



hpsc
(Scheduled Bank)

हिमाचल प्रदेश राज्य सहकारी बैंक सीमित
H.P. State Co-operative Bank Ltd.

COMPREHENSIVE DEPOSIT POLICY

www.hpsc.com

A. Introduction

1. Preface

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 stake holders of the Banking system. The depositors and their interests form the key area 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 the deposit accounts from time to time. With liberalization in the financial system and deregulation of interest rates, Banks are now free to formulate their own deposit policy within the broad guidelines issued by RBI.

It is expected that this policy will impart greater transparency in dealing with the individual customers and create awareness among customers of their rights. The ultimate objective is that the customers will get services they are rightfully entitled to receive without demand.

2. Scope of the Policy

This Policy document on deposits outlines the guiding principles in respect of formulation of various deposit products by the Bank and terms and conditions governing the conduct of the accounts. 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 deposit 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 the customers.

3. Objectives of the Policy

While adopting this policy, the bank reiterates its commitments to individual customers outlined in the Code of Bank's Commitment to Customers adopted by the bank. This document is a broad framework under which the rights of common depositors are recognized. Detailed operational instructions on various deposit schemes and related services will be issued from time to time.

B. Provisions of the Deposit Policy

4. Types of Relationships between Bank and Customer based on the type of transactions:

The relationship between a banker and a customer comes into existence when the banker agrees to open an account in the name of the customer. The relationship between a banker and a customer depends on the activities, products, or services provided by the bank to its customers or availed by the customer. Thus the relationship between a banker and customer is the transactional relationship.

In addition to the primary function of Bank as specified in Section 5 (b) of Banking Regulation Act; Section 6 of the Act provides a variety of services, which makes the relationship more wide and complex. Depending upon the type of services rendered

and the nature of the transaction, the banker acts as a bailee, trustee, principal, agent, lessor, custodian, etc. A general gist of the types of relationship between Bank and Customer based on the type of transactions is given as under:

S.No.	Type of Transaction	Bank	Customer
1	Deposit in bank	Debtor	Creditor
2	Loan from bank	Creditor	Debtor
3	Safe Deposit Vault (SDV Locker)	Lessor	Lessee
4	Safe Custody	Bailee	Bailor
5	Issue of Draft	Debtor	Creditor
6	Payee of a Draft	Trustee	Beneficiary
7	Collection of Cheque	Agent	Principal
8	Pledge	Pledgee (Pawnee)	Pledger (Pawnor)
9	Mortgage	Mortgagee	Mortgagor
10	Hypothecation	Hypothecatee	Hypothecator
11	Sale/purchase of security on behalf of customer	Agent	Principal
12	Money deposited, but no instructions for its disposal	Trustee	Beneficiary
13	Article/Goods left by mistake by customer	Trustee	Beneficiary

5. KNOW YOUR CUSTOMER (KYC) GUIDELINES

Know Your Customer (KYC) is the platform on which banking system operates to avoid the pitfalls of operational, legal and reputational risks and consequential losses by scrupulously adhering to the various procedures laid down for opening and conduct of accounts. The Branches shall follow the "Know Your Customer" (KYC) guidelines issued by the RBI Anti-Money laundering rules and regulations and or such other norms or procedures as per Customer Acceptance norms of the Bank under Bank's KYC policy issued vide HOGC No. 66/2019 dated 27.08.2019, procedures and internal control mechanism designed to:

- i) Establish and document the true identity and address of the customers who Maintain/establish relationships, open accounts or conduct business transactions.
- ii) Obtain background information on existing and /or new customers.
- iii) Safeguard the Bank from the risks of doing business with any individual or entity

whose identity cannot be determined.

- iv) Protect the Bank from the risks of having business relationships with any individual or entity who refuses to provide information, or who has provided information that contains significant inconsistencies which cannot be resolved after due examination.

6. KYC Non-Compliant Accounts

Onboarding of customers is done only after complying with KYC requirements. However, there may be instances where accounts are rendered KYC Non-Compliant subsequently. Instances of such cases are as follows:

- a. Accounts opened with Deemed OVD, but updated OVD is not provided within 3 months.
- b. Small accounts where OVD is not provided within a period of 24 months.
- c. Accounts where KYC Updation is overdue for a period of more than 2, 8 and 10 years based on the risk category i.e. high, medium & low respectively years.
- d. Accounts found KYC non-compliant on re-examination / audit / inspection.

7. Triggering of Stop Debit Operations / Partial Freezing

This means that debit operations shall be stopped in the account through all channels but allowing credits.

- a. Due notice of one month initially will be sent by ordinary post / courier / e-mail to the customer to comply with KYC requirements.
- b. If the account remains non-compliant even after one month of notice period, a reminder will be sent to the customer by Registered Post with Acknowledgement Due giving a further period of one month.
- c. If the notice is returned with postal remarks 'not- available in house', 'house locked', 'and shop closed' or due to a refusal to accept the notice, the same would be deemed as service of the notice.
- d. Stop Debit Operations will be imposed after three months from date of first notice, by allowing all credits but disallowing all debits, if the account remains KYC non-compliant.
- e. All debits and credits from/to the accounts shall be disallowed, in case of the account being KYC non-compliant after six months of imposing 'partial freezing'.
- f. A letter will be sent to the registered address of the customer, reading: "STOP DEBIT OPERATIONS has been placed on your account xxxxxx1234 for reason KYC Updation Overdue for further details, please visit your Branch".

8. Removal of Stop Operations

During the course of such stopped debit / credit operations, an account holder can revive the account by submitting the KYC documents as per instructions in force. When a customer submits the documents, acknowledgment shall be issued to the customer without fail. In all cases, if the customer chooses to close the account, they are permitted to do so, and account settled, after establishing identity.

9. Introduction in the Account

At the time of opening of account in the Bank, obtaining introduction from an existing customer is not mandatory. Since introduction is not necessary for opening of accounts under PML Act & Rules or RBI's extant KYC Instruction, the Bank will not insist on introduction for opening of accounts of customers, provided the customer submits documents listed in Para 1 (a to g) as mentioned above, on satisfaction of the Bank.

10. Types of Deposit Accounts

While various deposit products offered by the Bank are assigned different names. The deposit products can be categorized broadly in to the following types. The definition of major deposit schemes are as under:-

- i) **"Demand Deposits"** means a deposit received by the Bank, which is withdraw-able on demand;
 - a. **"Savings deposits"** means a form of demand deposit which is subject to restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the Bank during any specified period;
 - b. **"Current Account"** means a form of demand deposit, attracting no interest, wherefrom withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount, attracting payment of no interest and will also include other deposit accounts which are neither Savings Deposit nor Term Deposit.
- ii) **"Term/Time Deposits"** means a deposit received by the Bank for a fixed period withdraw-able only after the expiry of the fixed period and includes deposits such as Recurring/ Fixed Deposits with monthly/quarterly interest etc.

11. Deposits

Deposits in the accounts can be made by way of cash, cheques, electronic transfers, ECS or through any other means which may come into usage. Cash deposits at home and non-home branches are subject to certain restrictions and may also involve payment of charges.

12. Withdrawals

Withdrawals in accounts can be by way of cheques, withdrawal forms, through the use of ATMs, POS machines, by means of electronic transfer through internet, by giving standing instructions to the bank, ECS or through any other means which may come into usage. Cash withdrawal should be in round rupees.

13. Different deposit schemes & products

Based on customers' need, market conditions, competition and other driving forces, Bank is presently offering seventeen deposit products under five deposit schemes which are listed below:

Schemes / Products

A. Savings Bank

- i) Savings Bank (normal)
- ii) Savings – PYGMY
- iii) Basic Saving Bank Deposit (BSBD)

What is a BSBD account?

1. The BSBD Account shall be subject to RBI instructions on KYC/AML for opening of bank accounts issued vide Master Direction DBR.AML.BC.No.81/ 14.01.001/2015-16 dated February 25, 2016 on 'Master Direction - Know Your Customer (KYC) Direction, 2016', as amended from time to time. Its salient features are:
 - i. The 'Basic Savings Bank Deposit Account' shall be considered a normal banking service available to all.
 - ii. This account shall not have the requirement of any minimum balance.
 - iii. The services available in the account will include deposit and withdrawal of cash at bank branches as well as ATMs; receipt/credit of money through electronic payment channels or by means of deposit/collection of cheques drawn by Central/State Government agencies and departments;
 - iv. While there will be no limit on the number of deposits that can be made in a month, account holders will be allowed a **maximum of four withdrawals in a month**, including ATM withdrawals; and
 - v. Facility of ATM card or ATM-cum-Debit Card will be available;
2. The above facilities will be provided without any charges. Further, no charge will be levied for non-operation/activation of in-operative 'Basic Savings Bank Deposit Account'.
3. However, withdrawals beyond 4 in a month shall be permitted at a cost of Rs.15/- + GST per withdrawal or as amended from time to time.
4. **Holders of 'Basic Savings Bank Deposit Account' will not be eligible for opening any other savings bank deposit account in the bank.** If a customer has any other existing savings bank deposit account in the bank, he/she will be required to close it within 30 days from the date of opening a 'Basic Savings Bank Deposit Account'. While opening BSBD customers' consent in writing be obtained that his existing non-BSBD account will be closed after 30 days of opening BSBD and the bank may close such accounts after 30 days.
5. The 'Basic Savings Bank Deposit Account' would be subject to RBI instructions on Know Your Customer (KYC) / Anti-Money Laundering (AML) for opening of bank accounts issued from time to time.
6. The existing basic banking 'no-frills' accounts should be converted to 'Basic Savings Bank Deposit Account'.
7. No ATM annual fees shall be levied on cards issued in these accounts.

8. Balance enquiry through ATMs shall not be counted in the four withdrawals and be allowed free of charge at ATMs.
9. Offering additional services will not make the account a non-BSBD account, so as long as the prescribed minimum services are provided free of charge.
10. In case an individual who desires to open a small account, branches shall open a

'Small Account', which entails the following limitations and the same shall be communicated to the customer:

- i. the aggregate of all credits in a financial year shall not exceed rupees 1 lakh
- ii. the aggregate of all withdrawals and transfers in a month shall not exceed rupees ten thousand; and
- iii. the balance at any point of time shall not exceed rupees fifty thousand.

Provided, that this limit on balance shall not be considered while making deposits through Government grants, welfare benefits and payment against procurements.

Further, small accounts are subject to the following conditions:

- a. The branches shall obtain a self-attested photograph from the customer.
- b. The designated officer of the branch certifies under his/her signature that the person opening the account has affixed his signature or thumb impression in his/her presence.

Provided that where the individual is a prisoner in a jail, the signature or thumb print shall be affixed in presence of the officer in-charge of the jail and the said officer shall certify the same under his signature and the account shall remain operational on annual submission of certificate of proof of address issued by the officer in-charge of the jail.

- c. Such accounts are opened only at Core Banking Solution (CBS) linked branches or in a branch where it is possible to manually monitor and ensure that foreign remittances are not credited to the account.
- d. Branches shall ensure that the stipulated monthly and annual limits on aggregate of transactions and balance requirements in such accounts are not breached, before a transaction is allowed to take place.
- e. The account shall remain operational initially for a period of twelve months which can be extended for a further period of twelve months, provided the account holder applies and furnishes evidence of having applied for any of the OVDs during the first twelve months of the opening of the said account.
- f. The entire relaxation provisions shall be reviewed after twenty four months.
- g. The account shall be monitored and when there is suspicion of money laundering or financing of terrorism activities or other high risk scenarios, the identity of the customer shall be established.
- h. Foreign remittance shall not be allowed to be credited into the account unless the identity of the customer is fully established.

B. Current Deposits - A form of demand deposit, attracting no interest, wherefrom withdrawals are allowed any number of times depending upon the balance in the

account or up to a particular agreed amount, attracting payment of no interest and will also include other deposit accounts which are neither Savings Deposit nor Term Deposit.

C. Fixed Deposit

- i. Him Punarnivesh Deposit Scheme
- ii. Sarvpriya Deposit Scheme
- iii. Mahalaxmi Deposit Scheme
- iv. Paanch Saal May Lakhpati – Option II
- v. Dhanlaxmi Deposit Scheme
- vi. Tax Saver Term Deposit

D. Recurring Deposit

- i. Recurring Deposit
- ii. Recurring Deposit (PYGMY)
- iii. Paanch Saal May Lakhpati – Option I

To meet the customer's need, market requirement or regulatory instructions, Bank may at its discretion formulate different new deposit products suited for cross section of the customers, which will be examined by the Asset-Liability Committee (ALCO) and may be launched from time to time. Every customer including staff of the bank will be allotted only one unique **Customer Identification Number (CIN)** which will be the basis for opening all his other accounts whether deposits or loans in the same branch or any other branch(es) of the bank.

E. Safe Deposit Lockers

This facility is not offered through all bank branches and wherever the facility is offered, allotment of safe deposit vault will be subject to availability and compliance with other terms and conditions attached to the service. Safe deposit lockers may be hired by an individual (being not a minor) singly or jointly with another individual(s), HUFs, firms, limited companies, associates, societies, trusts etc. Nomination facility is available to individual(s) holding the lockers singly or jointly. In respect of lockers held in joint names, up to two nominees can be appointed. Joint locker holders can give mandate for access to the lockers in the event of death of one of the holders on the lines similar to those for deposit accounts. In the absence of nomination or mandate for disposal of contents of lockers, with a view to avoid hardship to common persons, the bank will release the contents of locker to the legal heirs against indemnity on the lines as applicable to deposit accounts.

14. Tenure of Deposits:

The bank will accept deposits from public in saving, current and term deposits. However, deposits for term / fixed tenure will be accepted for a period of not less than 7 days and generally not more than 10 years subject to such exceptions as may be in place as per policy of the bank or as amended from time to time in consonance with guidelines.

15. Account Opening and Operation of Deposit Accounts

The Bank before opening any deposit account will carry out due diligence as required under "Know Your Customer" (KYC) guidelines issued by the RBI Anti-Money laundering rules and regulations and or such other norms or procedures as per Customer Acceptance norms of the Bank under Bank's KYC policy issued vide HOGC No. 66/2019 dated 27.08.2019. 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/her and the final decision of the Bank will be conveyed at the earliest to him.

- i) The Bank is committed to providing basic banking services to disadvantaged sections of the society. Banking services will be offered to them through no-frill accounts and the accounts will be opened with relaxed customer acceptance norms as per regulatory guidelines.
- ii) The account opening forms and other materials would be provided to the prospective depositor by the Bank. The same will contain details of information to be furnished and the documents to be produced for verification and or for record. The bank official opening the account will explain the procedural formalities and provide necessary clarification sought by the prospective depositor when he approaches for opening a deposit account.
- iii) Customer can also avail other banking product services offered by bank from time to time like:
 - A. **Debit card-** Bank will issue Debit cards to customers having Saving Bank/Current Accounts opened in individual capacity; however, Bank shall not force a customer to avail debit card facility and shall not link issuance of debit card to avail any other facility from the bank. Bank may charge on debit card transactions within stipulated benchmark as per regulatory guidelines.

Debit Cards shall be issued in the following accounts:

1. Debit cards shall only be issued to individual customers having Savings Bank/Current Accounts.
2. No branch shall issue debit cards to cash credit/loan account holders.
3. Saving accounts of individuals including BSBD, PMJDY, Student, No Frill, Pension, Staff, Blind Person, Illiterate in a single name or joint names with operating instructions 'Either or Survivor', Former or Survivor' or 'Anyone or Survivor/s'.
4. Individual Minor Savings Account holders having age of 10 and above can be issued Debit Cards.
5. Current A/c in individual name, Sole Proprietor and Partnership Firms, Card to be issued in the name of person and not in the name of the firm.
6. Staff CC clean accounts
7. In Joint accounts, card issuance application form must be signed by all joint account holders / partners. The branch shall also ensure that the applicant has a clear mandate to operate the account.
8. For Issuance of ATM/Debit Cards, the Accounts shall be fully KYC/AML compliant as per RBI guidelines in force.

Debit Cards shall not to be issued in following accounts:

1. Institutional/Trust/Company Accounts/HUF/Club/Society & Associations.
 2. CC/OD A/c sanctioned for business purpose (Such Customers/Account holders shall be encouraged to use the Net Banking facility.)
 3. Term Loan/Demand Loan accounts.
 4. Debit Cards shall not be issued in deceased Accounts.
- B. Mobile and Internet banking-** Bank will formulate the easy registration process and offer such services to customers as per approval from Board. Approval of the Board of Directors for the product, as also the perceived risks and mitigation measures proposed to be adopted will be obtained before launching the scheme. Bank may place per transaction limits based on its own risk perception with the approval of the Board. Use of mobile banking services for cross border inward and outward transfers is strictly prohibited. Mobile Banking facility shall only be available to all customers having saving and current accounts.
- iv) The regulatory guidelines require banks to categorize customers based on risk perception and prepare profiles of customers for the purpose of transactions monitoring. Inability or unwillingness of a prospective customer to provide necessary information / details could result in the Bank not opening an account.
 - v) Inability of an existing customer to furnish details required by the Bank to fulfill statutory obligations could also result in closure of the account after due notice(s) is provided to the customer.
 - vi) For Deposit products like Savings Bank Account and Current Deposit Account, the Bank will normally stipulate certain minimum balances to be maintained as part of terms and conditions governing operation of such accounts. Failure to maintain minimum balance in the account will attract levy of charges as specified by the Bank from time to time. For Savings Bank Account the Bank may also place restrictions on number of transactions, cash withdrawals etc. for given period. Similarly, for savings and current account the Bank may specify charges for issue of cheque books, additional statement of accounts, duplicate passbook, folio charges etc. All such details, regarding terms and conditions for operation of the account and schedule of charges for various services provided will be communicated to the prospective depositor while opening the account.
 - vii) **Savings Bank accounts** can be opened for eligible person/persons and certain organizations/agencies (as per guidelines issued by Reserve Bank of India from time to time).
 - viii) **Current Accounts** can be opened by individuals/proprietorship concern/partnership firms/ Private and Public Limited Companies/ HUFs/ Specified Associates/ Societies/Trusts, Department of Authority created by Government (Central or State) Limited Liability Partnership etc.
 - ix) **Term Deposit accounts** can be opened by individuals / proprietorship concern / partnership firms / Private & Public limited Companies / HUFs / Specified Associates / Societies / Trusts / Departments of Authority created by Government (Central or State) / Limited Liability Partnership etc.
 - x) The due diligence process, while opening a deposit account will involve satisfying

about the identity of the person, verification of address, satisfying about his occupation and source of income. The Bank shall obtain recent photograph of all the person/s opening/operating the account as part of due diligence process. Fresh photograph need not be obtained when an additional account is desired to be opened by the account holder, provided photograph has already been submitted.

- xi)** In addition to the due diligence requirements, under KYC norms the Bank is required by law to obtain Permanent Account number (PAN) or alternatively declaration in Form No. 60 or 61 as specified under the Income Tax Act / Rules.
- xii)** 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). Deposit Account can also be opened by a minor jointly with natural guardian or with mother as the guardian (status: known as Minor's account). Minors above the age of 10 will also be allowed to open and operate savings bank account independently. However, no overdrafts will be granted to these minors. SB accounts can also be opened by a minor represented by guardian or jointly with a major, where minor is represented by natural guardians. Minors above the age of 10 will also be allowed to open and operate SB accounts subject to restrictions on transactions and no cheque book will be provided to such accounts.
- xiii) Operation of joint account:** The joint account opened by more than one individual can be operated by single individual or by more than one individual jointly. The mandate for opening the account can be modified with the consent of all account holders. The Savings Bank Account opened by minor jointly with natural guardian / legal guardian can be operated by such guardian only. On attaining majority, the erstwhile minor should confirm the balance in his/her account and if the account is operated by the natural guardian / legal guardian, fresh KYC and operating instructions and specimen signature of erstwhile minor should be obtained and kept on record for all operational purposes.

The joint account holders can give any of the following mandates and the disposal of balance in the above accounts on death of one, more or all of the account holders will be done as detailed in para 19 of this policy :

(a)	Either or Survivor:	If the account is held by two individuals say, A & B, the account will be operated by any one of `A' or `B' singly
(b)	Former or Survivor:	If the account is held by two individuals, say, A & B, the account will be operated by the Former (i.e. `A') only
(c)	Joint Operation:	If the account is held by more than one individual, say, A & B, the account will be operated jointly by `A' & `B'.
(d)	Anyone or Survivor/s:	If the account is held by more than two individuals, say, A, B & C, the account will be operated by any one of them (i.e. A or B or C) singly.

The above mandates will be applicable to or become operational only on or after

the date of maturity of term deposits. This mandate can be modified by the consent of all the account holders. If the joint depositors prefer premature withdrawal of deposits in accordance with the mandate of 'Either or Survivor', 'Anyone or Survivor' or 'Former or Survivor' or 'Jointly', bank may allow premature withdrawal of term deposits to the surviving depositor/s without seeking concurrence of legal heirs of the deceased deposit holder, provided all the depositors have given a specific joint mandate for the said purpose at the time of opening the account or any time subsequently during the tenure of the deposit.

- xiv)** 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.
- xv)** 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, deposits will be treated as an auto renewal deposit and will be renewed for a similar period. Also as specified under the auto renewal policy issued vide HOGC No. 07/2015 dated 04.04.2015, the auto renewals can be customer mandated or, in absence of any such instructions to the contrary, bank initiated.
- xvi)** Nomination facility is available on all deposit accounts opened by individuals. Nomination is also available to an account opened by a sole proprietor. Nomination can be made in favour of one individual only. Nomination so made can be cancelled or changed by the account holders/s at any time. While making nomination, cancellation or change thereof, it is required to be witnessed by two third parties, if the account holder is illiterate. Nomination can be modified by the consent of account holder/s. Nomination can be made in favour of a minor also (Ref. HOGC No. 44/2019-20 dated 28th June 2019).
- xvii)** The Bank recommends that all depositors avail nomination facility. The nominee, in the event of the death of the depositor/s, would receive the balance outstanding in the account as a trustee of legal heirs. The depositor will be informed of the advantage of the nomination facility while opening a deposit account.
- xviii)** Generally, Bank will invariably issue Passbook to all Savings Bank Account holders and Statement of Accounts to all Current Deposit holders.
Bank will issue term deposit receipt indicating therein full details, such as , name of depositor(s), address, date of issue, period of deposit, due date, applicable rate of interest, amount of deposit, maturity amount etc.
- xix)** Normally, a statement of account will be issued on monthly basis to a Current account holder, without any cost. Periodicity for issuance of statement of account may be mutually agreed and altered also. A Current account holder, if desires to get a Pass Book instead of Statement of Account, he will be issued a Pass Book. If he desires to get additionally any statement of account, besides the passbook the same may be issued against levy of service charges. Internet banking user can download statement of account by him-self free of cost.

The passbook will invariably contain (i) full address of the branch, (ii) telephone number of the branch, (iii) customer care telephone number (iv) brief intelligible particulars in respect of details of credit entries with instrument number and name of the drawee branch and details of debit entries with instrument number and payee's name. Details of ECS, NEFT, and RTGS transactions will be indicated with name of the remitter in case of credit and name of the payee in case of debit entries.

xx) **Intra-bank portability of deposit accounts**

If the customer so desires with a request letter to the base branch, any deposit account of the customer will be transferred freely from one branch to another branch of the bank without any cost on the same day of receiving the request. In core banking solution, each customer has unique account number and it remains unchanged on transfer of the account from one branch to another branch of the Bank. (Yet to be implemented)

KYC once done by one branch of the bank will be valid for transfer of the account within the bank as long as full KYC has been done for the concerned account. The customer will be allowed to transfer his account from one branch to another branch without insisting on fresh proof of address and on the basis of a self-declaration from the account holder about his / her current address, subject to submitting proof of address within a period of six months. Periodical updation of KYC data would continue to be done by bank as per prescribed periodicity.

16. **Minors' Accounts**

- i) Saving Bank account and Term Deposit Accounts including Recurring Deposits can be opened in the name of minor (known as Minor's Account) by natural guardian or guardian appointed by court (legal guardian). Savings Bank Account or Term Deposit Account can also be opened in the name of a minor jointly with natural guardian or with mother as the guardian (known as Minor's Account) or jointly with a major, where minor is represented by natural guardian.
- ii) **Minors above the age of 10 years-** Bank shall allow minors above the age of 10 years to open and operate savings bank account independently. However keeping in view the risk management the minors shall be allowed to withdraw only Rs. 10,000/- per day from their account. Bank may offer additional banking facilities like internet/mobile banking and ATM/debit card; but no cheque book will be issued to the minor, subject to the safeguards that minor accounts are not allowed to be overdrawn and that these always remain in credit. KYC norms & due diligence of minor shall be ensured while opening and operating these accounts.
- iii) On attaining majority on the same day account shall be categorized as inoperative till the time customer converts the minor account to major with required KYC documents. Thus, bank shall initiate the prior communication to Minor accounts that would attain to majority. The erstwhile minor shall confirm the balance in his/her account and if the account is operated by the natural guardian / guardian, fresh specimen signature of the erstwhile minor duly verified by the natural guardian would be obtained and kept on record.
- iv) Maximum Deposits that can be accepted in Savings Bank accounts of minors in single name is Rs.10,00,000/- and with guardian is Rs. 20,00,000/- or as amended

from time to time. No overdraft facility or loans/advances will be provided to minors.

- v) There is no restriction on the amount that can be withdrawn by the guardian in minor account, however, a suitable declaration stating that the amount is for the benefit of the minor, is to be furnished by the depositor applicant (**i.e. guardian of the minor who is operating the account**).

17. Accounts of Illiterate Persons

The Bank may at its discretion open deposit accounts other than Current Accounts of an illiterate person. The account of such person may be opened provided he/she calls on the Bank personally along with a witness who is known to both the depositor and the Bank. Normally, no cheque book facility is provided for such Savings Bank Account. At the time of withdrawal/repayment of deposit amount and/or interest, the account holder should affix his/her thumb impression or mark in the presence of the authorized officer who shall 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 person. Similarly while opening such accounts the customers may be issued ATM cards; however, such customers will be educated about the ATM Debit Card, ATM PIN and risk associated with it. On the contrary, if a customer chooses not to have an ATM Debit Card, bank need not compel such customer to accept ATM Debit Cards.

18. Accounts of Visually Impaired Persons

A Blind/visually challenged person can open ordinary or cheque operated deposit account in his/her sole name or jointly with other person(s) or in the names of sole proprietorship concerns/firms/partnerships where a Blind/visually challenged person (s) is/are one of the account holders. 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. All banking facilities such as cheque book, ATM facility, Mobile/Internet Banking, lockers, retail loans etc. are offered to visually challenged persons without any discrimination. The facilities provided to Sick, Old and Incapacitated Persons (regarding operations of accounts through identification of thumb/toe impression/mark by two independent witnesses and authorizing a person who would withdraw the amount on behalf of such customers) shall also be extended to Customers with visual impairment.

19. Operation of Accounts by Old and Incapacitated Persons:

a. Facility to sick/old/incapacitated account holders:

Dedicated Counters/Preference to Senior Citizens, differently abled persons shall be provided. A clearly identifiable dedicated counter or a counter which provides priority to senior citizens and people who are differently abled including visually impaired persons shall be maintained in the branches clearly indicating so.

b. Types of sick / old / incapacitated account holders:

The cases of sick / old / incapacitated account holders fall into following categories:

- i. An account holder who is too ill to sign a cheque / cannot be physically present in the Bank to withdraw money from Bank account but can put thumb impression on the cheque/withdrawal form;
- ii. An account holder who is not only unable to be physically present in the Bank but is also not able to affix his/her thumb impression on the cheque/withdrawal form due to certain physical incapacity.

c. Operational Procedure

With a view to enabling the old / sick account holders operate their Bank accounts, Bank shall follow the procedure as under:

- i. Wherever thumb or toe impression of sick / old / incapacitated account holder is obtained, it shall be identified by two independent witnesses known to the Bank, one of whom shall be a responsible Bank official i.e. officer of any rank.
- ii. Where the customer cannot even put his / her thumb impression and is also not able to be physically present in the Bank, a mark can be obtained on the cheque / withdrawal form which shall be identified by two independent witnesses, one of whom should be a responsible Bank official i.e. officer of any rank.
- iii. The customer may also be asked to indicate to the Bank as to who would withdraw the amount from the Bank on the basis of cheque / withdrawal form as obtained above and that person shall be identified by two independent witnesses, along with a responsible Bank official i.e. officer of any rank, in addition the KYC of this person be kept with the account opening form of the customer. The person who would actually draw the money from the Bank shall also be asked to furnish his signature to the Bank.

d. Accounts of Disabled Persons With Autism, Cerebral Palsy, Mental Retardation And Multiple Disabilities (HOGC 54/2018-19 dated 20.08.2018)

Guardianship certificate issued either by the District Court under Mental Health Act, 1987 or by the Local Level Committees under the National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 is required for the purpose of opening / operating accounts of such disabled persons. Branches shall give proper guidance to the guardians/managers of the disabled persons with autism, cerebral palsy, mental retardation and multiple disabilities so that they do not face any difficulties in opening an account.

Since the above persons would be entering into economic or financial transactions where quoting PAN would be mandatory, they must also have a PAN.

Section 160 of IT Act, 1961 provides that a minor, lunatic, idiot, mentally retarded, deceased, wards of court, and such other persons may be represented through a

Representative Assessee (guardian as above).

In such cases,

- In the application for PAN, details of the minor, lunatic, idiot, mentally retarded, deceased, wards of court, etc. should be provided.
- Details of representative assessee have to be provided in item 14 of the application for PAN.

20. Accounts of Prisoners

Instances when prisoner or jail authorities' approach for opening of SB account:

- i. In the absence of prescribed KYC documents "Small Account" on production of a self-attested photograph and affixation of signature or thumb print as the case may be on the account opening form will be obtained and the account will be opened.
- ii. In case prescribed KYC documents are received, Regular/BSBD accounts will be opened at the option of the prisoners.

The necessary arrangements including deputing officials to the jail for obtaining signature/thumb impression of prisoners may be arranged with necessary assistance from the jail authorities.

21. Accounts of Transgender Persons

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 form or other applicable forms. All transgender customers shall be treated equally to other male/female customers without any discrimination.

22. Addition or deletion of the name/s of joint account holders

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

In case of addition of the name, photograph shall be obtained and full KYC (including e - KYC) shall be done for the person whose name is added.

23. Customer Information

The customer information collected from the customers shall not be used for cross selling of services or products by the Bank, their subsidiaries and affiliates. If the Bank proposes to use such information, it shall be strictly with the consent of the account holder.

24. Secrecy of customer's accounts

The Bank will not disclose details/particulars of the customer's account to a third

party or person 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.

25. Interest Payments

With the deregulation of Savings Bank Deposit interest Rate announced by the Reserve Bank of India on 25.10.2011, interest rate on Term Deposits as well as Savings Bank deposit are decided by the Bank through Asset-Liability Committee (ALCO) mechanism within the general guidelines issued by the RBI from time to time.

- a. The interest rates are reviewed at regular intervals and approved by the competent authority.
- b. In Savings Bank, interest is payable at quarterly basis. The interest is calculated on a daily product basis based on the balances maintained in the Savings Bank Account as under:
 - A uniform interest rate shall be set on balance up to Rupees one lakh, irrespective of the amount in the account within this limit.
 - Differential rates of interest may be provided for any end-of-day savings bank balance exceeding Rupees one lakh.
 - However, the Bank may, if need arises consider to revise general rate of interest or pay differential rate of interest for any end of day savings bank balance exceeding Rupees one lakh, in future. In such an event, the bank will issue necessary guidelines to the branches.
 - The necessary guidelines for calculation of interest on Saving Bank deposits on daily product basis with effect from 1st April 2010 have been circulated vide HOGC No.52/2010 dated 11.06.2010.
- c. Interest on Term Deposits will be paid at monthly / quarterly / half yearly intervals and paid at the rates decided by the Bank depending upon the period of deposits. For any broken period i.e. remaining days after completed quarters and deposits of less than a quarter, interest will be calculated on daily product basis and a year will comprise of 365 days.
- d. For information on latest interest rates, customers may visit Bank's website "hpscb.com"
- e. Deposits maturing on a Sunday / holiday / non-business working day
 - i) If a term deposit is maturing for payment on a Sunday / holiday / non- business working day, the bank shall pay interest at the originally contracted rate on the original principal deposit amount for the Sunday / holiday / 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.
 - ii) In case of reinvestment deposits and recurring deposits, the bank shall pay

interest for the intervening non-business working day on the maturity value.

- f. The rates of interest on deposits will be displayed in the branch premises. Changes, if any, with regard to the deposit schemes and other related services will be communicated upfront and prominently displayed on Bank's website.
- g. Differential interest rate shall be offered only on bulk deposits. The Chairman and Managing Director Bank are authorized to allow upto 1% interest over and above normal rate of interest on the sizeable deposits of different Corporations, Boards, individuals and Government departments (BoD resolution No.7 dated 28.11.1998)
- h. The Bank has a statutory obligation to deduct tax at source if the total interest paid / payable on all term deposits held exceeds the amount specified under the Income Tax Act. The depositor, if entitled to exemption from TDS can submit declaration in the prescribed format.

The customer shall submit Form 15G/H under any of the following events:

- i. Change of every Financial Year.
- ii. Issue of a new term deposit / manual renewal of term deposit.
- iii. When TDR is transferred from one branch to another branch (Form 15 G/H is to be submitted at the branch where the deposit was transferred).
- iv. The customer is not required to submit Form 15 G/ H in case of auto renewal of Term Deposit Account, (if already given during the current financial year).

The declaration filed in Form 15G and 15H u/s 197A shall not be valid unless the person filing the declaration furnishes his PAN in such declaration. In case of failure to do the same, tax is deducted at the rate mentioned in the relevant provisions of the IT Act or at the rate in force or at the rate of 20%, whichever is higher. An acknowledgement of Form 15G/15H will be issued. Bank provides TDS Certificate in Form 16A, to customers in respect of whom Income Tax has been deducted at source, within the time-frame prescribed under the Income Tax Rules. Depositors can opt for deduction of TDS (on interest of Term Deposits) from either Savings Bank or Current Account maintained in the Bank and maintain sufficient balance for the same. On account of TDS, the amount payable at the maturity of the Term Deposit to the customer would be less than the amount depicted as maturity value at the time of opening the term deposit. The bank will educate the customers about this aspect.

In terms of Reserve Bank of India directives, vide RBI/DCBR/2015-16/23 Master Direction DCBR.Dir.No.1/13.01.000/2015-16 of date May 12, 2016 as amended from time to time; the rate of interest applicable on deposits accepted by the bank has been elaborated in Bank's Policy on Interest Rates on Deposits circulated vide HOGC 151/2022-23 dated 29th November 2022.

26. Premature withdrawal of term deposit

- a. The Bank on request from the depositor may at its discretion, allow withdrawal of term deposit before completion of the contracted period of the deposit. The Bank shall declare penal interest rates policy for premature withdrawal of term deposit. The Bank shall make depositors aware of the applicable rate along with the

deposit rate. In case of joint accounts, premature withdrawal of Term Deposit will depend on the mandate given by the depositors jointly at the time of opening the Term Deposit or any time subsequently during the term/ tenure of deposit. In the event of the death of depositor, premature termination of the term deposits would be allowed.

- b. Various Modes of operation of Term Deposits are as follows:
- i. Term Deposit advices can be issued in the names of two or more persons payable to 'Either or Survivor', 'Both or Survivor', 'Former or Survivor', 'Latter or Survivor', any one/two or survivors or survivor', 'all or survivors or survivor', etc. according to the 'Maturity' payment instructions given by depositors on the relative account opening form. In the absence of such instructions by depositors, the balance becomes payable on maturity jointly to the survivor(s) and the legal representative(s) of the deceased depositor(s) if any.
 - ii. If Term Deposit Accounts are opened with operating instructions 'Either or Survivor', the signatures of both depositors need not be submitted for payment of the amount of the deposits on maturity. However, signatures of both depositors have to be submitted, in case the deposit is to be paid before maturity. If the operating instruction is 'Either or Survivor' and one of the depositors expires before the maturity, no pre-payment of term deposit may be allowed without the concurrence of the legal heirs of the deceased joint holder.
 - iii. This, however, would not stand in the way of making payment to the survivor on maturity. In case the mandate is 'Former or Survivor', the 'Former' alone can operate/ withdraw the matured amount of the term deposit, when both the depositors are alive. However, signature of both depositors have to be submitted, in case the deposit is to be paid before maturity. If the former expires before the maturity of the term deposit, the 'Survivor' can withdraw the deposit on maturity. Premature withdrawal would, however, require the consent of both the parties, when both of them are alive, and that of the surviving depositor and the legal heirs of the deceased in case of death of one of the depositors.
 - iv. If joint depositors prefer premature withdrawals of term deposits also in accordance with the mandate of 'Either or Survivor' or 'Former or Survivor', as the case may be, on expiry of one of the depositors, a modified "Either or Survivor" form shall be obtained from all the depositors either at the time of opening of term deposit account or at any time before maturity. After obtaining this modified form, the deposit can be paid before maturity to any one of them, on expiry of one of the depositors.

27. Premature renewal of Term Deposit

In case the depositor desires to renew the deposit by seeking premature closure of an existing term deposit account, the Bank will permit the renewal at the applicable rate on the date of renewal, provided the deposit is renewed for a period longer than the balance period of the original deposit. While prematurely closing a deposit for the purpose of renewal, interest on the deposit for the period it has remained with the Bank will be paid at the rate applicable on the date of deposit to the period for which the deposit remained with the Bank and not at the contractual rate, subject to the following conditions:

- a. If the deposit is prematurely closed for the purpose of investment to any other term deposit scheme of the bank provided that the deposit remains with the bank after the re-investment for a period longer than the remaining period of the original contract no penalty shall be charged.
- b. If the term deposit is renewed by premature withdrawal for a period shorter than the remaining period of the deposit, penalty will be charged @ 1% or as amended from time to time.

28. Renewal of Overdue Term Deposits

- (i) In case the overdue period from the date of maturity till the date of renewal (both days inclusive) does not exceed 14 days, the rate of interest payable on the amount of deposit so renewed shall be the rate of interest as prevailing on the date of maturity or on the date of renewal whichever is higher.
- (ii) In case of the deposits, where overdue period from the date of maturity till the date of renewal (both the days inclusive) exceed 14 days. The Bank shall pay the rate of interest applicable to savings accounts or the contracted rate of interest on the matured TD, whichever is lower.
- (iii) 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.
- (iv) In case of absence of any instructions deposits will be treated as an auto renewal deposit and would be renewed for a similar period as that of matured deposit at the prevailing rate on due date. (Except the Tax Saver deposits)

29. Advances against deposits

The Bank may consider request of the depositor/s for loan/overdraft facility against term deposits duly discharged by the depositor/s on execution of necessary security documents. The Bank may also consider loan against deposit standing in the name of minor (**operated by guardian**), however, a suitable declaration stating that loan is for the benefit of the minor, is to be furnished by the depositor applicant (**i.e. guardian of the minor who is operating the account**). **However, the bank will not provide advances against deposits of other banks.**

30. Settlement of dues in deceased deposit account

Settlement of claims for Deceased Accounts can be done with reference to Head Office General Circular No. 112/2022 dated 3rd September 2022 or as amended from time to time.

The settlement in different accounts can be done as under:-

A. Settlement of claims -Single holder accounts:

A.1 Savings Account/Current Account-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.

A.2 Savings Account/Current Account-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.

A.3 Term Deposit Account- 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.

A.4 Term Deposit Account-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).

B. Settlement of claims-Joint holder accounts:

B.1 Savings Account/Current Account –With nomination:

- 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) against their joint claim on verification of the authority of the legal heirs and submission of proof of death of the depositor.
- 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.
- Nominee's right arise after the death of all account holders.

B.2 Savings Account/Current Account -Without nomination:

- 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 identity of legal heirs and submission of proof of death of the depositor.
- 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 one of them as mandated by all the legal heirs) on verification of authority of the legal heirs and proof of death of the depositors.

B.3 Term Deposit Account– With nomination:

- 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.

- 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.4 Term Deposit Account– Without nomination:

- 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.
- 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.

31. Interest payable on term deposit in deceased account

- In the event of death of a depositor before the date of maturity of deposit, the Bank shall pay interest at the rate applicable for the run period without any penalty, if payment is sought by the surviving joint holder(s)/ legal heirs. If the amount of the deposit is claimed after the date of maturity, the Bank shall pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment, the Bank shall pay interest at saving deposits rate applicable on the date of maturity as per the Bank's policy in this regard.
- In this context, the guidelines for the payment of interest on the term deposits of a deceased depositor have been circulated vide Head Office General Circular No.73/2003 dated 28.07.2003 which states that in case of death of the depositor, interest shall be paid at saving deposit rates, operative on the date of maturity of the deposit. The interest so payable shall be from the date of maturity of the deposit till the date of actual payment to the nominee / legal heirs of the depositor.

32. Insurance Cover for Deposits

All Bank deposits are covered under the insurance scheme offered by Deposit Insurance and Credit Guarantee Corporation of India (DICGC) subject to certain limits and conditions as under: "The DICGC insures all deposits such as savings, fixed, current, recurring, etc. Each depositor in a Bank is insured up to a maximum of Rs. 5,00,000/- (Rupees Five Lakhs only) for both principal and interest amount held by him in the same right and same capacity as on the date of liquidation/cancellation of Bank's license or the date on which the scheme of amalgamation/ merger/ reconstruction comes into force."

33. Stop Payment Facility

The Bank will accept stop payment instruction from the depositors in respect of cheques issued by them, provided the cheque in question has not been paid by the Bank. Charges, as applicable from time to time, will be recovered.

34. Standing Instructions

Standing instructions can be given to the Bank for transfer/remittance of funds from one account to other account(s) maintained in the same branch, any other branch of the bank.

35. Exchange of Soiled / Mutilated Notes

The bank accepts mutilated / soiled notes from customers / non-customers for exchange. Process of acceptance of such notes has been defined as per RBI's note refund rules and circulated to all the branches for adherence. All branches of the Bank offer the facility of exchange of soiled notes, coins, exchange of mutilated and cut notes. The process of exchange would be as per RBI's Note Refund Rules.

36. Dormant Accounts

Accounts which are not operated for over a period of two years will be transferred to a separate inoperative account status in the interest of the depositor as well as the Bank. The Bank will inform customers when there are no transactions in the account and the account is going to become in-operative. The operations in the inoperative account will be allowed after carrying out due diligence of the customer. The due diligence would mean ensuring genuineness of the transaction, verification of the signature and identity of customer. Fresh KYC documents will be obtained from customer for the accounts lying in inoperative state for more than 2 years.

At present Savings Bank and Current Accounts are treated as 'inoperative' if there are no customer induced debit / credit transactions in the account for a period of over two years. Customer mandated transactions are treated as customer induced transactions and the accounts are treated as operative. The list of unclaimed accounts where there is no transaction for more than 10 years is displayed on Bank's website. The list contains names of the account holder(s) and their address. If claimants, find their name and address in the list they may visit their branch with available records as per the process given in the Bank's website, to claim the amount.

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

Bank shall not levy penal charges for non-maintenance of minimum balances in any inoperative account.

37. Service Charges (Ref: HOGC – 184/2022-23 dated 15th February 2023)

The Bank will levy service charges as approved by the Bank's Board. The applicable Service Charges will be displayed on the Bank's website and a notice of one month will be given in case of any revision in introduction of Service Charges.

38. Closure/freezing of the Account

The Bank reserves the right to close or freeze the accounts of the depositor, after due notice to the customers for reasons which may include, but not limited to, the following:

1. In case any of the documents furnished towards identity and address proof are found to be fake/forged/defective,
2. The Account opening cheque is returned unpaid for financial reasons/signature not matching.
3. In case fraudulent/forged/ fake cheques/ bank drafts or any such instruments are attempted to be cleared/cleared through the accounts.
4. In case of frequent return of inward/outward cheques in the account
5. Any false /misleading information given or suppression of any material fact.
6. Detection of the name of the account holder in prohibitory list.
7. Unsatisfactory conduct of the account in terms of volume/type of transactions, non-maintenance of minimum balance etc. Non-intimation of change in communication address leading to customer's whereabouts being unknown.
8. In case a debit balance for reasons, including but not limited to, non-repayment in case of facilities offered by the Bank, where repayment is to be made through customer's account, reversal of wrong credit, any temporary overdraft granted to the customers by the bank in relation to any facility or otherwise, etc. is allowed to continue for more than 90 days in the Account.

39. Closure of the account requested by the customer

When the customer desires to close the account, a written request under the recorded signature of the customer, addressed to the base branch shall be sent by the customer accompanied with all unused cheque leaves and passbook (if issued). The debit card/ATM card issued in the account also shall be surrendered. In case of partnership firm and joint account, the letter of request shall be signed by all the partners and all the account holders, respectively.

In case of limited companies, a board resolution authorizing closure of the account is required. In case of Term Deposit account duly discharged term deposit receipt is to be submitted to the branch for closure of the account.

The Passbook (if issued) with amply branded as "Account Closed" may be returned to the customer.

The balance standing to the credit of such accounts with interest will be paid to the customer after recovery of all bank dues, charges and deduction of taxes applicable as per the provisions of Income Tax Act.

40. Redressal of complaints and grievances (Ref: Customer Grievance Redressal Policy – HOGC No. 132/2020-21 dated 04.01.2021)

Depositors having any complaint/grievance with regard to services rendered by the Bank have a right to approach Authorities designated by the Bank for handling customer complaint/grievances.

The details of the internal set-up for redressal of complaints/grievances will be displayed in the Branch premises. The branch officials shall provide all required information regarding procedure for lodging the complaint. In case the depositor does not get response from the Bank within 30 days from date of complaint or he is not satisfied with the response received from the Bank, he has a right to approach Banking Ombudsman appointed by the Reserve Bank of India under the Integrated Ombudsman Scheme 2021 (HOGC No. 144/2021-22 dated 04.01.2022).

41. Amendments

The Managing Director is authorized by the Board of Directors to bring necessary amendments in the policy guidelines, from time to time, as and when required, subject to its ratification by the Board of Directors. The policy shall be reviewed on an annual basis.

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(Scheduled Bank)

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H.P. State Co-operative Bank Ltd.

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