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मुख्यालय, 2, महात्मा गाँधी मार्ग, लखनऊ

प्रबन्धक/मुख्य प्रबन्धक/उपमहाप्रबन्धक
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समस्त शाखाएं,
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International Year
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विषय : उ०प्र० कोआपरेटिव बैंक में डिपोजिट पालिसी लागू करने के सम्बन्ध में।

बैंक के व्यवसायिक हित, भारतीय रिजर्व बैंक/नाबार्ड द्वारा समय-समय पर निर्गत दिशा-निर्देशों के दृष्टिगत तथा बैंक द्वारा निक्षेपों के सम्बन्ध में पूर्व में निर्गत परिपत्रों को समाहित कर बैंक हेतु डिपोजिट पालिसी तैयार की गयी है, जो बैंक की प्रबन्ध समिति की बैठक दिनांक 16.01.2025 को पारित प्रस्ताव संख्या-20 में लिये गये निर्णय के क्रम में निम्नानुसार लागू की जाती है :-

DEPOSIT POLICY

1. PREAMBLE:

One of the important functions of the Bank is to accept deposits from the public for the purpose of lending. In fact, depositors are the major stakeholders of the Banking System. The depositors and their interests are the key areas of the regulatory framework for Banking in India and this has been enshrined in the Banking Regulation Act, 1949. The Reserve Bank of India is empowered to issue directives / advices on interest rates on deposits and other aspects regarding conduct of deposit accounts from time to time. With liberalization in the financial system and deregulation of interest rates, Banks are now free to formulate deposit products within the broad guidelines issued by RBI.

2. Scope of the Policy

This policy document on deposits outlines the guiding principles in respect of formulation of various deposit products offered by the Bank and terms and conditions governing the conduct of the account. The document recognizes the rights of depositors and aims at dissemination of information with regard to various aspects of acceptance of deposits from the members of the public, conduct and operations of various deposits accounts, payment of interest on various deposit accounts, closure of deposit accounts, method of disposal of deposits of deceased depositors, etc., for the benefit of customers. It is expected that this document will impart greater transparency in dealing with the individual customers and create awareness among customers of their rights. The ultimate objective is that the customer will get services they are rightfully entitled to receive without demand.

This document is a broad framework under which the Rights of common Depositors are recognized. Bank reserves the right to amend/modify this policy as and when deemed fit and proper at its sole discretion. Detailed operational instructions on various Deposit Schemes and related services are issued from time to time.

3. Objective of the Policy

It is a well-known and accepted fact that customer will take services/products from those who they trust the most. It is expected that this document will impart greater transparency in dealing with the customers of different sections and society and create awareness among customers of their rights. This document is a broad framework under which the rights of common depositors are recognized. The ultimate objective is that the customer will get services they are rightfully

entitled to receive without demand and delay and creating confidence among them for Bank functional behavior.

4. **TYPES OF DEPOSIT ACCOUNTS:**

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

- i) **"Demand Deposits "** means a deposit received by the Bank which is withdrawable on demand by customer.
- ii) **"Savings Deposits"** means a form of interest bearing demand deposit which is subject to restrictions as to the number of withdrawals and the amounts of withdrawals permitted by the Bank during any specified period;
- iii) **"Term Deposit"** A deposit received by the Bank for a fixed period withdrawable only after the expiry of the fixed period and includes Deposits such as Recurring / Short Deposits / Fixed Deposits /Monthly Income /Quarterly Income or any other form of Fixed Deposits.
- iv) **"Deposit at Notice's"** means Term Deposit for specific period at least one complete Banking days' notice.
- v) **"Current Account Deposits"** A form of Demand Deposit , non interest bearing wherefrom withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount and also includes other Deposit accounts which are neither Savings Deposit nor Term Deposit.
- vi) **"Bulk Deposit"** A Rupee Term Deposits of Rs. 2 Crore and above (RBI/2018-19/128, DBR.DIR.BC.No.27/13.03.00/2018-19 dated.22.02.2019). In case multiple deposits are created on same day aggregating Rs.2.00 Crores and more, but the same mature on different dates, then it will not tantamount to splitting of Bulk Deposit. Also multiple deposits created on same day aggregating Rs.2.00 Crores and more with same maturity period but for different specific purposes will not tantamount to splitting of Bulk Deposit, provided the customer submits supportive documents for the same.

Modes of Deposits:

Deposits in account can be made by way of cash, cheques, electronic transfers (RTGS,IMPS,UPI), ECS or through any other means such as Internet/Mobile Banking.

Modes of Withdrawal:

Withdrawals in account can be by way of Cheques, Withdrawal forms, through the use of ATM's/Micro ATM, POS machines, by means of electronic transfer through Internet, by giving Standing Instructions to the Bank. Cash withdrawal should be in round rupees. Bank does not carry out any financial transactions requested by the Customers through e-mail even if the request is made by a letter scanned as an attachment.

5. **ACCOUNT OPENING AND OPERATIONS OF DEPOSIT ACCOUNTS**

5.1 Account Opening:

Customers can make a choice on what type of account best suits them, based on their requirements and applicable guidelines.

- a) The Bank before opening any Deposit account will carry out due diligence as required under "Know Your Customer" (KYC) , "Anti Money Laundering" guidelines issued by RBI Customer Acceptance Policy adopted by the Bank and or such other norms or procedure adopted by the Bank.

If the decision to open an account of a prospective depositor requires clearance at a higher level reasons for any delay in opening of the account will be informed to him and the final decision of the Bank will be conveyed at the earliest to him.

- b) The Bank is committed to provide basic Banking services to disadvantaged sections of the society (Financial Inclusion Initiative). Banking services will be offered to them through small accounts BSBD accounts.
- c) The account opening forms and other material provided to customer to open the account will contain details of information to be furnished and documents to be produced for verification / record. It is expected of the Bank official , to explain the procedural formalities and provide necessary

clarifications sought by the prospective depositor including information to prepare a profile for Risk categorization of the Customer into High /Medium /Low when he approaches for opening a Deposit Account. The Bank may not open account where the prospective customer is unable to furnish information and or in the event of non-cooperation by him.

- d) For CASA (Saving & Current A/C), the Bank would normally stipulate certain minimum balances to be maintained from time to time as part of Terms and Conditions governing operation of such accounts. In case of BSBD accounts relaxation in minimum balance norms as per regulatory guidelines will be provided. Failure to maintain minimum balance in the account may attract levy of charges or conversion of accounts to different product as specified by the Bank from time to time. For Saving Bank Account the Bank may also place restrictions on number of transactions, Cash Withdrawals, etc., for given period. Similarly, the Bank may specify charges for issue of cheque books; additional statement of accounts, duplicate pass book, folio charges, etc. All such details, regarding Terms and Conditions for operation of the accounts and schedule of charges for various services provided will be displayed on its website to the prospective depositor while opening the account. Any changes in the schedule of charges or the Terms and Conditions will be displayed by the Bank on its website.

Eligibility for Account Opening:

Savings Bank Accounts can be opened for Eligible Person / Persons and certain Organizations / Agencies (as per Reserve Bank of India from time to time).

As per Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016, Opening of a Savings deposit account in the name of entities other than individuals, Karta of HUF and organizations/agencies permitted by RBI should be taken care of.

Schedule -I (RBI)

- Primary Co-operative Credit Society which is being financed by the bank.
- Khadi and Village Industries Boards.
- Agriculture Produce Market Committees_
- Societies registered under the Societies Registration Act, 1860 or Any other corresponding law in a State.
- Companies licensed by the Central Government under Section 8 of Companies Act, 2013 or Section 25 of Companies Act, 1956 or under the corresponding provision in the Indian Companies Act, 1913 and permitted. not to add to their names the words 'Limited' or the words 'Private Limited'.
- Institutions other than those mentioned in section 26(h) and whose entire income is exempt from payment of Income-tax under the Income-Tax Act, 1961
- Government departments / bodies / agencies in respect of grants/ subsidies released for implementation of various programs / Schemes sponsored by Central Government / State Governments subject to production of an authorization from the respective Central / State Government departments to open savings bank account.
- Development of Women and Children in Rural Areas (DWCRA).
- Self-help Groups (SHGs), registered or unregistered, which are engaged in promoting savings habits among their members.
- Farmers' Clubs — Vikas Volunteer Vahini — VVV.

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

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

Due Diligence- The due diligence process, while opening a deposit account will involve satisfying about the photo identity of the person, verification of address, verification of signature, satisfying about his occupation and source of income by obtaining latest, officially valid documents (OVDs) for KYC purpose including: Passport, Driving License, Voter ID card, PAN card, Aadhar letter issued by UIDAI and Job card issued by NREGA signed by a State Government Official, If a person does not have any of the "officially valid

documents" mentioned above, but if it is categorized as "low risk" by the banks, then he/she can open a bank account by submitting any one of the following documents:

- (a) Identity card with applicant's photograph issued by Central/State Government Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial banks and Public Financial Institutions.
- (b) Letter issued by a gazette officer, with a duly attested photograph of the person.

If the officially valid document submitted for opening a Bank account has both, identity and address of the person, there is no need for submitting any other documentary proof.

In case of migrant workers, transferred employees, etc., such customers can submit proof of address (current and permanent) while opening of a bank account or while undergoing periodic updation. If the current address is different from the address mentioned on the proof of address submitted by the customer, a simple declaration by her/him about her/his current address would be sufficient.

Other Relaxations:

- KYC verification of all the members of Self Help Groups (SHG) is not required while opening the savings bank account of the SHG and KYC verification of only the officials of the SHGs would suffice. No separate KYC verification is needed at the time of credit linking the SHG.

In case of Current Accounts of Company / Partnership Firm! Unincorporated Association or a Body of Individuals/Trust Aadhaar number's and Permanent Account Number's or Form 60 as defined in the Income-tax Rules, 1962, issued to Directors/Officials/Employees holding an attorney to transact or where an Aadhaar number has not been assigned, proof of application towards enrolment for Aadhaar and in case Permanent Account Number (PAN) is not submitted an Officially Valid Document other than Aadhaar and PAN shall be submitted. If Authorized Signatory/ies are not eligible to be enrolled for Aadhaar number and do not submit the Permanent Account Number, certified copy of an officially valid document shall be submitted. Small Accounts kept out of purview of Aadhaar Authentication.

Persons belonging to low income group both in Urban and Rural areas who are not able to produce documents to satisfy the Bank about their identity and address and intend to open small accounts are allowed to open such Accounts subject to RBI guidelines issued from time to time and at present is as under:

- a) The aggregate of all credits in a financial year does not exceed Rs. 1,00,000/- lakh
- b) The aggregate of all withdrawals in a month does not exceed Rs. 10,000/-
- c) The balance at any point of time does not exceed Rs. 50,000/-
- d) A self-attested photograph of the account holder is produced and signature or thumb print's/impression of the account holders are affixed in the presence of designated officer.
- e) These small accounts are valid normally for a period of twelve months. Thereafter, such accounts are allowed to continue for a further period of twelve more months, if the account holder provides a document showing that she/he has applied for any of the officially valid document, within twelve months of opening the small account.
- f) No foreign remittance is credited to the account unless identity of the client is fully established by producing officially valid documents or any other evidence as to the identity and address of the customer to the satisfaction of the Bank.

5.2 Operations of Deposit Accounts:

- a. Deposit accounts can be opened by an individual in his own name (status: known as account in single name) or by more than one individual in their own names (status: known as Joint Account).
- b. **The Joint Account** opened by more than one individual can be operated by single individual or by more than one individual jointly (Jointly by all/ Either or Survivor/ Anyone or Survivor/ Later or Survivor / Former or Survivor). Operating instructions of this nature are obtained from the customer at the time of account opening or at a later date with due consent of all the account holders. The Savings Bank Account opened by minor jointly with natural guardian / legal guardian can be operated by natural guardian / legal guardian only or as per RBI circular.

5.3 Operational Instructions:

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

- a. **Either or Survivor:** If the account is held by two individuals, the final balance along with interest, if applicable, will be paid to either of the account holders on the date of maturity or to the survivor on death of anyone of the account holders.
- b. **Anyone or Survivors** In case account is held by more than two individuals, the final balance along with interest, if applicable, will be paid to anyone of the account holders on the date of maturity or to the survivors on death of any of the account holders.
- c. **Former or Survivor:** If the account is held by two individuals, the final balance along with interest if applicable will be paid to the former on the date of maturity and to survivor on death of the former. The clause "Former or Survivor" becomes effective only in case of death of the original depositor and the second named account holder does not have the right to revoke the instructions during the lifetime of the first named account holder.
- d. **Later or Survivor:** In the event of the account is held by two individuals, the final balance along with interest, if applicable, will be paid to later on maturity and to the survivor on death of the later.

Note - A joint account opened as "Either or Survivor" or "Anyone or Survivors" or "Former or Survivor" or "Later or Survivor" will permit 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.

The above mandates can be provided to the Bank at the time of opening the account or can be changed at any time later during the term of Deposit. Such Mandates can be modified by the consent of all the account holders.

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

In the normal circumstances premature closure of a joint deposit shall be permitted only if all the deposit holders sign a request to that effect.

5.4 Addition or deletion of the name/s of Joint Account Holders:

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

5.5 Nomination:

- a. Nomination facility is available on all deposit accounts opened by the individuals singly or jointly. This is not available in accounts in the name of an Institution or Society or in any representative capacity as the holder of an office or otherwise. e.g. M.D. of a Company, Secretary of an Association, Partner of a Firm, Karta of a HUF etc. However, the facility of nomination is available in respect of deposits held in the name of a sole Proprietary Concern also. **Nomination can be made as per BR Act 1949.** Nomination so made can be cancelled or changed by the account holder(s) any time.
- b. In case of depositors putting his/her thumb impressions on the prescribed Forms for making nomination, cancellation or change thereof, the form is required to be attested by two witnesses. Nomination can be made in favour of a minor also.
- c. Nomination facility is available for joint deposit accounts with operating instructions as 'E' or 'S' also. In the case of joint accounts, the nominee's right arises only after the death of all the depositors. Bank recommends that all depositors avail of the nomination facility for smooth settlement of claim by the legal heirs in unforeseen circumstances. The nominee, in the event of death of the depositor/s would receive the balance outstanding in the account as a trustee of legal heirs.
- d. Bank recommends that all depositors avail Nomination facility. If depositors do not want to give nomination, they will give in writing that they do not want nomination in the account. The depositor will be informed of the advantages of the nomination facility while opening a deposit account.
- e. An acknowledgment of Nomination details will be issued to the depositor/s on request.

5.6 Minor's Accounts:

The minor can open Savings Bank Account and the same can be operated by the natural guardian or by minor himself / herself, if he/she is above the age of 10 years provided the minor should be able to read and write and be capable in the opinion of Branch Manager of understanding what he /she does. However, no cheque books will be issued and no overdraft /loan will be granted to such Minor Accounts.

- a. The account can also be opened jointly with natural guardian / Legal guardian (appointed by the Court) or with mother as the guardian.
- b. On attaining majority, the erstwhile minor should confirm the balance in his/her account and if the account is operated by the natural guardian, fresh specimen signature and the photograph of erstwhile minor duly verified by the natural guardian would be obtained and kept on record for all operational purposes. Cheques issued by the guardian prior to the date of minor becomes major but presented after the minor becomes major would require confirmation from the minor.
- c. Time Deposits account may also be opened in name of minors.

5.7 Account of Illiterate/Blind Person/Transgender / other Specific Persons :

The Bank may at its discretion open deposit accounts other than Current Accounts of illiterate/blind person. The account of such person may be opened provided he/she calls on the Bank personally along with a witness who is known to both the depositor and the Bank. Normally, no cheque book facility is provided for such Savings Bank Account. At the time of withdrawal/ repayment of deposit amount and/or interest, the account holder should affix his / her thumb impression or mark in the presence of the authorized officer who should verify the identity of the person. The Bank will explain the need for proper care and safe keeping of the passbook etc. given to the account holder. The Bank official shall explain the Terms and Conditions governing the account to the illiterate / blind person.

Bank shall invariably be offering all Banking facilities such as ATM facility, Internet Banking, Lockers, Retail loans etc. to blind / visually challenged persons without any discrimination and all possible assistance shall be rendered to these persons for availing these facilities.

Joint account of an illiterate can be opened with a literate close relative i.e. father, son, husband, wife, mother and daughter but not with cousins.

Joint account of two or more **illiterates** can be opened on following terms and conditions. All the joint account holders should be close relatives i.e. spouse, children, parents, brothers and unmarried sisters — Not cousins. The operations in the account should be allowed jointly by **all** account holders, survivors or survivor. No cheque book facility should be provided in case of illiterate account and all the account holders should come personally to the branch for withdrawals.

In case of a person claiming to be **transgender** and needs to open account or to do any banking transaction, the person will be recognized as “Third Gender” and the details shall be accepted in the Account opening forms (AOFs)/ or other applicable forms as such. All transgender customers shall be treated equally to other male/ female.

Persons with autism, cerebral palsy, mental retardation & multiple disabilities - Savings bank and term deposits can also be opened in the name of persons with autism (a mental condition in which a person finds it difficult to communicate or form relationships with other people), cerebral palsy(a medical condition, usually caused by brain damage before or at birth, that causes the loss of control of the arms and legs), mental retardation and multiple disabilities by the legal guardian appointed by the District Court under Mental Health Act, 1987 or by the Local Level Committees set up under the National Trust for welfare of persons with autism, cerebral palsy, mental retardation and multiple disabilities under Disabilities Act, 1999. Legal guardian, so appointed, will furnish an indemnity-cumundertaking bond duly stamped as per the local law in force along with Guardianship Certificate.

5.8 Transfer of Account:

The deposit accounts may be transferred to any other branch of the Bank at the request of the depositor. The account number will continue to be same.

5.9 Account Statement:

A statement of account will be provided by the Bank to Savings Bank as well as Current Deposit Account Holders periodically as per Terms and Conditions of opening of the account. Alternatively, the Bank provides facility of Pass Book also.

5.10 Interest Payment:

Interest on Savings and Term Deposits is calculated on daily product basis at the rates specified by the Bank taking into account the overall guidelines issued by Reserve Bank of India from time to time.

Rate of interest will be prominently displayed in Branch Premises. The latest rate of interest will be communicated on Bank's website as and when there is a change.

5.11 Stop Payment Facility:

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

5.12 Dormant Accounts / inoperative Accounts

As per extant Reserve Bank of India (RBI) guidelines, an account would be treated as inoperative / dormant if there are no customer induced transactions in the account for over a period of two years. The status of account is changed to dormant in the system in the interest of the depositor as well as the Bank. If there is no operation in the account for one year the account is treated as potentially dormant account and the depositor will be informed to operate the said account to prevent such account from becoming dormant. Operation in dormant accounts would be resumed / restarted / allowed after obtaining the revised KYC document as per the extant guidelines of the Bank/RBI. However, it will be ensured that the customer is not inconvenienced in any manner as a result of extra care taken. The depositor will be informed of charges, if any, which the Bank will levy on dormant account.

5.13 Unclaimed Account/Deposit:

The Depositor Education and Awareness Fund Scheme, 2014 (DEAF)

An Account / Deposit would be treated as unclaimed if it is inoperative for 10 Years or more (within a period of three months from the expiry of the said period of ten years). A list of such accounts / deposits shall be displayed on the website of the Bank. The list so displayed on the website shall contain only the names of the account holder(s) and his / her / their address.

Such Unclaimed account would be transferred to a separate account status in the interest of the depositor and the Bank. No charges would be levied by the Bank for migrating an account from Dormant / unclaimed to Operative account.

RBI has established "Depositors Education and Awareness Fund (DEAF-2014)" under Section 26 of Banking Regulation Act 1949, where all the credit balance lying in the unclaimed accounts required to be transferred. The Bank is liable to pay the amount to the depositor/claimant and claim refund of such amount from the Fund.

The Fund shall be utilized for promotion of depositors' interest and for such other purposes which may be necessary for the promotion of depositors' interests as specified by RBI from time to time.

The depositor would, however, be entitled to claim from the Bank his/her deposit or any other unclaimed amount or operate his/her account after the expiry of ten years, even after such amount has been transferred to the Fund. The Bank would be liable to pay the amount to the depositor/claimant and claim refund of such amount from the Fund.

6. TERM DEPOSIT

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

6.1 Types of Term Deposit:

- a) **Fixed Deposit- Interest is periodically paid out:-** Deposits can be accepted for a period as prescribed by RBI from time to time. Interest shall be payable Quarterly / Monthly / Half yearly / Yearly.
- b) **Cumulative Term Deposit —Interest accumulated on quarterly compounding basis -** Deposits can be accepted for a period as prescribed by RBI from time to time. Interest is calculated on quarterly compounding basis. Interest on cumulative deposits is deemed as reinvested. No interest outflow is allowed under this scheme till the maturity of the Term Deposit.

- c) **Flexi Fixed Deposit (FFD)** — Selective schemes of Savings and Current Accounts have facility of Auto Sweep where balances above a certain threshold are swept out to Flexi Deposits in multiples of a sweep out amount (Threshold amount, Sweep out amount and deposit period are scheme specific). Wherever the balance in a savings/current account fall short below (stipulated balance requirement) to clear any debits in the operative account, the FFD can be broken in last In first Out (LIFO) principle (in multiples of sweep out amount specific to scheme) as per the set process of the Bank.
- d) **Tender Deposit, Guarantee money, Deposit of the amount of compensation etc. awarded by the Claims Tribunal etc. will be issued** in the name of the "Government Department - Account name of the Depositor" after obtaining application form, along with a letter from the depositor to the effect that the Deposit in question is taken as a security for due performance of his contract with the concerned government department and that the deposit might be held, renewed or released according to the instructions of the concerned department Deposit receipt are delivered with a covering letter stating the party's (applicant's) name on whose account it has been issued.
- Deposits can also be accepted in respect of the awards made by Motor Accident Claims Tribunal. The interest on such deposits should be paid directly to the claimant or his guardian as the case may be. No loan or advance will be granted without the express permission of the court / Tribunal which ordered the deposit.

6.2 Interest Payment:

- a. In terms of Reserve Bank of India directives, interest shall be calculated at quarterly compounding intervals on Term Deposits and paid at the rate decided by the Bank depending upon the period of deposits. In case of Monthly Deposit Scheme, the interest shall be calculated for the quarter on compounding basis and paid monthly at discounted value.
- The interest on Term deposits is calculated by the Bank in accordance with the formulae and conventions advised by Indian Banks' Association. Accordingly Bank has adopted following methodology:
- "In all cases of Domestic Term Deposits (period of deposit more than a year) where the terminal quarter is incomplete, interest will be calculated for complete quarter and the actual number of days, reckoning the year 365/366 days viz the calculation of interest on such deposits should be in order of completed quarters and days."**
- For Deposits of 2 Quarters and above, interest is calculated in quarterly compounded for complete quarters and where the terminal quarter incomplete, interest is calculated proportionately for the actual no of days reckoning the year 365/366 days.
 - The Maturity Amount mentioned in the receipt is calculated without giving TDS effect. While calculating interest for half year(Quarterly compounded), the interest calculated for previous half year (quarterly compounded) minus TDS will be added to principal amount for calculating interest for current Half Year.
 - For Short Deposits of less than 2 quarters but more than 1 quarter simple interest will be paid for complete quarter plus interest for remaining days reckoning the year 365-366 days (without compound effect).
 - For short deposits of less than one quarter interest is calculated proportionately for actual number for days reckoning the year 365-366 days.
- b. The rate of interest on deposits will be prominently displayed in the branch premises and also on the Bank's official website. Changes, if any, with regard to the deposit schemes and other related services shall also be communicated upfront by way of public notice and/or on Bank's website and shall be prominently displayed.
- c. Deduction of Income tax at source from payment of interest on time deposits (section 194A of Income Tax Act 1961) w.e.f. 1st July, 1995
- Income Tax is to be deducted in cases where the total interest paid or credited on all time deposits in the name of a depositor with Bank as a whole, whether singly or jointly (as first named person) exceeds the specified limit per financial year as under Income Tax Act 1961, Tax is to be deducted either at the time of credit to the account or payment of interest

to the depositor, whichever is earlier, subject to change in limits of interest eligible for tax limit from time to time.

In case the depositor submits following Form before end of April every year, no tax shall be deducted.

- Non-corporate customers other than Senior Citizens - Form No.15G along with PAN (w.e.f. 1st April 2010).
 - Senior Citizens Form No.15H along with PAN (w.e.f. 1st April 2010). I.T. Department has made it mandatory to quote Permanent Account No. (PAN) by deductees in all cases where TDS is applicable, failure of which would attract the TDS at a higher rate of 20% (against normal rate of 10%) or normal rate whichever is higher. Further it has also been made compulsory to mention PAN on form No.15G / 15H w.e.f. 1st April, 2010.
 - The Bank will issue a certificate (TDS Certificate) for the amount of tax deducted on quarterly basis.
- d. All interest payments will be rounded off to the nearest rupee.
- e. The Term Deposit account holders at the time of placing their deposits can give instructions with regard to closure of Deposit account or renewal of deposit for further period on the date of maturity. In absence of such mandate, the Bank will automatically renew the deposit as under.
- If Deposit is placed for more than one year it will be automatically renewed for one year at the prevailing rate on due date.
 - If Deposit is placed for less than one year it will be automatically renewed for same period at the prevailing rate on due date.
- In case, the customer wishes to make changes in the tenure or wants premature proceeds of the Term deposit, the same is allowed at the written request of the customer

6.3 Premature Withdrawal of Term Deposit:

The Bank on request from the depositor, at its discretion may allow withdrawal of Term deposit before completion of the period of the Deposit agreed upon at the time of placing the deposit. The Bank shall declare their penal interest rates, policy for premature withdrawal of Term Deposit from time to time through circulars. Management committee of bank can take decision of penal Intt.

6.4 Renewal of Term Deposit before Maturity:

In case the depositor desires to renew the deposit by seeking premature closure of an existing Term Deposit account, the Bank will permit the renewal at the applicable rate on the date of renewal, provided the deposit is renewed for a period longer than the balance period of the original deposit. While prematurely closing a deposit for the purpose of renewal, interest on the deposit for the period it has remained with the Bank will be paid at the rate applicable to the period for which the deposit remained with the Bank and not at the contracted rate without penalty.

6.5 Renewal of Overdue Term Deposit:

When a Term Deposit is renewed on maturity, applicable rate of interest rate will be rate for the period specified by the depositor as applicable on the date of maturity. On maturity system auto renews the Term deposits for one year / short deposit for same period in absence of the customers pre-instruction. If request for renewal is received after the date of maturity or after the auto renewal of the deposit, such deposits will be renewed with effect from the date of maturity at interest rate applicable as on the due date, provided such request is received within 14 days from the date of maturity.

In case of overdue deposit after maturity period of 14 days from the date of maturity, interest for the overdue period will be paid at the rates decided by the Bank from time to time.

6.6 Advances against Deposit:

The Bank may consider request of the depositor/s for loan / overdraft facility against Term Deposits duly discharged by the depositor's on execution of necessary security documents. The Bank may also consider loan against deposit standing in the name of minor jointly with guardian however, a suitable declaration stating that loan is for the benefit of the minor, is to be furnished by the depositor — applicant.

No Loan facility shall be allowed to HUF and Minor in sole name.

6.7 Settlement of Dues in Deceased Deposit Account:

If the depositor has registered nomination with the Bank, the balance outstanding in the account of the deceased depositor will be transferred to the account of nominee after the Bank satisfies about the identity of the nominee etc. Payment is made to nominee as representative of legal heirs.

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

In a Joint Deposit Account, when one of the joint account holders dies, the Bank is required to make payment jointly to the legal heirs of the deceased person and the surviving depositor(s). However, if the joint account holders had given mandate for disposal of the balance in the account in the forms such as 'either or survivor', 'former / later or survivor', anyone of survivors or survivor; etc., the payment will be made as per the mandate to avoid delays in production of legal papers by the heirs of the deceased.

In a Term Deposit account held in joint names if operating instructions is "either or survivor", "Former or survivor" when one of the depositor dies, the payment will be made to survivor on maturity. If prepayment is demanded, it will be allowed only after obtaining consent of legal heirs of the deceased.

In the absence of nomination and when there are no disputes among the claimants, the Bank will pay the amount outstanding in the account of deceased person against joint application and indemnity by all legal heirs or the person mandated by the legal heirs to receive the payment on their behalf without insisting on legal documents up to the limit approved by the Bank's Board

This is to ensure that the common depositors are not put hardship on account of delays in completing legal formalities.

6.8 Interest Payable on Term Deposit in Deceased Account:

In the event of death of the depositor before the date of maturity of Deposit and amount of the deposit is claimed after the date of maturity, the Bank shall pay interest at the contracted rate till the date of maturity. From the date of maturity till the date of payment, the Bank shall pay simple interest at the applicable rate as on the date of maturity, for the period for which the deposit remained with the Bank beyond the date of maturity.

However, in the case of death of the depositor after the date of maturity of the *overdue* deposit, the Bank shall pay interest at Savings Bank Deposit rate *applicable* on the date of maturity from the date of maturity till the date of payment.

6.9 Insurance Cover for Deposit:

All Bank deposits are covered under the insurance scheme offered by Deposit Insurance and Credit Guarantee Corporation of India (DICGC) subject to certain limits and conditions. The details of the insurance cover in force, will be made available to the depositor.

7.0 INTEREST RATE FRAMEWORK:

- a. The rates are uniform across all branches and for all customers and there shall be no discrimination in the matter of interest paid on the deposits, between one deposit and another of similar amount, accepted on the same date, at any of its offices".
"Interest rates payable on deposits shall be strictly as per the schedule of interest rates disclosed in advance.
- b. **Deposits maturing on Non-Business working day.** If a term deposit is maturing for payment on a non-business working day, interest will be at the originally contracted rate on the original principal deposit amount for the non-business working day, intervening between the date of the maturity of the specified term of the deposit and the date of payment of the proceeds of the deposit on the succeeding working day. In case of reinvestment deposits and recurring deposits, Banks shall pay interest for the intervening non-business working day on maturity value.
- c. **Staff Deposits and Payment of Additional Interest**
 - ✓ **Staff Member:** "A member of the Bank's staff" means a person employed on a regular basis, whether full time or part-time and includes a person recruited on probation or employed on a contract of a specified duration or on deputation and an employee taken over in pursuance of

any scheme of amalgamation, but does not include a person employed on casual basis as provided in the bank's Service/Staff Regulations. The above facility will be given as per RBI/NABARD Instructions.

- ✓ **Retired Staff Member:** "A retired member of the bank's staff" means an employee retiring whether on superannuation or otherwise as provided in the bank's Service/Staff Regulations, but does not include an employee retired compulsorily or dismissed in consequence of disciplinary action or resigned employees. Such retired staff may also be senior citizen by virtue of their age

- ✓ **Family:** "Family" As defined in U.P. Cooperative Society Act, regulations.

Payment of Additional Interest on deposits at the Bank's discretion, and Bank allows additional interest of one per cent per annum, over and above the rate of interest mentioned in the schedule of interest rates on savings or a term deposits of Bank's staff and their exclusive associations as well as on deposits of Chairman, Managing Director, CGM or such other Executives appointed for a fixed tenure, subject to the following conditions:

- It is clarified that, deposits made with our Bank, if any, by such Officials prior to their appointment will not be eligible for Staff benefit and shall continue till maturity at the contracted rate. However, deposits made by such Officials on or after their date of joining our Bank will be eligible for the additional interest benefit (as available for staff deposits).
- The additional interest is payable till the person continues to be eligible for the same and in case of his ceasing to be so eligible, till the maturity of a term deposit account.
- In the case of persons taken on deputation for a fixed tenure or on a contract of a fixed tenure, the benefit will cease to accrue on the expiry of the term of deputation or contract, as the case may be.
- Bank Employees' Federations/union, in which Bank employees are not direct members, shall not be eligible for additional interest.
- The additional interest may be paid on the following deposits after obtaining a declaration from the depositor concerned, that the monies deposited or which may be deposited from time to time into such account belong to the depositor:
 - i. Member or a retired member of the Bank's staff, either singly or jointly with any member or members of his/her family; or
 - ii. The spouse of a deceased member or a deceased retired member of the Bank's staff; Deposits in the name of spouse of a deceased staff (jointly or singly): If a deposit is held jointly by the spouse of the deceased member of the staff who is senior citizen, then the branch can offer both staff interest and senior citizen interest subject to obtaining of the declaration that deposits belong to him/her. Here again, in order to be entitled for Senior Citizen benefit, name of the spouse of the deceased staff member, who is also a Senior Citizen, should be first in a joint deposit.
On premature closure of a staff member's Term Deposit, penalty as applicable shall be levied (1% less than the card rate applicable for staff deposits as prevailing on the date of deposit for the tenure up to which the deposit remained with the Bank).
 - iii. An Association or a fund, members of which are members of the Bank's staff; Term Deposit schemes specifically for senior citizens, offering higher and fixed rates of interest as compared to normal deposits of any size. Provided that this facility is not offered on the Term Deposit standing in the name of an HUF or the Karta of the Hindu Undivided Family (HUF), even if the Karta is a resident Senior Citizen.
The retired staffs, who are senior citizens, the benefit of additional interest rates as admissible to senior citizens over and above the additional interest payable to them by virtue of their being retired members of the bank's staff

8. **PROHIBITIONS AND EXEMPTIONS:**

Banks shall not:

- a. Pay any remuneration or fees or commission or brokerage or incentives on deposits in any form or manner to any Individual, Firm, Company, Association, Institution or any other person except:
 - i. Commission paid to agents employed to collect Door-to-Door deposits under a special scheme.

- ii. Commission paid to Direct Selling Agents/Direct Marketing Agents as part of the outsourcing arrangements.
- iii Remuneration paid to Business facilitators or Business Correspondents.
- b. Offer prize/lottery/free trips (in India and/or abroad), etc. or any other initiative having element of chance for mobilizing deposits. However, inexpensive gifts costing not more than Rupees 250/- which is the amount prescribed by the Indian Banks' Association (IBA) as part of the Ground Rules and Code of Ethics framed by them may, at the Bank's discretion, be given to depositors at the time of accepting deposits.
- c. Resort to unethical practices of raising of resources through agents/third parties to meet the credit needs of the existing/prospective borrowers or to grant loans to the intermediaries based on the consideration of deposit mobilization.
- d. Issue any advertisement/literature soliciting deposits from public highlighting only the compounded yield on term deposits without indicating the actual rate of simple interest offered by the Bank for the particular period. Simple rate of interest per annum for the period of deposit should be indicated invariably.
- e. Accept interest-free deposit other than in current account or pay compensation indirectly.
- f. Accept deposits from/at the instance of private financiers or Unincorporated Bodies under any arrangement which provides for either issue of deposit receipts favoring clients of private financiers or giving of an authority by power of attorney, nomination or other-wise, for such clients receiving such deposits on maturity.
- g. Grant advances against Term Deposits maintained with other Banks.
- h. Open a Savings Deposit account in the name of Entities other than individuals, Karta of HUE and Organizations/Agencies listed in Schedule -I.
- i. Create any fund to be utilized for charitable purposes in consultation with the depositors.

Exemptions:

The provisions in the above paragraphs shall not be applicable to:

- (A) **Payment of Interest on Delayed collection** - of outstation instruments like cheques, drafts, bills etc.

9. OTHER IMPORTANT INFORMATION:

9.1 Customer Information:

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

9.2 Secrecy of Customer Account:

The Bank shall not disclose details / particulars of the customer's account to a third person or party without the expressed or implied consent from the customer. However, there are some exceptions, viz. disclosure of information under compulsion of law, where there is a duty to public to disclose and where interest of the Bank requires disclosure. The Bank may also disclose the customer information, as per the prevailing practice, amongst Banks to exchange credit information and credit opinion on the standing (general position) of the customers/borrowers.

9.3 Closure & Suo-Moto Closure of Saving and Current Account:

Accounts can be closed on written request of the depositor. Request for closure of account should state the reason for closure. The pass book, unused cheque leaves and ATM cum Debit card (after cutting into two pieces across the magnetic strip) must accompany such request. Joint accounts can be closed only at the request of all such joint signatories.

The Bank shall close accounts, which are in contravention of the contract constituting the basis of Banker-Customer relationship, do not adhere to the prescribed rules and are considered undesirable and un-remunerative. These accounts shall be closed only after sending proper written notice to the customer with a notice period of 30 days, at the address of the customer as per Bank records. Examples of undesirable and un-remunerative features are:

- Drawing cheques without funds.
- Rash / fraudulent transactions routed through Bank account which may expose the Bank to unnecessary risks.

- Zero Balance Accounts except DEAF Account
- Dormant / Inoperative accounts as per extant RBI Directives.
- Accounts where transactions, such as huge cash transactions, are being made, disproportionate to the given profile of the customer.
- Accounts in which, in the opinion of the Bank, transactions having Money Laundering angle are being conducted.
- Accounts, in which, the Bank is not able to apply appropriate KYC measures due to non-furnishing of information by customer and / or noncooperation in this regard.
- Non-compliance of Minimum Balance requirements for current and savings account as applicable to the relevant scheme / product.
- Issuing of "Stop Payment" instructions frequently.
- Default in/Arrears of statutory dues and other payments.
- Frequent receipt of Attachment Orders/Notices from various Authorities.
- Frequent involvement in section 138 (N.I. Act) proceedings
- Evidence of usage of funds and or receipts of funds for terrorists and disruptive activities against the State or society.
- Any directive from any Government or Regulatory Authorities for closure of account.
- Post issuance of notice by Bank, informing Bank's decision to close the A/c along with reason if there is no response within the stipulated time (30 days of notice), the branch may close the account and remit the balance by means of Banker's Cheque / Draft in his/her favour after deducting all usual service charges.

9.5 Redressal of Complaints and Grievances:

As per Bank's policy .

9.6 Periodicity of Review of the Policy (Sunset Clause):

Bank will review policy time to time, normally after 01 year.

Note:-

- 1- It should be provided that in case of any dispute, the matter shall be referred to the Registrar, Cooperative Societies and his decision shall be final.
- 2- It should also be provided that all disputes shall be subject to jurisdiction of Courts at Lucknow only.

अतः आपको निर्देशित किया जाता है कि उक्त डिपॉजिट पालिसी का भलीभाँति अध्ययन कर, शाखा के ग्राहकों को उपरोक्तानुसार बैंक सुविधायें उपलब्ध कराना सुनिश्चित करें।

(आर०के० कुलश्रेष्ठ)
प्रबन्ध निदेशक

प्रतिलिपि : निम्नलिखित को सूचनार्थ एवं आवश्यक कार्रवाई हेतु प्रेषित :-

1. श्री राहुल श्रीवास्तव, प्रबन्धक(आईटी), उ०प्र० कोआपरेटिव बैंक लि०, मुख्यालय लखनऊ को इस निर्देश के साथ कि वे बैंक की वेबसाइट पर डिपॉजिट पालिसी अपलोड करना सुनिश्चित करें।
2. समस्त क्षेत्रीय प्रबन्धक, उ०प्र० कोआपरेटिव बैंक लि०, क्षेत्रीय कार्यालय, उत्तर प्रदेश।
3. सचिव/मुख्य कार्यपालक अधिकारी, समस्त जिला सहकारी बैंक लि०, उत्तर प्रदेश।
4. समस्त उपमहाप्रबन्धक/महाप्रबन्धक, उ०प्र० कोआपरेटिव बैंक लि०, मुख्यालय, लखनऊ।
5. निदेशक, कृषि सहकारी स्टाफ प्रशिक्षण संस्थान, इन्दिरानगर, लखनऊ।
6. स्टाफ आफिसर-अध्यक्ष, उ०प्र० कोआपरेटिव बैंक लि०, लखनऊ को अध्यक्ष महोदय को अवलोकनार्थ।
7. मुख्य महाप्रबन्धक, राष्ट्रीय कृषि और ग्रामीण विकास बैंक, क्षेत्रीय कार्यालय, गोमतीनगर लखनऊ।
8. आयुक्त एवं निबन्धक, सहकारिता, उ०प्र० लखनऊ।

(आर०के० कुलश्रेष्ठ)
प्रबन्ध निदेशक