

3.4.3.5. Name of the Reserve Bank Integrated Ombudsman under whose jurisdiction the branch/BU/Housing Finance Center falls along with the address and phone number of the Centralised Receipt and Processing Centre and the URL for lodgement of complaints

3.4.3.6. Information available in booklet form.

3.4.4. Displaying on our website our policies on

3.4.4.1. Deposits

3.4.4.2. Cheque collection

3.4.4.3. Grievance Redressal

3.4.4.4. Compensation

3.4.4.5. Collection of Dues and Security Repossession

3.4.4.6. Charges & Fees applicable for various products and services offered by the Bank

3.5. To treat all your personal information as private and confidential

3.5.1. We shall treat all your personal information as private and confidential

3.5.2. We shall not reveal information or data relating to your accounts, whether provided by you or otherwise, to anyone, including other companies /entities in our group, other than in the following exceptional cases:

3.5.2.1. If we have to give the information by law or if required by the banking regulator.

3.5.2.2. If there is a duty towards the public to reveal the information.

3.5.2.3. If our interests require us to give the information (for example, to prevent fraud) but we shall not use this as a reason for giving information about you or your accounts (including your name and address) to anyone else, including other companies in our group, for marketing purposes.

3.5.2.4. If you authorize us to reveal the information.

3.5.2.5. If we are asked to give a banker's reference about you, we will need your written permission before we give it.

3.5.3. We will not use your personal information for marketing purposes by anyone including ourselves unless you specifically authorize us to do so.

3.6. To adopt and practice a non - discrimination policy

3.6.1. We will not discriminate you on the basis of age, race, gender, marital status, religion, disability, social, educational or financial status.

#### Regulatory / Statutory Compliance

3.7. In order to comply with regulatory/ statutory requirements, while opening an account, we shall adhere to the Know Your Customer (KYC) Norms and Anti Money Laundering (AML) as laid down in regulatory guidelines. We shall satisfy ourselves about the identity of the person seeking to open an account and verify the address of that person/s, thereby protecting prospective customer/s, members of the public, the Bank and other stakeholders against fraud and other misuse of the banking system. We will also satisfy ourselves about the sources of income of the existing/ prospective customer. In order to meet the above, the Bank shall ask customers to provide documents and information as may be required. Customers must also provide to the Bank such documents and information as required for updating and verifying customer information periodically as required.

#### 4. COLLECTION OF DUES

4.1. As a matter of general principle, we will not solicit to you for taking loan from us. Whenever we accede to your request to give loans, we shall explain to you the repayment schedule, viz. amount, tenure and periodicity of repayment. However, if you do not adhere to repayment schedule, a defined process in accordance with the laws of the land as well as the rules framed by the Bank will be followed for recovery of dues.

4.2. We shall have a Board approved policy for Collection of Dues and Security Repossession as also appointment of Recovery Agents.

4.3. All relevant laws, regulations, guidelines and conditions of approval, licensing or registration will be taken into account when appointing Recovery Agents. We shall ensure that our Recovery Agents are properly trained to handle their responsibilities with care and sensitivity. We shall also ensure that they do not exceed their brief.

4.4. Our collection policy is built on courtesy, fair treatment and persuasion. We believe in fostering customer confidence and long term relationship.

4.5. We shall provide you with all the information regarding your dues and shall endeavour to give sufficient notice for payment of dues.



4.6. We shall have a system of checks before passing on a default case to recovery agencies so that you are not harassed on account of lapses on our part.

4.7. We shall write to you when we initiate recovery proceedings against you and shall inform you of the name of the recovery agency/ agent, to whom your case has been assigned as also their address and telephone numbers.

4.8. We shall provide details of the recovery agency firms / companies engaged by us on our website.

4.9. We shall also make available, on request, details of the recovery agency firms / companies relevant to you at our branches.

4.10. Our staff or any person authorized to represent us in collection of dues or/and security repossession shall identify himself/herself and produce the authority letter issued by us and upon request show you his/ her identity card issued by the bank or under authority of the bank.

## 5. SPECIAL CUSTOMERS

The Bank commits to the following while dealing with special customers

### 5.1. Pensioners and Other Senior Citizens:

5.1.1. There shall be, to the extent possible, prioritized service to senior citizens persons at all branches and banking units

5.1.2. The Bank shall issue a pension slip to pensioners containing details of the pension credited to their account.

5.1.3 The Bank shall endeavour to arrange to disburse the pension at the doorstep, in special circumstances.

5.1.4. The Bank shall accept the Life Certificate that is required to be submitted by pensioners at any branch of our bank.

5.1.5. The Bank shall endeavour to provide 'Doorstep' banking (pick up of cash/ instruments for credit to the account or delivery of cash / demand drafts against issue of cheque/requisition in writing) in special circumstances like ill health, inability to come to the Bank, etc.

### 5.2. Self Help Groups(SHG):

5.2.1. Bank shall consider granting loans to SHGs and its members, on a case to case basis, based on the merits, viability of the business proposition and other lending norms as prescribed for SHGs in the Bank's credit policy.

### 5.3. Customers in Rural and Semi-Urban areas:

5.3.1. Bank shall ensure proper currency exchange facilities and also the quality of notes disbursed to customers, especially in rural areas.

5.3.2. It shall be ensured that Branches and Banking Units remain open for public transactions during the prescribed business hours on all working days.

5.4. Providing banking facilities to the visually challenged/ differently abled

5.4.1. We shall make our best efforts to make it easy and convenient for our special customers like differently abled and illiterate persons to bank with us. This will include making convenient policies, products and services for such applicants and customers.

5.4.2. We shall endeavour to develop systems and procedures to improve access to banking services by you.

5.4.3. We shall endeavour to make physical access to our branches, banking units and ATMs convenient for you.

5.4.4. We shall sensitize our staff interacting with you to assist you in carrying out your banking transactions.

6. RESERVE BANK INTEGRATED OMBUDSMAN SCHEME, 2021

6.1. We shall display the Reserve Bank Integrated Ombudsman Scheme on our website. A copy will be made available on request at a nominal charge. We shall display at our branches / banking units / Housing Finance Centers the name of the Reserve Bank Integrated Ombudsman under whose jurisdiction the branch/BU/Housing Finance Center falls along with the address and phone number of the Centralised Receipt and Processing Centre and the URL for lodgment of complaints

7. CUSTOMERS' MEETINGS

7.1. We shall endeavour to organize meetings of customers at periodic intervals as a regular channel for exchange of ideas and suggestions.

8. PRODUCTS AND SERVICES

8.1. Deposit accounts

8.1.1. You may open different types of accounts with us such as, savings accounts, term deposits, current accounts etc. with us. You may open such accounts in the following styles:

8.1.1.1. Single

8.1.1.2. Joint

8.1.1.3. Joint (Either or Survivor)

8.1.1.4. Joint (Former or Survivor)

8.1.1.5. Joint (Latter or Survivor); or In any other style.

8.1.2. We shall make available 'Basic Savings Bank Deposit Account' (BSBD Account) to all customers, without the requirement of any minimum balance. We shall offer / provide

minimum common facilities, without any charges. The relevant details shall be made known to you in a transparent manner at the time of opening of the account.

8.1.3. The above accounts may be opened by you with nomination facility, wherever permissible. We shall include, in the account opening form, the option for nomination as also the option for indicating the name of the nominee in passbooks/ account statements / fixed deposit advices. We shall explain the implications of the foregoing accounts as also the nomination facilities at the time of opening of the account.

8.1.4. We shall acknowledge the receipt of your nomination details and record the fact of nomination on the passbook/account statement/ fixed deposit advices. At your request, we shall also indicate the name of the nominee thereon.

8.1.5. We shall also inform you about other deposit facility accounts and similar types of products offered by us and their implications and procedures involved, at the time of opening of account.

## 8.2. Savings/Current accounts

8.2.1. When you open a Deposit Account, we shall:

8.2.1.1. Inform you about number of transactions, cash withdrawals, etc. that can be done free of charge in a given period.

8.2.1.2. Inform you about the kind of charges, if any, in case of exceeding such limits. Details of the charges will be included in the Tariff Schedule.

8.2.1.3. Inform you of the rate at which interest is paid on your savings deposits, how it is calculated and the periodicity of its payment.

## 8.3. Term deposits

8.3.1. When you place a term deposit with us, we shall obtain instructions from you in the account opening form for the disposal of your deposit at maturity.

8.3.2. Where there are no instructions for disposal of the deposit at maturity, we shall inform you well in advance through letter / E-mail / SMS about its impending date of maturity.

8.3.3. In case we still do not receive any instruction from you, we shall renew the deposit, excluding deposits like tax savings deposits etc., for the same period of time as the matured deposit at the prevailing rate of interest.

## 8.4. Safe deposit lockers

8.4.1. We shall give you the complete details of the rules and the procedures applicable for allotment of the safe deposit lockers and also safe deposit of valuables, in case we offer the service at your branch. We shall allot lockers without linking it to placement of fixed deposits. However, to ensure prompt payment of locker rent, we may at the time of allotment, obtain a fixed deposit which shall cover 3 years' rent and the charges for breaking open the locker in case of an eventuality.

## 8.5. Remittances

8.5.1. If you want to remit money, we shall inform you how to make the remittance and shall:

8.5.1.1. Give a description of our services and how to use them.

8.5.1.2. Suggest to you the best way to remit the money to suit your needs.

8.5.1.3. Disclose the details of all charges including commission that you will have to pay for the service as per the Tariff Schedule.

8.5.1.4. Send you an SMS / e-mail informing you of the fate / status of the remittance made by you through mobile banking / NEFT / RTGS.

8.5.1.5. Make available on our website updated contact details of our Customer Facilitation Centres to handle your queries / complaints regarding NEFT / RTGS transactions.

8.5.1.6. In case of any delay we shall compensate you for the delay and any loss/additional expense incurred by you, as per relevant policy.

8.5.1.7. We shall extend remittance facilities within prescribed limits to walk-in customers also.

## 8.6. Loans

8.6.1. We shall have a Board approved policy on Loans and Advances.

8.6.2. We shall base our lending decisions on a careful and prudent assessment of your financial position and capacity to repay. We shall not discriminate on grounds of sex, caste and religion in the matter of lending. However, this does not preclude us from instituting or participating in schemes framed for specified sections of the society.

## 8.7. Electronic Banking

8.7.1. We shall conform to internationally accepted standards for methods of generation, storage and terminal security relating to PINs and Passwords to ensure their confidentiality and security for your protection. We will deliver your PIN to you at our branch or banking unit after due identification or deliver it at the address we have on record. You may, also at your convenience, generate PIN.

8.7.2. In order to safeguard your account, simple PINs or Passwords such as those listed below should be avoided.

8.7.2.1. birth dates, months or years;

8.7.2.2. sequential numbers (e.g. 3456);

8.7.2.3. number combinations that may be easily guessed (e.g. 1111);

8.7.2.4. parts of your telephone number;

8.7.2.5. parts of numbers in the order in which they are printed on any of your cards

8.7.2.6. other easily accessible personal data (e.g. driving license, or other numbers easily connected with you); and

8.7.2.7. names of family members, pets or streets

8.7.2.8. Never store your password / PIN in mobile phone

#### 8.8. Internet Banking

8.8.1. We shall take all necessary steps to put in place security systems to enable safe access to and transacting through internet banking.

8.8.2. We shall take appropriate measures to ensure that our Internet Banking system and technology are secure and are regularly reviewed and updated for this purpose.

8.8.3. We shall undertake various initiatives to educate you on online security by way of periodic e-mails, through our websites and at various customer touch-points like ATMs, etc.

8.8.4. We shall never ask you in person or in writing (including by e-mail) to confirm your Internet Banking security information or to disclose your Password.

#### 8.9. Mobile Banking

8.9.1. We shall take appropriate measures to ensure that our mobile applications are secure and regularly reviewed and updated for this purpose.

8.9.2. Apart from your obligations when using Internet Banking, when using a mobile application or any other form of social media to access banking services you shall need to take additional care to protect your device, by:

8.9.2.1. not leaving your device unattended and logged into a mobile banking service;

8.9.2.2. locking your device or taking other steps to stop unauthorized use of your mobile banking service; and

8.9.2.3. Notifying us as soon as practicable if your device is lost or stolen.

8.9.3. If you opt for mobile banking services we shall, prior to your registration for the service, inform you of:

8.9.3.1. the security procedure adopted by us for user authentication;

8.9.3.2. the applicability or otherwise of stop payment instructions and the terms and conditions for the acceptance, if any, for the same.

#### 8.10. ATM / Debit Cards

8.10.1. We shall offer you an ATM / Debit Card if it is normally issued with the type of account you have opted for. You may decline to accept the card if you do not want it.

8.10.2. Where cards are delivered to you personally, we must be satisfied about your identity before allowing cards to be delivered.

8.10.3. We shall send a service guide/member booklet giving detailed terms and conditions, losses on your account that you may be liable if your card is lost / misused and other relevant information with respect to usage of your card along with your first card.



8.10.4. We shall inform you which of your accounts your card can access. We will also inform you whether the card issued to you has more than one function and if so, what those functions are.

8.11. Secure and reliable banking and payment systems

8.11.1. We will make best efforts to ensure that you enjoy secure and reliable banking and payment systems and which you can trust.

8.11.2. We will install CCTV, wherever feasible, for close surveillance as part of security arrangements

8.12. Articles in Safe Custody

8.12.1. Articles like shares, securities, etc. can be kept in safe custody with the Bank at prescribed charges wherever such facility is offered.

8.12.2. The articles may be kept in sealed packages / boxes. Boxes must be locked by the customer(s) and particulars must be written / painted thereon. The lock should be covered by sturdy cloth and sealed with the customer's seal. Relationship of banker and customer shall be that of bailer and bailee.

9. CUSTOMER EDUCATION

9.1. The Banking Code and Standards Board of India (BCSBI) Codes shall be displayed on our website. The code provides details of sets minimum standards of banking practices that Bandhan Bank shall follow while they deal with individual customers. It provides protection to customers and explains how banks are expected to deal with customers in their day-to-day operations.

9.2. Special efforts shall be made to educate the customers in the use of technology in banking. To promote this, regular communications shall be sent using various channels available to the bank like emailers, SMS, website & other online portals, social media, offline media like newspapers, outdoors, etc. Media shall also be used on a case to case basis depending on the nature of the communication.

9.3. The Bank will ensure full transparency to the customer in levying of various fees/ service charges and penalties.

9.4. Bank has established a proper Customer Grievance Mechanism which works in an integrated manner across channels such as branches, banking units, phone banking centers, emails, letters, the Bank's website and social networking sites to capture and track customer issues and complaints

9.5. The Grievance redressal policy lays down the detailed guidelines and time frame for grievance redressal services.

9.6 It shall be made known to the Complainant that if He / She is not satisfied by the resolution provided by the Bank, then He / She may approach the Reserve Bank of India Ombudsman for resolution.



## **ANNEXURE IV - CODE OF BANK'S COMMITMENT TO CUSTOMERS**

The detailed document is hosted in our Web Site and in our branches.

## **ANNEXURE V - CHARTER OF CUSTOMER RIGHTS:**

All customers of the bank have the below rights and the said rights are followed in letter and spirit in all the products and processes of the Bank.

- 1. Right to Fair Treatment:** Both the customer and the financial services provider have a right to be treated with courtesy. The customer should not be unfairly discriminated against on grounds such as gender, age, religion, caste and physical ability when offering and delivering financial products.
- 2. Right to Transparency, Fair and Honest Dealing:** The financial services provider should make every effort to ensure that the contracts or agreements it frames are transparent, easily understood by and well communicated to, the common person. The product's price, the associated risks, the terms and conditions that govern use over the product's life cycle and the responsibilities of the customer and financial service provider, should be clearly disclosed. The customer should not be subject to unfair business or marketing practices, coercive contractual terms or misleading representations. Over the course of their relationship, the financial services provider cannot threaten the customer with physical harm, exert undue influence, or engage in blatant harassment.
- 3. Right to Suitability:** The products offered should be appropriate to the needs of the customer and based on an assessment of the customer's financial circumstances and understanding.
- 4. Right to Privacy:** Customers' personal information should be kept confidential unless they have offered specific consent to the financial services provider or such information is required to be provided under the law or it is provided for a mandated business purpose (for example, to credit information companies). The customer should be informed upfront about likely mandated business purposes. Customers have the right to protection from all kinds of communications, electronic or otherwise, which infringe upon their privacy.
- 5. Right to Grievance Redressal and Compensation:** The customer has a right to hold the financial services provider accountable for the products offered and to have a clear and easy way to redress the grievances. The provider should also facilitate the redress of grievances stemming from its sale of third party products. The financial services provider must

communicate its policy for compensating mistakes, lapses in conduct, as well as non-performance or delays in performance, whether caused by the provider or otherwise. The policy must lay out the rights and duties of the customer when such events occur.

