

**POLICY FOR  
CUSTOMER ACCEPTANCE  
CUSTOMER CARE &  
CUSTOMER SEVERANCE**

**For the year 2012-2013.**

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## Customer Acceptance Policy:

## Annexure-A

### 1. Introduction :

As advised by the Reserve Bank of India (RBI), Indian Banks' Association (IBA) has forwarded through its letter dated 28.11.2011, a list of 77 recommendations of the Committee on Customer Service in Banks, popularly known as Damodaran Committee for immediate implementation by the Bank. Out of those recommendations, recommendation no.44, 71 & 72 is stipulated as under:

No.	recommendation
44	The Banks must have a well defined policy that sets out their approach to Customer Care. This also must take into account the human resources angle starting from recruitment process to take care of attitudinal aspects.
71	The Board should ensure that the following policies are in place : A comprehensive policy for customer Acceptance, Customer Care and Customer Severance.
72	The policies should clearly lay out approach to Customer Care taking into account the geographic spread of branches, segments of customers, need of special sections like senior citizens, widows, physically challenged persons etc. This policy must also clearly define and distinguish the features for different products and services and must indicate the target customer group.

To implement the above referred recommendations, the Bank is under the obligation of formulating a comprehensive Policy on Customer acceptance, customer care, and customer severance, which will primarily govern the operational aspects of account opening, customer care facilities and customer severance also.

Further, RBI Master Circular on Know Your Customer (KYC) norms, bearing no. RBI/2011-12/72. DBOD.AML.BC.No.2/14.01.001/2011-12 dated 01.07.2011 also directed the Banks to develop a clear Customer Acceptance Policy laying down explicit criteria for acceptance of customers. In the line of RBI guidelines envisaged in the above circular dated 01.07.2011, we have formulated our Customer Acceptance Policy which is summarized as under:

### 2. Customer Acceptance Policy

#### 2.1 Definition of customer

Broadly, a customer can be defined as a user or potential user of bank services. So defined, a 'Customer' may include:

- A person or entity that maintains an account and /or has a business relationship with the Bank.
- One on whose behalf the account is maintained, i.e. beneficial owner. [Ref : Govt. of India Notification dated February 12,2010-Rule 9,Sub-rule (1A) of PMLA Rules- 'Beneficial owner' means the natural person who ultimately owns or controls a client and or the person on whose behalf a transaction is being conducted, and includes a person who exercise ultimate effective control over a juridical person.
- Beneficiaries of transactions conducted by professional intermediaries, such as Stock Brokers, Chartered Accountants, Solicitors etc. as permitted under the law, and
- Any person or entity connected with a financial transaction which can pose significant reputational or other risks to the bank, say, a wire transfer or issue of a high value demand draft as a single transaction.

**2.2 Accounts in benami or fictitious name:** The following categories of customers as mandated by RBI will not be allowed to open account with the Bank.

- Benami or anonymous /fictitious account, whose identity is not disclosed or cannot be verified.
- Accounts of known criminals or banned entities,
- Shell banks.
- Pooled accounts on behalf of clients by Lawyer & Accountants who are bound by customer confidentiality.

**2.3 Name filtering against multiple sanctions & watch list:** Necessary checks will be made before opening a new account so as to ensure that the identity of the customer does not match with any person with known criminal background or with banned entities such as individual terrorists or terrorist organisation etc. The Bank will ensure that the name of the proposed customer does not appear in the consolidated list of terrorist individuals and entities circulated by RBI. (United Nations' List under Security Council Resolutions)

Screening of the legacy customers, i.e. screening of the existing customers of the Bank, once in two years will be carried out to ensure that no account is held by or linked to any of the entities or individuals included in any terrorist list.

Other lists issued by enforcement agencies will also be included in the negative lists, such as, Interpol Most Wanted, Wanted criminals by Central Bureau of Investigation, lists issued by other resolutions by United Nations etc.

**2.4 Customer Due Diligence:** Bank is required to know true identity of the person wanting to open an account. Each new customer is accepted for banking relationship after application of customer due diligence (CDD) measures such as verification of identity, address, nature and location of business activity/profession, purpose of intended bank account, social and financial status, source of funds etc. The Bank will apply Customer Due Diligence measures when it:

- i. establishes a business relationship,
- ii. carries out an occasional transaction,
- iii. suspects money laundering or terrorist financing, or
- iv. doubts the veracity of documents, data or information previously obtained for the purpose of identification or verification.

Copy of each KYC documents will be certified as "original seen & verified" by the authorized branch official.

**2.5 When the Bank is unable to apply customer due diligence measures, it**

- i. will not establish a business relationship or carry out an occasional transaction with the customer,
- ii. will not carry out a transaction with or for the customer through a bank account,
- iii. will terminate all existing business relationship with the customer,
- iv. should consider whether it ought to report to FIU-IND/ Regulators, in accordance with extant guidelines.

Bank will not open an account or close an existing account where the bank is unable to verify the identity and /or obtain documents required as per the risk categorization due to non-co-operation of the customer or non reliability of the data/ information furnished to the bank. However, to have a suitable built in safeguards to avoid harassment to the customer, the decision to close an account will be taken by the Regional Office and always by an officer one scale higher than the Branch Manager after giving due notice to the customer explaining the reasons for such a decision. If Regional Office does not have an officer in one scale higher than the Branch Head, the decision to close a particular account will be taken by the Head Office, Corporate Accounts Deptt.

**2.6 Types of CDD.** There are three types of CDD that can be used by the bank in accordance with the risk category of the customer. These are listed as follows :

**2.6.1 Basic due diligence .** This implies collection and verification of identity proof, address proof and photograph to establish the identity of the customer. This is based on documents and forms the basis of the KYC programme for the Bank. Clause (d) of Rule 2 (1) of PML Rules specifies officially valid documents for identification of the customer as Passport, the Driving Licence, the Permanent Account Number (PAN) Card, the Voter Identity Card. The Govt. Notification dated 16.12.2010 has expanded the definition of officially valid documents to include job card issued by NREGA duly signed by a State Govt. official or the letter issued by the Unique Identification Authority of India containing the details of name, address and Aadhar Number. Where the branch has relied exclusively on any of the two documents, viz NREGA job Card or Aadhar letter as complete KYC documents, the account will be opened under basic no-frill account or under the limitations of Small deposit accounts. It has been observed that some customers find it difficult to produce the address proof in their own name. In such cases, a declaration from the close relative like husband, wife, son, daughter, parents etc with whom he/she resides, that the prospective customer is a relative and is staying with him/her will be obtained along with the identity and address proof of close relative.

**2.6.2 Simplified due diligence.** Any due diligence applied to establish the identity of the customer, besides photograph, which involves measures less stringent than basic due diligence can be termed as simplified due diligence. As per RBI directives, simplified due diligence will be applied to accounts of people belonging to low income group, economically disadvantaged people, both in urban as well as rural areas, to enable 'Financial Inclusion' of this segment. It can also be applied to accounts which have a financial cap, like the "Small Deposit Accounts" or basic 'no-frill' Savings accounts, where

- (i) the aggregate of all credits on a financial year should not exceed Rs.1.00 lac.
- (ii) the aggregate of all withdrawals and transfers in a month will not exceed Rs.10,000/- and
- (iii) balance at any point of time does not exceed Rs.50,000/-

Simplified due diligence will allow a customer who wants to open an account and is unable to produce documents mentioned in basic due diligence, to open the account subject to introduction from another account holder who has been subjected to full KYC procedure and the introducer's account is at least six months old with satisfactory operation of the account.

Or by producing any other evidence as to the identity and address of the customer to the satisfaction of the bank, such as, certificate mentioning the address of the intending depositor from a reputed customer acceptable to the bank or a letter from any recognized public authority or public servant verifying the identity and residence of the customer to the satisfaction of the Bank. (Ref : Bank's circular no.CSD/05/OM-406/2005 dated 06.10.2005 & Circular no.Compl/Small a/c/4/OM-097/11-12 dated 10.05.2011)

**2.6.3 Enhanced Due diligence:** Any additional due diligence measures undertaken over and above the basic due diligence can be termed as enhanced due diligence. In case of high risk customers, banks may obtain additional information on the customer beyond documentary evidence for opening of the account. An indicative list is as under:

- i. Information on net worth.
- ii. Intended business activity in case of NRI customers
- iii. Report by relationship manager/ branch manager,
- iv. Higher level approval,
- v. Verification of customer information with independent data sources.

Enhanced due diligence is built in the account opening processes at the product level or customer type level. The customers requiring higher due diligence include :

<ul style="list-style-type: none"> <li>• Non-resident customer</li> <li>• High net worth individuals</li> </ul>	<ul style="list-style-type: none"> <li>• Firms with 'sleeping partners'</li> <li>• Politically exposed persons (PEPs) of foreign origin, customers who are close relatives of PEPs and accounts of which a PEP is the ultimate beneficial owner,</li> </ul>
<ul style="list-style-type: none"> <li>• Trusts, charities, NGOs and organisations receiving donations (excluding NPOs/NGOs promoted by United Nations or its agencies).</li> </ul>	<ul style="list-style-type: none"> <li>• Non face to face customers</li> </ul>
<ul style="list-style-type: none"> <li>• Companies having close family shareholding or beneficial ownership.</li> </ul>	<ul style="list-style-type: none"> <li>• Those with dubious reputation as per public information available etc.</li> </ul>

**2.7 Customer profile :** Bank will prepare a profile of each new customer and based on their risk perception customers will be categorized as low, medium & high risk category. The objective of customers risk categorization is to prevent the bank from being used intentionally or unintentionally, by criminal elements for money laundering or terrorist financing activities. The customer profile will contain information relating to customer's identity, social/ financial status, marital status, nature of business activity, information about his clients' business and their location, profession, source of fund, credit turnover etc. The nature and extent of due diligence will depend on the risk perceived by the Bank. However, while preparing the customer's profile, adequate care will be taken by the branch functionaries to seek only such information from the customer, which is relevant to the risk category and is not intrusive. The customer profile is a confidential document and the details contained therein will not be divulged for cross selling or any other purpose.

**2.8 Parameters of risk perception:** Parameters of risk perception are clearly defined. In the line of IBA suggestions, some indicative parameters, which are used to determine the profile and risk category of a customer are as follows :

1. Customers constitution: Individual, proprietorship, partnership, public or private ltd. etc.

2. Business segment: Retail, corporate etc.
3. Country of residence/ Nationality : Whether Indian or any overseas location.
4. Product subscription : Salary Account/NRI product etc.
  
5. Economic profile: High net worth individual, Public limited Co. etc.
6. Account status: Active, In-operative, dormant etc.
7. Account vintage: less than six months old etc.
8. Presence in regulatory negative/ PEP/defaulters/fraudsters etc
9. Suspicious Transaction Report (STR) filed for the customer,
- 10 AML alerts.

Other parameters like source of fund, occupation, purpose of account opening, nature of business, mode of operation, social & financial status, credit rating etc can also be used in addition to the above parameters. Indicative list of Customer type bearing low, medium & high risk are summarized in Annex-1.

**2.9 Documentation requirement:** Considering the risk perspective of customer type and product risk, the following documentation has been made mandatory for accepting the customer.

Features to be verified and documents that may be obtained from the customers.	
Features	Documents
<p><b>Accounts of individuals</b>  -- Legal name or any other names used.</p> <p>--Correct permanent address</p>	<p>Photograph and any one of the following documents.  (i) Passport  (ii) Pan Card  (iii) Voter's Identity Card  (iv) Driving Licence.  (v) Job Card issued by NREGA duly signed by an officer of the State Government *  (vi) Letter issued by UIDAI containing details of name, address and aadhar number *  (vii) Photo Identity Card (subject to bank's satisfaction)  (viii) Letter from a recognized public authority or public servant verifying the identity and residence of the customer to the satisfaction of the bank.  * subject to para no.2.6.1</p> <p>(i) Telephone Bill  (ii) Electricity Bill  (iii) Bank account statement  (iv) Letter from any recognized public authority  (v) Ration Card  (vi) Letter from employer (subject to satisfaction of the bank)  (vii) Any document which provides customer address information to the satisfaction of the bank will suffice.</p>
<p><b>Accounts of companies.</b>  -- name of the company.  -- principal place of business.  -- Mailing address of the company  -- Telephone /Fax number</p>	<p>(i) Certificate of incorporation, Certificate of commencement of business and Memorandum &amp; Articles of Association (up-to-date) certified by the Secretary/Director of the Company.  (ii) Resolution of the Board of Directors to open an account and identification of those who have the authority to operate the account.  (iii) Power of Attorney granted to its managers, officers</p>

	<p>or employees to transact business on its behalf.</p> <p>(iv) Copy of PAN allotment letter</p> <p>(v) Copy of Telephone Bill.</p> <p>(vi) List of present Directors signed by the Chairman of the Company.</p> <p>(vii) List of Authorised signatories with their signatures attested by the Chairman of the Company.</p> <p>(viii) As a proof of current address at least one of the address proof of each Director and photograph of the Directors.</p>
<p><b>Accounts of Partnership firms.</b></p> <p>--- Legal name</p> <p>--- Address</p> <p>--- Names of all partners and their addresses</p> <p>--- Telephone numbers of the firm and partners.</p>	<p>(i) Registration certificate, if registered, with a copy certified by the partners.</p> <p>(ii) Partnership Deed</p> <p>(iii) Power of Attorney granted to a partner or an employee of the firm to transact business on its behalf.</p> <p>(iv) Any officially valid document identifying the partners and the persons holding the Power of Attorney and their addresses.</p> <p>(v) Telephone bill in the name of firm/ partners.</p> <p>(vi) Partnership letter in Bank's format.</p>
<p><b>Accounts of Trusts &amp; foundations.</b></p> <p>-- Names of trustees, settlors, beneficiaries and signatories.</p> <p>-- Names and addresses of the founder, the managers/directors and the beneficiaries.</p> <p>-- Telephone/fax numbers.</p>	<p>(i) Certificate of registration, if registered.</p> <p>(ii) Power of Attorney granted to transact business on its behalf</p> <p>(iii) Any officially valid document to identify the trustees, settlors, beneficiaries and those holding Power of Attorney, founders/managers/ directors and their addresses.</p> <p>(iv) Resolution of the Managing body of the foundation/ association for opening and operating the account signed by all the trustees.</p> <p>(v) Telephone Bill.</p> <p>(vi) The trust Deed for verification with copy certified by the Chairman. (The deed should empower the trustees to open Bank Account)</p> <p>(vii) A list of the names of trustees with their signatures attested by the Chairman.</p>
<p><b>Accounts of proprietorship concern.</b></p> <p>-- Proof of the name, address and activity of the concern.</p>	<p>(i) Proprietorship letter in Bank's format, besides identity proof &amp; address proof.</p> <p>(ii) Power of Attorney if granted by the proprietor. Any two of the following documents:</p> <p>(iii) Registration certificate in case of a registered concern)</p> <p>(iv) Certificate/Licence issued by the Municipal Authorities under Shop &amp; Establishment Act.</p> <p>(v) Sales &amp; Income Tax Return</p> <p>(vi) CST/VAT certificate</p> <p>(vii) Certificate/ registration document issued by Sale Tax/Service Tax/Professional Tax Authority.</p> <p>(viii) License issued by the Registering authority like Certificate of Practice issued by the Institute of Chartered Accountants of India, Institute of Cost Accountants of India, Institute of Company Secretaries of India, Indian Medical Council, Food &amp; Drug Control Authorities</p> <p>(ix) Any registration/ licencing document issued by the Central Govt. or State Govt. authority/Department.</p> <p>(x) Importer Exporter Code issued to the proprietorship concern by the Office of the Directorate General of Foreign Trade.</p>

<b>Accounts of Salaried employees</b>	Identity card from employer and or employer letter is/are obtained only from corporate and other entities of repute, in addition to at least one of the officially valid documents of identification like, passport, PAN Card, voter identity Card, Driving Licence etc.
<b>Hindu Undivided Family account</b>	(i) Declaration from Karta, (ii) Joint Hindu Family letter signed by the Karta and all major co-parceners. (iii) PAN allotment letter for verification with a copy. (iv) Telephone Bill for verification with a copy.
<b>Account of Society, Association, Club, Schools &amp; Colleges.</b>	(i) Certificate of Registration for verification with a copy certified by the Chairman/ Secretary, if registered. (ii) Memorandum of Association (where applicable) certified by the Chairman/Secretary. (iii) A copy of Resolution of Governing Body, Board of Directors or Managing Committee of the Society authorizing opening and operation of the account, certified by the Chairman of the meeting. (iv) A list of Authorised signatories with their signatures attested by the Chairman/ Secretary. (v) PAN allotment letter for verification with a copy. (vi) Copy of Bye Laws, Rules, Regulations certified by the Chairman/Secretary. (vii) Telephone Bill for verification with a copy.
<b>Trust Accounts</b>	(i) Certificate of Registration for verification with a copy certified by the Chairman.(for public Charitable trust). (ii) Trust Deed for verification with a copy certified by the Chairman. (The deed should empower the trustees to open Bank account) (iii) Resolution for opening and operating the account signed by all the Trustees. (iv) Any document listing the names of the trustees/settlers/beneficiaries. (v) A list of the names of trustees with their signatures attested by the Chairman. (vi) PAN Allotment letter for verification with a copy. (vii) Telephone bill for verification with a copy.

**2.10 Risk categorization:** For the purpose of risk categorization, individuals (other than High Net worth) and entities whose identities and source of wealth can easily identified and transactions in whose accounts by and large conform to the known profile, may be categories as low risk. Examples of low risk customers are salaried employees whose salary structures are well defined, people belonging to lower economic strata of the society whose accounts show small balances and low turnover, Government departments and Government owned companies, regulators or statutory bodies etc. Customer acceptance policy requires only basic due diligence of identity and address proof for such low risk customers.

Customers that are likely to pose a higher than average risk to the bank will be categorized as medium or high risk depending on customer's background, nature and location of activities, country of origin, source of funds and his client profile etc. Customers requiring higher

due diligence include (a) non-resident customers (b) high net worth individuals (c) trusts, charities, NGOs and organisations receiving donations (d) companies having close family shareholding or beneficial ownership (e) firms with sleeping partners (f) Politically exposed persons of foreign origin, customers who are close relatives of PEPs and accounts of which a PEP is the ultimate beneficial owner (g) non-face to face customers and (h) those with dubious reputation as per public information available etc. However, only NPOs/NGOs promoted by United Nations or its agencies may be classified as low risk customers.

**2.11 Walk-in-Customer :** In case of transactions carried out by a non-account based customers, that is a walk-in customer, where the amount of transaction is equal to or exceeds rupees fifty thousand, whether conducted as a single transaction or several transactions that appear to be connected, the customer's identity and address would be verified by obtaining copy of the documents regarding identity & address proof as done for a normal customer. If the Bank has a reason to believe that a non-account based customer is intentionally structuring a transaction into a series of transactions below the threshold of Rs.50,000/- the Bank will verify the identity and address of the customer and also consider filing a suspicious transaction report (STR) to FIU-IND.

***2.12 It is important to bear in mind by all the field functionaries that the adoption of customer acceptance policy and its implementation should not become too restrictive and must not result in denial of banking services to general public, specially to those, who are financially or socially disadvantaged. Sufficient flexibility in the requirement of documents of identity and proof of address has been provided in simplified due diligence for accepting a customer to avoid financial exclusion particularly in rural & semi urban areas for opening small account to provide basic banking services to all.***

### **3. CUSTOMER CARE POLICY:**

**3.1. Introduction:** The Bank is committed for a significant, qualitative and enduring improvement in customer service. It has constantly brought into sharp focus on review, examination and evaluation of customer service across the vast branch network with customer centricity. The Bank's approach to develop 'Client First Attitude' is well documented in various customer centric policies adopted by the Board of Directors, namely Deposit Policy, Cheque Collection Policy, Compensation Policy, Collection of Dues & repossession of securities policy & Grievance Redressal Policy. All the policies are reviewed every year to incorporate the expectation of the customers, regulators and to pass on the benefits of technology to all the customers, particularly the common person. With the adoption of Damodaran Committee recommendations, the concept of customer care has assumed a great importance for the Bank.

**3.2 Definition:** Customer care, as its name suggests is basically made for satisfying the customers. Customer care definition generally stands for the services provided to the customer during or after the purchase of the product. There is a great importance of customer care as it fulfills the basic requirements of the customer. Customer care services are designed to create satisfaction in the minds of the customers and to provide them different facilities, new

information related to the product and the services. Customer satisfaction will ultimately create difference in customer service provided and brand value of the Bank itself.

**3.3 Guiding principle:** Transparency & reasonableness is the guiding principle for dealing with the customers for any product and services rendered by the Bank.

#### **4. General policy for customer care at branches.**

Bank's system is oriented towards providing better customer service and for general management of the branches under this orientation the following aspects are included:

4.1 Providing infrastructure facilities by the branches by bestowing particular attention to provide adequate space and sitting arrangement for customers, proper furniture, drinking water facility, adequate light & air, writing facility for the customers, with specific emphasis on pensioners, senior citizens, physically challenged persons.

4.2 Providing "May I help you" counter at all branches, separate enquiry counter at exceptionally large and bigger branches.

4.3 displaying indicator boards at all the counters in English, Hindi as well as in the concerned regional language.

4.4 providing customers with booklets consisting of important details of services and facilities available at the Bank in Hindi, English and the concerned regional language.

4.5 Periodical reviewing and improving upon the existing security system in branches so as to instill confidence among the customers and general public.

4.6 Training of staffs in line with the customer service orientation. Training in Technical areas of banking to the staff at delivery points.

4.7 visit by senior officials from controlling offices and Head Office to branches at periodical intervals for on the spot study of the quality of services rendered by the branches.

4.8 Keeping the branch premises clean, dirt free & hygienic and to keep the ambience esthetically pleasing.

#### **5. Facilities under customer care.**

##### **5.1 Basic banking 'no-frill' account**

With a view to achieve the objectives of greater financial inclusion, the Bank has made available a basic banking 'no-frill' account which can be opened and operated with 'zero' balance. The nature and number of transactions in such accounts are restricted as per Govt. notification on small accounts and made known to the customers in advance in a transparent manner. A Basic SB or no-frill account can be opened by any resident individual who is eligible to open Savings Bank account and can avail this offering in single or joint names. The product is not for Non-Resident Indians, Trusts, Societies etc.

##### **5.2 Facility of zero balance**

In order to mitigate the difficulties faced by the pensioners as also the special category customers, the Bank allows to maintain Savings Bank Account with zero balance even if they opt for cheque facility. Account holders who will be eligible to maintain zero balance Savings Bank account are furnished below :

- i) Savings Bank account opened and maintained by the pensioners for the purpose of payment of pension,
- ii) Savings Bank account opened and maintained by the woman customers either in their single name or as guardian of a minor child.
- iii) Savings Bank account opened and maintained by visually handicapped person.
- iv) Savings Bank account opened and maintained for the purpose of crediting monthly salary of the account holder.
- v) Savings Bank account opened and maintained by the Senior citizen.
- vi) Account opened under financial inclusion.
- vi) Industrial/agricultural labourers, low income families
- vii) Girl students under National Incentive Schemes for higher education.

### **5.3 Photographs of depositors.**

The Bank will obtain and keep on record photographs of all depositors/ account holders in respect of accounts opened by them subject to the following clarification.

- i) The instruction will cover all types of deposits including fixed, recurring, cumulative etc.
- ii) They apply to all categories of depositors, whether resident or non-resident. Only Banks, Local Authorities and Government Departments (excluding public sector undertakings or quasi-Government bodies) will be exempt from the requirement of photograph.
- iii) Fresh photographs need not be obtained when an additional account is desired to be opened by the account holder.
- iv) The Branch should obtain photographs of all persons authorized to operate the accounts viz. Savings Bank and Current Account without exception.
- v) The Branch should also obtain photograph of the 'Pardanishin' woman.

### **5.4 Minimum balance in Savings bank account.**

At the time of opening the accounts, bank will inform their customers in a transparent manner the requirement of maintaining minimum balance and levying of charges etc. if the minimum balance is not maintained. Branch Comprehensive Notice Board as per RBI format will indicate the quantum of minimum balance & charges for non-maintenance besides displaying the same in Bank's website. The Bank will inform at least one month in advance, the existing account holders of any change in the prescribed minimum balance and the charges that may be levied through Branch Notice Board, website etc.

### **5.5 Issuance of Pass Book /Statement of account.**

Normally, Bank will invariably issue Pass Book to all Savings Bank Account holders, and Statement of Accounts to all Current Account holders. Generally the pass book/statement of account will be printed in font size Arial-10, 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. With a view to avoiding

inconvenience to the depositors, branches should avoid inscrutable entries in pass books/ statement of accounts and ensure that brief, intelligible particulars are invariably entered in Pass Book/statement of account. The pass Book will be issued free of charge. A photograph of the customer will be pasted on the Passbook at a place reserved for it.

If the customer chooses to get statement of accounts in lieu of passbook, the bank will allow to issue statement of account on monthly basis without any cost. For duplicate Pass book or additional copy of statement of account, charge may be levied to the account holders.

Customers will be made conscious of the need on their part to get the passbook updated regularly and whenever passbooks are held back for updating, a paper token indicating the date of receipt and also the date when it is to be collected will be issued by the Branch. If nomination is registered the Pass book/ statement of account will contain the legend "Nomination registered". If the customer desires to mention the name of the nominee on the Passbook/statement of account, the same will also be mentioned.

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.

The Statement of Account will also contain the following information by default.

- a. IFSC of the parent branch.
- b. MICR Code and phone no. of the parent branch.
- c. Date & time of printing of the statement of account.
- d. Sol Id of the branch where the statement of account is printed.
- e. Account No., currency, Customer Id, SOL Id, PAN & Type of Account
- f. Name of the joint account holders and their Customer Id & PAN.
- g. Toll free helpline number.

### **5.6 Issue of Cheque Book**

Bank may issue cheque books with larger number of leaves if a customer demands the same. Against the cheque requisition slip at a time normally one cheque book will be issued. If a customer is in genuine need of having two cheque books at a time, against written request and establishing the genuine requirement the customer can be issued two cheque books at a time.

### **5.7 writing of cheques in any language.**

All cheque forms are printed in English & Hindi. The customer may, however, write cheques in Hindi, English or in the concerned regional language.

### **5.8 Despatching the cheque book by post/courier.**

The customers, generally, will have to collect the cheque book over the counter against submission of cheque requisition slip (for the first time) or requisition slips engraved in the already issued cheque book. However, on written request by the customer for sending the

cheque book by post, submitting the requisition slip, the same may be sent to the recorded address of the customer through Registered Post only.

### **5.9 Acceptance of cheque bearing a date as per National Calendar (Saka Samvat).**

Government of India has accepted Saka Samvat as National Calendar with effect from 22<sup>nd</sup> March 1957. Any cheque written in Hindi having date as per Saka Samvat is a valid instrument and will be accepted by the Bank for payment, if otherwise in order. The Bank will ascertain the Gregorian calendar date corresponding to National Saka calendar in order to avoid payment of stale cheque.

### **5.10 Dishonour of Cheques -- Cheque Cheque Return Memo.**

When a cheque is returned unpaid, the Branch will issue cheque return memo to the customer indicating the appropriate reason for returning the cheque. As per Rule 6 of the Uniform Regulations and Rules for Bankers' Clearing Houses (URRBCH) which is issued under Payment and Settlement System Act, 2007 Branch will have to ensure that the cheque return memo is properly dated and signed by the concerned authorized officer, even if it is computer generated. Branches should ensure that dishonoured instruments are returned/ dispatched to the customer promptly without delay, in any case within 24 hours.

### **5.11 Transferability of deposit account.**

If the customer so desires with a request letter to the base branch, any deposit account of the customer will be transferred 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.

The transferor branch will physically transfer all KYC documents obtained from the customer, along with Account Opening Form, Specimen Signature Card etc mentioning the date of transfer under the seal and signature on the face of the documents through registered courier service, or speed post or Registered Post only on the same date.

The customer does not need to comply with KYC formalities afresh at the transferee branch. However, supporting documents of Customer's new address, new telephone number will be obtained by the transferee branch. No other documents need to be obtained from the customer by the transferee branch.

Along with the request letter, the customer should surrender the unused cheque leaves, if any, the ATM-cum-Debit Card, and Passbook issued by the Branch. The official of the concerned department at transferor branch should destroy the unused cheques and ATM Card keeping proper record in Cheque Destroyed Register and ATM Register. However, the customers are allowed to retain the Pass book, which should be branded by the transferor branch on the face of it and beneath the last transaction recorded in the Pass Book, stating "The Account transferred to .....Branch (name of the transferee Branch) on.....(date)"

On being approached by the customer, the transferee branch should issue a new Pass Book, a new cheque book by obtaining a fresh cheque requisition slip and an ATM Card immediately. However, the charges for issuance of cheque book as per prevailing rate will be

levied, while the pass book and ATM Card will be issued free of charge. Before receipt of all documents, from the transferee branch, since the specimen signature is uploaded in the system, the transferee branch can identify the customer without any difficulty.

#### **5.12 Opening of current account- the discipline required,**

At the time of opening current accounts, Bank would insist on a declaration to the effect that the account holder is not enjoying any credit facility with any other bank. Branches should scrupulously ensure that they do not open current accounts of entities which enjoy credit facility from the banking system without specifically obtaining a No-objection certificate from the lending banks.

#### **5.13 Disposal of deposits.**

Advance instructions from the depositors for disposal of deposits on maturity may be obtained in the Account Opening Form itself. Auto renewal of the term deposit is allowed only on written request by the customer either in the Account opening Form or in a separate letter issued to the Branch by the customer.

In absence of any instruction regarding the disposal of matured deposit, Bank will issue a Notice to the customer, preferably in electronic form, to enable them to decide the renewal terms. In the notice itself the statement of all deposit accounts in summary form, giving the details like principal amount, maturity value with date, rate of interest, annualized yield etc will be issued by the Branch before one month of maturity of the deposit.

#### **5.14 Payment of interest on deposits.**

**Method of calculating interest in a Savings Bank A/C:** Interest is calculated on a daily basis on the daily closing balance in S.B Account at the rate in force in accordance with Bank's policy effective from 01.04.2010. The rate of interest on Savings account is subject to change as per policy of the Bank from time to time. The accrued interest is paid to the customer's account on a half yearly basis, twice in a year. The interest paid to the customer is reflected in the Passbook on updation.

#### **Method of calculating interest in Term Deposit:**

Fixed/Short term deposit : On deposits repayable in less than three months or where the terminal quarter is incomplete, the interest will be paid for actual number of days on the basis of 365 days in a year. (366 days in case of leap year)

Fixed Deposit: Generally, interest will be paid quarterly from the date of opening of the account either date to date quarter end, or calendar quarter end at the option of the depositor. Interest where the terminal period (month/quarter/half-year as the case may be) is incomplete shall be paid on maturity.

Interest on Fixed deposit may be paid on monthly basis, but at a discounted value. Where the interest is paid at discounted value on monthly basis, if the terminal quarter or half year consists of one month, interest therefore will be paid at actual. The customer would be informed of the method of calculation of interest upfront at the time of opening the deposit account.

Term deposit (Reinvestment plan): Term Deposit under reinvestment plan, interest will be compounded on quarterly basis. The principal and interest accrued is paid only at the end of the period for which the deposit is placed.

#### **5.15 Premature withdrawal of term deposit**

On written request from the customer the Bank will allow withdrawal of a term deposit before completion of the period of deposit agreed upon at the time of making deposit, and interest will be paid for the period the deposit remained with the bank not at the contractual rate, subject to the following conditions.

**1. If Term Deposit is closed prematurely within 7 days from the date of deposit: No interest will be paid.**

**2. If closed prematurely beyond 7 days and withdrawn the deposit: 1% penalty will be levied on the rate of interest applicable for the period the deposit remained with the Bank.**

**3. If prematurely withdrawn for reinvesting the deposit for a period longer than the residual period of the original deposit, interest will be paid at the rate applicable on the date of original deposit for the period for which the deposit remained with the Bank, without applying any penalty of 1%.**

**4. If the term deposit is renewed by premature withdrawal for a period shorter than the remaining period of the deposit, penalty will be charge @ 1%. (refer circular no.Comp/PI/11/OM-0285/11-12 dated 09.08.2011.)**

#### **5.16 Repayment of Term deposit in joint names.**

Term Deposit account may be opened in joint names with operating instructions 'Either or Survivor' or 'Former or Survivor' as the case may be. If a Term Deposit account is opened with operating instructions 'either or survivor', the repayment of the deposit will be dealt with as under :

(1) For payment of the amount of deposit on maturity : signature of both the depositor need not be obtained. Any one can receive the payment subject to Income Tax law by crediting to the account of any one, beyond Rs.20,000/-.

(2) In case the deposit is to be paid before maturity : Signature of both the depositors will be obtained.

(3) If one of the depositors expires before maturity, no pre-payment of Term Deposit will be allowed without concurrence of the legal heirs of the deceased joint depositor. This, however, will not stand in the way of making payment to survivor on maturity.

In case the customers' mandate is "Former or survivor, the former alone can operate or withdraw the matured term deposit, when both the depositors are alive.

In case the customers' mandate is 'former or survivor and the deposit is to be paid before maturity, the signatures of both the depositors are to be obtained.

If the former expires before maturity in an account having customers' mandate 'former or survivor, the deposit is to be paid to the survivor on maturity.

Premature withdrawal would, however, require the consent of both the parties, when both of them are alive, irrespective of the operational instruction of 'either or survivor' or former or survivor'. (refer circular no.O&M/repay/17/OM-0487/11-12 dated 18.11.2011)

### **5.17 Renewal of Overdue deposits.**

Accounts opened under all Term Deposit Schemes should be eligible for payment of overdue interest. Accounts under Certificate of Deposits, Non-resident Term Deposit (FCNR deposit) should not be eligible to get the benefit of overdue interest. Zero interest term deposit accounts related to subsidy under Govt. sponsored schemes should not be eligible for benefit of overdue interest.

Period for overdue interest: Overdue interest should be paid for the entire overdue period in number of days i.e. from the date of maturity till the date of payment/renewal of Overdue Term Deposit. The date of maturity should be included and the date of payment/ renewal should be excluded for calculation of overdue period.

Rate of overdue interest: Overdue interest should be paid @ savings bank rate as applicable from time to time during the overdue period (floating rate)

If the rate of interest in a TD account is less than the prevailing SB interest rate, overdue interest should be paid @ TD interest rate for the overdue period.

For overdue term deposit of Staff/honourably retired staff, preferential SB interest rate should be applicable for the overdue period. Overdue interest should be calculated on simple basis for all eligible accounts for the entire overdue period in number of days.

Base for overdue interest calculation: Overdue interest should be calculated on the Overdue Term Deposit balance at maturity after application on interest for the entire period of deposit-

a. In case of cumulative deposit (RIP type) = (Maturity value, minus TDS)

b. In case of non-cumulative deposit (FD type) = original amount of deposit.

c. In case of RD/MDSS type deposit = Amount deposited + interest applied for the deposit period. Even in case of part renewal, overdue interest should be paid on the Overdue Term Deposit account balance on maturity. TDS should be deducted on the amount of overdue interest paid in eligible cases.

Payment of overdue interest: Payment of overdue interest on term deposit should be made at the time of closure of the overdue term deposit and or renewal of such deposit.

No payment of overdue interest should be made if the overdue term deposit is presented for renewal within 14 days from the date of maturity and the overdue term deposit should be renewed with effect from the date of maturity at the appropriate rate prevailing on the date of maturity.

Payment of overdue interest should be made if an overdue term deposit is presented for renewal after 14 days from the date of maturity and the overdue term deposit should be renewed from the date of presentation for renewal. (Refer circular no. CBS/IT/1/OM-06/10-11 dated 03.04.2010)

### **5.18 Addition or deletion of names of the joint account holders**

The Bank may, at the request of all the joint account holders, allow the addition or deletion of name/s of joint account holders or allow an individual depositor to add the name of another person as a joint account holder. However, the Bank may levy a service charge for this service, which will be made known to the customer upfront.

### **5.19 Acceptance of cash over the counter**

Branches would invariably accept cash over the counter from all their customers who desires to deposit cash at the counter. There is no restriction whatsoever, in terms of denomination of notes, coins etc for depositing at bank's counter by the depositor and there is no product of the Bank, where customers are not allowed to deposit cash over the counter.

#### **5.20 Opening accounts in the name of minors with mothers as guardians.**

Bank allows opening of minor's account to be operated by the mother as natural guardian subject to the condition that the account will not be allowed to be overdrawn and always remain in credit. Branches are allowed to open minor's accounts (Fixed, Savings & recurring deposits only) with mother as guardians, whenever such request is received.

#### **5.21 Reconciliation of failed ATM transactions- time limit.**

The time limit for resolution of customer complaints by the issuing banks has been reduced to 7 days from the date of receipt of customer complaint.

#### **5.22 Classification of accounts as dormant or in-operative.**

A savings account or a Current account will be treated as inoperative/ dormant if there are no transactions in the account for over a period of two years. For the purpose of classifying an account as 'inoperative' both the type of transactions i.e. debit as well as credit transactions induced at the instance of the customers as well as third party should be considered. However, the service charges levied by the bank or interest credited by the bank are not considered transaction for this purpose. Incidentally, if the interest on Fixed Deposit account of the customer is credited to the Savings Bank account as per mandate of the customer, the same should be treated as customer induced transaction.

Three months before classifying an account as in-operative, Bank will issue a Notice to the customer at his recorded address to operate the account to keep the account active. However, there will not be any charge for activation of inoperative account. Interest on savings bank accounts will be credited on regular basis whether the account is operative or not. (Refer circular no.Compl/Notice/21/OM-0433/11-12 dated 24.10.11 & circular no.Compl/in-opSB/14/OM-0353/11-12 dated 10.09.11)

#### **5.23 Customer's declaration (15G/15H) to receive term deposit interest without Tax deducted at source (TDS)**

For claiming certain receipts without deduction of tax at source, the customer may submit form No.15G or 15 H as the case may be.

(i) 15G Form will be submitted in duplicate by the customer (not being a company or firm) below the age of 60 years.

(ii) 15H Form will be submitted in duplicate by the senior citizen customers above the age of 60 years.

(iii) Tax will be deducted at source (TDS) on interest earning exceeding Rs.10, 000/- in Term Deposit in case of non-submission of 15G/15H form, while opening the account and by 15<sup>th</sup> of April every following years during the life of the term deposit.

(iv) Providing PAN has been made compulsory in Form 15G/15H with effect from 01.04.2010, otherwise tax will be deducted at the rate of 20%. Normally the rate at which the tax would be deducted at source is 10% for the customers, who have provided the PAN.

(v) One copy of the Form 15G/15H is required to be submitted by the Bank Branch to the Commissioner of Income Tax on or before 7<sup>th</sup> of the following month of receipt, failing which penalty of Rs.100/- per day will be imposed by the Income Tax Deptt.

(vi) e-TDS Return in form 26Q has to be submitted by the branch within 15 days of the following month, ending the quarter, failing which the penalty will be imposed.

(vii) Bank will have to reflect all the sets of transactions in the TDS statement where 15G/15H form has been submitted.

(viii) TDS Certificate under Form no.16A will have to be issued to the customer every quarter and dispatched to his recorded address under Registered Post, keeping proper record of dispatch.(refer circular no.Compl/15G/15H/23/OM-0610/11-12 dated 07.01.2012)

## **6. Service at the counter.**

### **6.1 Banking hours/ working days of the branches.**

Business hours of the bank had been extended for both cash as well as non-cash transactions in all the branches as under:

	On week days	On Saturday
Duration of all Cash transactions	5 ½ hours	2 ½ hours
Duration of non-Cash transactions	6 hours	3 hours

Accordingly, where the commencement of business hour is 10.00 AM, all cash transactions are extended upto 3.30PM, inclusive of half an hour recess on weekdays and 12.30 PM on Saturdays. Non-cash transactions are extended upto 4.00 PM on weekdays and upto 1.00 PM on Saturdays. All branches/Extension Counters prominently display both inside and outside the premises, the details of business and working hours for the convenience of the public.

### **6.2 Commencement of working hours**

Commencement of employees' working hours have been fixed at 15 minutes before commencement of business hours to ensure that the members of the staff are available at their respective counters right from the commencement of business hours. When commencement of business hours is 10.00 AM, attendance of the Award staffs has been fixed at 9.45 AM sharp. Officers are expected to attend office by 9.30 AM. All the customers entering the banking hall before the close of business hours should be attended to, if required, after the business hours also.

## **7.Guidance to the customers and Disclosure of Information**

### **7.1 Assistance/guidance to the customer.**

All branches should have "May I Help You" counter either exclusively or combined with other duties, located near the entry point of the banking hall.

### **7.2 Display of time norms**

Time norms for specialized business transactions should be displayed predominantly in the Banking Hall.

### **7.3 Display of Comprehensive Notice Board**

Comprehensive Notice Board as per Reserve Bank of India guidelines and format should be displayed in all branches. This display enables the customers to take informed decision regarding product and services. Customers will have the information clubbed on certain categories such as 'customer service information, 'service charges, 'grievance redressal' and 'others'. This Comprehensive notice board should comply with the language criteria as under:

(i) Bi-lingual, i.e. Hindi & English, in Bihar, Haryana, Himachal Pradesh, Madhya Pradesh, Rajasthan, Uttar Pradesh, Uttaranchal, Jharkhand, Chattisgarh, and Delhi.

(ii) Trilingual i.e. Hindi, English & concerned Regional language, in other states & Union territory

Comprehensive Notice Board will display the name address & contact number of the Nodal Officer, normally the Regional Manager, whom the customer can approach for all unresolved complaints lodged at the branch level.

If the customer is not satisfied with the grievance redressal, he can approach the Banking Ombudsman, in whose jurisdiction the branch is located. The Name, address, telephone number and e-mail address of the Banking Ombudsman will be displayed in the Comprehensive Notice Board in all Branches.

### **7.4 Display of information relating to interest rates and service charges/rates at a quick glance.**

For customers benefit all branches should display in a prominent way key interest rates in deposits, Rates at a quick glance covering basic banking in deposits, loans and services in RBI format.

### **7.5 Information Booklet**

As per RBI guidelines, an Information Booklet containing the detailed information /documents of the following aspect will be made available at the 'May I Help You' counter or at a place that is frequented by most of the customers.

- a. availability of nomination facility on all deposit accounts, articles in safe custody and safe deposit vaults.
- b. facility of exchange of soiled and mutilated notes.
- c. facility of deposit/exchange of coins of all denominations.
- d. procedure for dealing with counterfeit notes.
- e. availability of facility for immediate credit of outstation cheques.
- f. Bank's Benchmark Prime Lending Rates (BPLR) & effective date of BPLR.
- i. Bank's Base Rate & effective date of Base Rate.
- j. Grievance redressal procedures.
- k. Citizen's Charter for Currency Exchange facility.
- l. Time norms for common transactions.
- m. Design and security features of Bank/ currency notes.
- n. Cheque Collection Policy.

- o. Grievance redressal policy.
- p. Collection of Dues & Repossession of Security policy.
- q. Compensation Policy.
- r. Tariff Schedule.
- s. Code of Bank's Commitment to Customers- 2009.
- t. Code of Bank's commitment to Micro & Small Enterprises (MSE Code)
- u. Banking Ombudsman Scheme-2006.

Soft copy of the Information Booklet is available with all branches and customer can have a soft copy of Information Booklet on request.

#### **7.6 Display of salient features of genuine notes.**

Branches should display pictorial representation of salient features of genuine notes, for information of the public, customers in particular, nearer to the cash counters in a prominent place. One copy of salient features of each note should be included in the Information Booklet and kept in May I Help You counter.

#### **7.7 Citizen charter for Exchange of notes & Coins.**

Citizen Charter for Exchange of notes & coins in trilingual should be displayed in the notice board of all branches. Exchange facilities for 'Soiled Notes' and 'notes to coins & coins to note' should be ensured in all branches. Exchange facility of 'mutilated notes' are available in all Currency Chest Branches. Display of these exchange facilities should be made in Branch Notice Board. As per Clean Note Policy of the RBI, branches will issue/accept note packets in unstapled condition only.

#### **7.8 Website**

Display of information on product and services on website is found to be an effective channel for reaching to the customers. Bank's website is providing all customer centric policy guidelines, information relating to Banking Ombudsman, a dedicated window for lodging complaints online, short description of bank's deposit & credit product, Interest rates on deposit & advances, service charges, online application of loans, ATM & Branch locator and other customer care information with all toll free customer service phone numbers.

### **8. Extension of Safe Deposit Locker facility**

#### **8.1 Allotment of lockers**

Locker facility is primarily for the customers of the Bank. Branches should maintain a wait list for the purpose of allotment of lockers and ensure transparency in allotment of lockers. All applications received for allotment of locker should be acknowledged and given a wait list number.

#### **8.2 Linking of allotment of lockers to placement of Fixed Deposits**

Locker facility does not come as a bundle product along with any other product. Hence, branches should refrain from demanding from the customers to place either fresh Fixed

Deposits, or to purchase any insurance product from Bank's tie-up as a pre-condition for allotment of locker. This restricted practice should be prohibited forthwith.

### **8.3 Fixed Deposit as Security for Lockers.**

To ensure prompt payment of locker rent, bank may at the time of allotment, obtain a Fixed Deposit which would cover 3 years rent and the charges for breaking open the locker in case of an eventuality.

### **8.4 Providing a copy of the agreement.**

Branches should give a copy of the agreement regarding operation of the locker to the locker-hirer at the time of allotment of the locker.

### **8.5 Embossing identification code.**

Branches should ensure that identification Code of the Bank/ branch is embossed on all the locker keys with a view to facilitate Authorities in identifying the ownership of the locker keys.

## **9. Nomination facility**

The Banking Companies (Nomination) Rules, 1985 provides for nomination facility available for (i) Deposits, (ii) Safe Custody and (iii) Safe Deposit Vaults. Nomination facility is intended for individuals including a sole proprietary concern. There cannot be more than one nominee in respect of a deposit account. In case of a joint account the nominee's right arises only after the death of all the depositors. Any nomination other than in favour of an individual will not be valid.

### **9.1 Witness in Nomination Forms**

The Banking Companies (Nomination) Rules provides that the thumb impression of the account holder on the nomination Form (DA1, DA2, & DA3) is required to be attested by two witnesses. However, signatures of the account holders in forms DA1, DA2, & DA3 need not be attested by the witnesses.

### **9.2 Registering the nomination**

In terms of Rules 2(10), 3(9) and 4(10) of the Banking Companies Nomination Rules, 1985 branches are required to register in its books the nomination, cancellation and/or variation of the nomination. The branches should accordingly maintain a separate Register for recording/registering the nominations or changes therein, if any, made by the depositors/hirer.

### **9.3 Separate nomination for Savings bank account and pension account.**

Nomination facility is available for Savings Bank Account opened for credit of pension. Banking Companies (Nomination) Rules, 1985 are distinct from the Arrears of Pension (Nomination) Rules, 1983 and the nomination exercised by the pensioner under the latter rules for receipt of arrears of pension will not be valid for the purpose of deposit accounts held by the pensioners with the bank branch for which a separate nomination is necessary in terms of the Banking Companies (Nomination) Rules, 1985 in case a pensioner desires to avail of nomination facility.

## **10. Collection of instruments**

### **10.1 Formulating Cheque Collection Policy.**

Bank has already formulated Cheque Collection Policy, which is available in the website also. The policy is reviewed and revised every year. The policy has included instructions on the following, which are to be adhered to religiously by all the branches

- \* Immediate credit for local/outstation cheques upto a certain limit
- \* Time frame for collection of local/outstation cheques
- \* Interest payment for delayed collection.

Salient features of the policy indicating the maximum permissible amount of cheques for instant credit, time frame for collection of outstation cheques, and the quantum of interest payment for delayed collection should be displayed in the Branch Notice Board prominently for the customers' information.

### **10.2 Collection of Account payee cheques-Prohibition on crediting proceeds to third party account.**

In consonance with the legal requirements and in particular the intent of the Negotiable Instrument Act, 1881, and in pursuance of RBI directive, the Bank will not collect account payee cheques for any person other than the payee constituent.

### **10.3 Cheques/instruments lost in transit/in clearing process/at paying bank branch.**

In respect of cheques lost in transit or in the clearing process or at the paying branch, the collecting branch should immediately bring the same to the notice of the account holder, so that the account holder can inform the drawer to record stop payment and can also take care that other cheques issued by him are not dishonoured due to non-credit of the amount of the lost cheques.

The onus of such loss lies with the collecting banker and not on the account holder.

The Bank should reimburse the account holder related expenses for obtaining duplicate instrument and also interest for reasonable delays occurred in obtaining the same, as per cheque collection policy of the Bank.

### **10.4 Cheque drop box facility.**

Both the cheque drop box facility and the facility for acknowledgement of the cheques at regular collection counters are available to the customers and no branch should refuse to give an acknowledgement if the customer tenders the cheques at the counter.

Branches should ensure that customers are not compelled to drop cheques in the drop box. Further, in the context of customer awareness in this regard, branch should invariably display on the cheque drop box itself that 'Customers can also tender the cheques at the counter and obtain acknowledgement on the pay-in-slip'. The above message is required to be displayed in English, Hindi and the concerned regional language of the State.

### **10.5 Dealing with incidents of frequent dishonour of cheques of value Rs.1.00 crore and above.**

With a view to enforce financial discipline among the customers, bank has introduced a condition for operation of accounts with cheque facility that in the event of dishonour of a cheque valuing Rs.1.00 crore & above drawn on a particular account of the drawer on for occasions during the financial year for want of sufficient funds, no fresh cheque book would be

issued. Also the Bank may consider closing current account at its discretion. However, in respect of advance accounts, the need for continuance or otherwise of these credit facilities and the cheque facility relating to these accounts should be reviewed by appropriate authority higher than the sanctioning authority.

If a cheque is dishonoured for third time on a particular account during the financial year, the branch should issue a cautionary advice to the concerned constituent drawing his attention to the condition and consequential stoppage of cheque facility in the event of cheque being dishonoured on fourth occasion on the same account during the financial year. Similar cautionary letter may be issued if the Branch intends to close the account, with concurrence from the Higher Authority. (refer circular no. CSD/MC/7/OM-0560/2008-09 dated 20.01.2009)

## **11. Facilities for special categories of customers.**

**11.1. Senior citizen :** Branch level Customer Service Committee includes a senior citizen customer of the Branch. In customer service committee meetings the status of providing the facilities to senior citizens are monitored.

Preferential interest rate benefit has been extended to United Tax Savings Schemes to make it beneficial for the senior citizens, like other term deposits.

No cash handling charges are levied for cash deposit at the base branch, non-base local or outstation branch in Savings Bank account. Concession in service charges for basic services like issuance of cheque book, issuance of Demand Draft, Pay Orders, return of inward clearing cheques etc are available for the senior citizens.

**11.2 Pensioners:** Like senior citizens, pensioners also entitled to concession in service charges for certain basic banking transactions like issuance of cheque book, demand draft, pay orders, return of inward clearing cheques.

While making arrear payment of pension, due and drawn statement is prepared and one copy of the worksheet is handed over to the concerned pensioners.

In case of delay in making payment, pensioners are entitled to receive interest @2% plus prevailing Bank Rate.

For cash payment to pensioners/senior citizens separate counters should be opened wherever possible. Branches should have a system of crowd & queue management to make separate line before the cash counters for the pensioners/ senior citizens to minimize the waiting period.

Pensioners should be encouraged to avail ATM facility and the daily drawal from ATM has been enhanced to Rs.25,000/-.

Bank has already established Central Pension Processing Centre for centralized payment of pensions, prompt & error free.

Intersol cash withdrawal by pensioners upto Rs.50,000/- have been made free of charges. Payment of Central Pension has been spread over last four days of the month to avoid rush at the cash counter.

No cash handling charges for the pensioners in Savings Bank Account.

## **11.3 Facility to sick/old/incapacitated account holders**

The cases of sick/old/incapacitated account holders (both pensioners & non-pensioners) fall in the 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 his account, but can put his /her thumb impression on the cheque/withdrawal slip.
- ii) An account holder who is not only unable to be physically present in the bank but is also not even able to put his/her thumb impression on the cheque/withdrawal slip due to certain physical incapability.

With a view to enabling the old/sick account holders operate their bank accounts, the Branch Head should provide services to such customers at his residence by sending a responsible official, who would act as a witness and complete all requisite formalities. Thumb or toe impression of the sick/old/incapacitated account holder should be obtained at his doorstep, it should be identified by two independent witnesses known to the bank, one of whom should be a responsible bank official.

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 slip as obtained in above manner and that person should be identified by two independent witnesses. The person who would be actually drawing the money from the bank should be asked to furnish his signature to the bank. (refer circular no.O&M/Syspro/25/OM-0517/09-10 dated 30.11.2009 & Compl/02/OM-042/11-12 dated 11.04.2011)

#### **11.4 Facilities to Visually Impaired Persons.**

As per RBI Guidelines, visually impaired persons are also legally competent to contract and such, all the branches should ensure that banking facilities including cheque book facility/operation of ATM/ locker facility, net banking facility, retail loans, credit cards are invariably offered to the visually challenged customer without any discrimination. (refer circular no.O&M/Syspro/200/07/OM-77/2004 dated 07.05.2004 & circular no.O&M/Syspro/4/OM-0184/08-09 dated 10.07.2008)

#### **11.5 Legal Guardianship Certificate issued under the National Trust Act 1999.**

The National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities (the Trust) has opined that legal guardian appointed by the Local Level Committee set up under National Trust can also open and operate the bank account as long as he remains the legal guardian. It may also be noted that the provisions of Mental Health Act, 1987 also allows appointment of Guardian by the District Court. Branches are, therefore, advised to rely upon the Guardianship certificate issued either by the District Court under Mental Health Act or by the Local Level Committees under the National Trust Act,1999 for the purpose of opening /operating bank accounts. Branch also should give proper guidance so that parents/ relatives of the disabled persons do not face any difficulty in this regard.

#### **11.6 Minors' Accounts.**

The minor can open Savings Bank Account and the same can be operated by the natural guardians or by minor himself/herself, if he/she is above the age of 10 years. The account can be opened jointly.

On attaining majority, the erstwhile minor should confirm the balance in his/her account and if the account is operated by the natural guardian/guardian, fresh specimen signature of erstwhile minor duly verified by the natural guardian would be obtained and kept on record for all operational purposes.

#### **11.7 Account of illiterate person.**

The Bank may at its discretion open deposit accounts other than Current Accounts of an illiterate person also. 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 customer. All other legal formalities like KYC etc. for opening SB accounts will be adhered to.

#### **11.8 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, however, a suitable declaration stating that loan is for the benefit of the minor, is to be furnished by the depositor-applicant.

#### **11.9 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 / paid to the nominee after the Bank satisfies about the identity of the nominee, etc.

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/ latter 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 the absence of the nomination and when there are no disputes among the claimants, the Bank will pay the amount outstanding in the account of the 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 to hardship on account of delays in completing legal formalities.

#### **11.10 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 to the date of payment, the Bank shall pay simple interest at the applicable savings bank account rate obtaining on the date of maturity, for the period for which the deposit remained with the Bank beyond the date of maturity; as per Bank's policy in this regard.

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

#### **11.11 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. The details of insurance cover in force will be made available to the depositor at the time of opening the account.

#### **11.12 Stop payment facility.**

The Bank will record and accept instructions in writing from the account holder for stopping payment against cheques that are lost, stolen, or not required to be paid against, only if such request is received from the drawer prior to presentment of such cheques at the Bank. The stop payment instruction clearly indicating full particulars of the cheque, the payment of which is desired to be stopped, should be recorded by the drawer of the cheque at the base branch where the particular account stands. The revocation of the stop payment of the cheque must be done from the base branch only.

The Bank may dishonour and/or return cheques unpaid which are altered, if considered by the Bank to be ambiguous or suspicious in any way, or received for payment more than three months after the date the cheque is drawn.

#### **11.13 Accepting Standing Instructions**

Written Standing instruction from the customer will be accepted in the Savings Account and Current account against a service charge for registration of such standing instruction. The Bank will have no liability for execution of the standing instruction if sufficient applicable balance is not maintained by the customer.

### **12 Remittance**

#### **12.1 Remittance of Funds for value Rs.50,000/- and above.**

Branches should ensure that any remittance of funds by way of Demand Draft/Pay Orders, Mail transfer, telegraphic transfer or any other mode and issue of travelers cheques for value of Rs.50,000/- and above is effected by debit to the customer's account or against cheques and not against cash payment. (refer circular no.Compl/DD/3/OM-077 dated 29.04.2011, cir no.DD/Ceiling/1/OM-0253/11-12 dated 26.07.2011 & cir no.Compl/13/OM-0290/11-12 dated 11.08.2011)

#### **12.2 Remittance through NEFT by accepting cash.**

In terms of directives of Ministry of Finance for Green Initiative vide letter no.7/8/2011-BO.II dated 25.10.2011 on Domestic Money Transfer-Relaxations for popularizing e-Payments,

any walk-in-customer not maintaining account with us is permitted to make remittance transaction for credit to account of branches of any other bank under NEFT through cash upto a ceiling limit of Rs.50,000/-. Such walk-in customer needs to provide minimum details like his/her name & complete address. (refer circular no.ADC/NEFT/5/OM-0458/11-12 dated 03.11.2011)

### **13. Declaration of Holiday under Negotiable Instrument Act,1881.**

In terms of Section 25 of Negotiable Instrument Act 1881, the expression "public holiday" includes Sunday and any other day declared by the Central Government by notification in the Official Gazette to be a public holiday. However, the power has been delegated by the Central Government to State Government also. When Central Government itself has notified a day as public holiday under Sec 25 of Negotiable Instrument Act, 1881, there is no need for Banks to wait for the Sate Government notification.

### **14.Rounding off of transactions.**

All transactions, including payment of interest on deposit/charging of interest on advances, should be rounded off to the nearest rupee i.e. fraction of 50 paisa and above shall be rounded off to next higher rupee and fraction of less than 50 paisa shall be ignored. Issue prices of cash certificates should also be rounded off in the same manner. However, banks should ensure that cheques/drafts issued by clients containing fractions of a rupee are not rejected or dishonoured by them.

### **15. Different deposit product and target groups.**

#### **15.1. 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	PRODUCT
Savings Bank	1.United Savings Bank 2.United Bonanza Savings 3.United Capital Gain Accounts (Account-A type) 4.United Children Savings Account 5.United Basic SB Account.
Current Deposit	1.United Current Deposit Account 2.United Bonanza Current Deposit Account 3.United Gold & Platinum Current Deposit Account 4.United Premium Current Account
Fixed Deposit	1.United Fixed Deposit 2.United Tax Savings Income Plan-FD type 3.United Anand Deposit
Recurring Deposit	1.United Recurring Deposit 2.United Flexi Deposit
Re-Investment Plan (RIP)	1.United Reinvestment Plan 2.United Tax Savings Growth Plan-RIP type 3.United Capital Gains Accounts (Account-B type)

#### **15.2 Distinction in features & target group of different products.**

**15.2.1 Savings Bank Account :** A Savings Bank Account is the most common operating account for individuals and others for non-commercial transactions. SB account can be opened in the name of an individual or in the name of two or more individuals. In case of joint account, it

can be operated jointly or severally, with either or survivor or former or survivor clause. Account may be opened in the name of a minor, to be operated by natural guardian. Minor at the age of 10 can operate account individually. An illiterate person can also open account jointly with illiterate or literate but the literate will be the survivor. A Blind person may also open the account. Account can be opened by a club, a society or an association. Nomination facility is available.

Amount may be withdrawn either by cheques or withdrawal slip. Amount to be withdrawn by withdrawal slip through bearer is restricted to Rs.2000/- & by self Rs.20,000/-, whereas illiterate customer may withdraw any amount without ceiling through withdrawal slips since cheque book facility is not allowed in illiterate accounts. The clause of minimum balance and penalty for non-maintenance is attracted in SB Accounts. KYC norms will be applied.

**15.2.2 United Bonanza Savings Scheme.** A Saving scheme which combines liquidity of Savings Bank and interest of Fixed Deposit Account. Under the Scheme, a depositor will open a Savings Bank Account with an in-built arrangement of transferring balance over a specified limit to Fixed Deposit Account automatically for a specified period to be stipulated by the account holder and earn interest at Term Deposit rate. KYC norms will be applied.

**15.2.3 United Capital Gain Account Scheme :** A deposit or deposits may be made under the provisions of section 54, 54B, 54D, 54F or 54G of the Income Tax Act, 1961 by any depositor intending to avail of the benefit under the said section or sections of the Act, as the case may be, in accordance with the provisions of this scheme.

Two types of accounts can be opened under this Scheme, viz, Account-A and Account-B. Account-A shall be in the form of Savings Deposit and Account-B in the form of Term Deposits. The tax payers can avail of the benefit of exemption from Capital Gains, only if the amount of Capital Gains or the net consideration is deposited with the Bank on or before their due date of filing return of income. All of our branches, other than branches classified as 'rural' are authorized to open accounts and accept deposits under this scheme. KYC norms will be applied.

**15.2.4 United Children Savings Account :** United Children Savings Account may be opened by the children completing the age of 10 years or above and can be operated independently. The illiterate children are not eligible to open account under this scheme. The account is to be opened in single name of minor children. A minor attains majority at 21 years when he/she is under a guardian appointed by Court and in all other cases a minor attains majority at 18. On attaining majority, the account may be converted to normal SB account, by obtaining a new photograph. Under this scheme initial minimum deposit and amount of minimum balance in the account is Rs.50/- only. KYC norms will be applied.

**15.2.5 Basic SB Account :** Any un-banked population segment uptill denied basic banking facilities due to stipulation of minimum balance requirements and levying of service charges, can open Basic SB Account or no-frill accounts. The target group will include low income families in rural/urban areas, migratory labourers, industrial/agricultural labourers in rural/urban areas, non-pensioner senior citizens. Relaxed KYC procedure will be applied, through which only obtaining an introduction by a KYC compliant account holder will be sufficient. The account can be opened

and maintained with zero balance. Restrictions of small accounts as per notification of Govt. of India will be applied in this SB account. (refer circular no.Compl/Smalla/c/4/OM-097/11-12 dated 10.05.11 & cir. No. RBD/UBSB/OM-0635/08-09 dated 26.02.2009)

**15.2.6 United Current Deposit Account:** This is one of the most basic and flexible deposit options, allowing transactions without limiting the numbers. Individuals (except an illiterate, an undischarged solvent and a lunatic) , sole proprietorship concern, partnership firm, private and public limited companies, HUFs, local body, club, society, associations, trusts, executors, administrators liquidators etc are eligible for opening Current Account. Initial deposit and minimum balance should be maintained at Rs.1000/-. No interest will be paid in Current deposit account. As per RBI directive, the deposit should declare that no credit facility is enjoyed from any other Bank. KYC norms will be applied.

**15.2.7 United Bonanza Current Account.** : Any one eligible to open current account is eligible to open Bonanza Current account. The account shall be opened with minimum initial deposit of Rs.1.00 lac and minimum balance to be maintained Rs.1.00 lac.

At the option of the depositor at the time of opening of the account, the balance in the bonanza current account in excess of Rs.1.00 lac or any higher limit as may be specified by the depositor shall automatically be converted to Fixed Deposit in multiple of Rs.10, 000/- or in multiple of any higher limit as specified by the depositor without requiring the compliance of formalities for opening of Fixed Deposit account for the purpose.

**15.2.8 United Gold & Platinum current account:** Anyone who is eligible to open current account is eligible to open accounts under the scheme. Target group for this deposit scheme are public and private limited company, corporate, whole sellers, Traders, Hospitals & Nursing Homes, Companies/Firms engaged in service industry, Partnership & proprietorship firms, individuals etc. The scheme is operative in all branches. The minimum balance to be maintained is at par with current account. However, on maintaining certain specified quarterly average balance different add-on benefits, free cheque book, waiver of cash handling charges, waiver of processing charges in Retail Credit, free ATM card, free internet & tele banking facility etc are available in varying degree in Gold & Platinum account.

**15.2.9. United Premium Current Deposit :** Anyone who is eligible to open current account is eligible to open accounts under the scheme. Target group is same as United Gold & Platinum Current Deposit. Higher quarterly average balance of Rs.2.50 lac is to be maintained in this scheme. Very liberal add-on benefits, like free ATM Card, one cheque book of 100 leaves free per month, weekly free statement of account, free folio charges, withdrawal against uncleared balance capped at 60% of day's uncleared balance, free remittance in favour of UBI account and many other benefits are available under this scheme.

**15.2.10 Fixed Deposit :** In this account the amount remains fixed for a predetermined period of time and the interest is payable monthly, quarterly, half-yearly, yearly or on maturity as per desire of the account holder. Period option is available from 7 days to 120 months. A Fixed

deposit may be accepted from one or more individuals, from a firm or company or trust or association or from a liquidator, administrator etc with nomination facility.

**15.2.11 United Tax Savings Plan (FD type & RIP type) :** An assessee can invest in such deposit scheme of the bank, a minimum of Rs.100/- or any amount in multiple of Rs.100/- upto

a maximum of Rs.1,00,000/- and in a financial year from 1<sup>st</sup> April every year. The amount so invested by an individual or HUF, is eligible for deduction under Section 80C of Income Tax Act, 1961.

When minor is an assessee holding PAN, deposit can be opened singly in the name of the minor operated by himself or by the guardian as per normal norms of the bank. Deposit in joint names may be issued to two adults or jointly to an adult and a minor under the mode of operation 'payable to either or survivor'. In case of deposit held in joint names, the facility of deduction from income under section 80C of Income Tax Act shall be available only to the first depositor. Additional rate of interest for senior citizen will be available in this scheme also.

Tax Saving Plan accounts can be opened either in FD type, where interest will be paid quarterly or in RIP type wherein interest will be paid on maturity only. However, interest on these term deposits shall be liable to tax under IT Act, on the basis of annual accrual or receipt. Tax will be deducted at source in accordance with the provisions of section 194A or section 195 of the I.T.Act.

**15.2.12 United Anand Deposit :** A multi unit deposit scheme with the objective to facilitate the customer in having term deposit in units and instant facility of overdraft. Target group are Individuals, sole proprietor, partnership firm, association, club, societies, Trust & companies. Initial deposit of Rs.10, 000/- and in multiple of RS.1000/- thereof with no ceiling. Further deposit of minimum Rs.5000/- or in multiple of Rs.1000/- with no upper limit. Period of deposit is minimum 12 months & maximum 60 months.

Reverse sweep: in case of premature withdrawal, part amount in multiple of Rs.1000/- may be allowed without affecting the whole amount. Last portion of the deposit shall only be affected. A specially designed Pass book will be issued to the customer instead of deposit receipt/certificate. A current account is simultaneously opened with zero balance and check book facility. Maximum permissible amount of overdraft is 90% of the term deposit. In case the overdraft is availed against deposits made on different dates with variable interest rates, interest on OD will be linked to the highest rate of interest enjoyed by the depositor in his account.

**15.2.13 Recurring Deposit :** Individual recurring deposit can be opened only by individuals singly or jointly with other individuals. An RD can be opened in the name of the minor to be operated by his natural or legal guardian/ illiterate person/blind person. An RD is a term deposit account for a period of 6 months to 120 months. Fixed monthly installment of Rs.50/- and multiple thereof are accepted in this account. Interest payable on maturity and not subjected to tax deducted at source.

**15.2.14 United Flexi Deposit scheme:** It is one kind of Recurring Deposit with the flexibility of monthly installment. Account may be opened in the name of individuals, singly or jointly. Core

monthly installment of Rs.50/- or in multiple thereof has to be deposited compulsorily by the depositor, but has the option to deposit any amount more than the core amount. In any particular month, monthly installment will not exceed ten times of the core amount.

**15.2.15 Reinvestment Plan :** Reinvestment plan is like a Fixed Deposit and formalities, target group are same as Fixed Deposit account, but unlike fixed deposit, interest which is compounded at quarterly intervals is payable on maturity along with the principal. Such certificates can be purchased for Rs.1000/- and above in multiples of Rs.500/- for 6, 9,12 ,18, 24,27 ,30, 36,42 ,48, 54, 60,72,78,84,96,108 and 120 months.

## **16. Dealing with Complaints and improving Customer Relations.**

**16.1 Complaint/suggestion Box.** :Complaints/suggestions box are provided at each branch/office of the Bank. Further at every branch, a notice requesting the customers to meet the Branch Manager should be displayed regarding grievances, if remains unredressed.

**16.2 Complaint Book/Register.** Complaint book with perforated copies in each set has been introduced, so designed as to instantly provide an acknowledgement to the customers and intimation to the Controlling Office. Branches should make the complaint book available to the customer instantly on request.

**16.3 Complaint Form :** Further, a complaint form, along with the name of the nodal officer for complaint redressal has been made available in the homepage of the website to facilitate online complaints. All complaints received at Branch, Regional Office or Head Office would have to be acknowledged immediately and action should be initiated for redressal within the time limit prescribed in Grievance Redressal Policy of the Bank.

**16.4 Publicity of Grievance redressal policy :** Bank has given wide publicity to the grievance redressal policy of the Bank, Banking Ombudsman Scheme-2006, by placing them prominently on the website and also otherwise widely disseminating the policies by including them in the Information Booklet placed in all Branches 'May I Help You" counters. In all Branches, the name & contact number and full address of the nodal officer for grievance redressal and name & contact details of the Banking Ombudsman of the area are prominently displayed.

The address of the Chief Regional Manager is displayed at every branch to enable the customers to refer their grievances with Chief Regional Manager, who is the Regional Nodal Officer, Regional BCSBI Code compliance officer, in case it is not redressed to the satisfaction at the branch level.

**16.5 Time frame for grievance redressal :** Branch level functionaries should endeavour to resolve the issue within 7 days from the date of receipt of any complaint. The Regional Office should endeavour to resolve the complaint received at their end within 15 days from the date of receipt of the complaint. Head Office shall dispose off the complaint received at their end within 21 days from the date of receipt of the complaint. In case the complaint is not resolved at the bank level even after the lapse of one month, aggrieved customers may approach the Banking Ombudsman within whose jurisdiction the branch of the bank is located.

**16.6 Institutional framework on customer service.** Bank has constituted **Board level Committee on Customer Service** which is formulating Customer centric policies, assess the compliance thereof, with a view to strengthening the corporate governance structure of the Bank.

**Standing Committee on Customer Service** has been constituted which is constantly reviewing the practice and procedures prevalent in the bank and takes necessary corrective action to ensure better customer service on an ongoing basis. **Branch level Customer Service Committee** has been constituted at all branches with one senior citizen as member. This branch level committee meets once in a month to study complaints/suggestions, cases of delay, difficulties faced/reported by the customers and evolves ways and means of improving customer services.

### **17 Creating a positive customer environment**

Bank has taken the pledge to achieve zero complaint status for which behavioural pattern of the employees has great bearing on customer environment. A long term plan since recruitment of the employees, should take care of this aspect so as to ensure that with proper training of soft skill, work knowledge, professional mannerism, the customers are offered pleasant surprises.

The employee who has an attitude of wanting to help solve a problem, is the key person to ensure zero complaint status. Therefore, starting from the recruitment process, the attitude of the prospective employees should be judged very critically. Rude & improper behaviour with the customers, not only gives rise to complaint, the image of the bank is tarnished and entails adverse effect on business prospect. Before hiring an employee, examination of behavioural pattern and attitude of the prospective employee should be thoroughly checked in a scientific manner.

**18. Customers Confidentiality Obligations:** The Bank's obligation to maintain secrecy arises out of the contractual relationship between the bank and the customer and as such no information should be divulged by any body of the branch/branch to third parties except under circumstances which are well defined. The following exceptions to the said rule are normally accepted:

- I) where disclosure is under compulsion of law.
- ii) Where there is duty to the public to disclose.
- iii) Where interest of bank requires disclosure and
- iv) Where the disclosure is made with express or implied consent of the customer.

**19. Code of Bank's commitment to customers :** All branches should follow various provisions of Code of Bank's Commitment to customers, implementation of which is monitored by the Banking Codes and Standards Board of India. (BCSBI).

## **4.CUSTOMER SEVERANCE POLICY :**

**4.1 Introduction :** Customers severance policy deals with the termination of relationship with the customers.

#### **4.2 Closure 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/forges/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.

#### **4.3 Obligation of the customers on closure or freezing of the account.**

The customer shall be solely liable for return of cheques/dishonouring of any instruments consequent to such closure and all costs/charges arising out of such closure/freezing of the account. Upon closure of the account for any of the reasons specified above or otherwise, the customer shall take steps to collect any balance amount in the account, if any, and till such time the customer collects such amounts, the Bank reserves the right to keep such amounts in a special office account without any interest being payable on the same. However, Bank will keep informed of the customer the status of his account in writing.

#### **4.4 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 should be sent by the customer accompanied with the Passbook (if issued) and all unused cheque leaves. The debit card/ATM card issued in the account also should be surrendered. In case of partnership firm and joint account, the letter of request should 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. If the customer so desires, the Passbook (if issued) with amply branded as "Account Closed" may be retained by the customer. The balance standing to the credit of such account with interest will be paid to the customer, subject to the provisions of Income Tax Act.

**5. Review of Customers Acceptance Policy, Customer Care Policy & Customer Severance Policy.**

The Policy will be subjected to review at least every three years or as needed to ensure that it reflects the instructions issued by the Reserve Bank of India on customer service from time to time and best practices prevailing in the industry, taking into account the changing environment of the Bank.

To implement the recommendations of Damodaran Committee on Customer Service this policy has been formulated and that will be effective from the financial year 2012-2013.

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### **Indicative list of Low risk customers.**

The following lists are indicative and can be expanded. The Bank has the option to upgrade the risk categorization for any specific industry/segment or by transaction monitoring.

#### **Characteristics of low Risk Customer**

- 1 Individuals (other than high net worth) and entities whose identities and source of wealth can be easily identified, such as
- 2 Salaried employees whose salary structure is well defined.
- 3 People belonging to lower income strata of the society with low turnover.
- 4 All small account holders, including no-frill accounts, whose identity, source of income, expected turnover is known to the bank.
- 5 Government departments, and Government owned companies, regulatory and statutory body.

#### **Characteristics of High Risk Customer**

- 1 Individuals and entities in various United Nations' Security Council Resolutions (UNSCRs) such as UN 1267/1989 or 1988 committee list etc.
- 2 Individuals and entities listed in the schedule to the order under Section 51A of the Unlawful Activities(Prevention) Act, 1967 relating to the purposes of prevention of, and for coping with terrorist activities.
- 3 Individuals and entities in watch lists issued by Interpol and other similar international organisations
- 4 Customers with dubious reputation as per public information available or commercially available watch lists.
- 5 Individuals and entities specifically identified by regulators, FIU and other competent authorities as high-risk.
- 6 Customers conducting their business relationship or transactions in unusual circumstances, such as significant and unexplained geographic distance between the institution and the location of the customer, frequent and unexplained movement of accounts to different institutions, frequent and unexplained movement of funds between institutions in various geographic locations etc.
- 7 Customers based in high risk countries/ jurisdictions of locations
- 8 Politically exposed persons (PEPs) of foreign origin, customers who are close relative of PEPs and accounts of which a PEP is ultimate beneficiary owner.
- 9 Non-resident customers and foreign nationals
- 10 Embassies / Consulates
- 11 Off-shore (foreign) corporation/ business
- 12 Non face-to-face customers
- 13 High net worth individuals
- 14 Firms with sleeping partners
- 15 Companies having close family shareholding or beneficial ownership.
- 16 Complex business ownership structures, which can make it easier to conceal underlying beneficiaries, where there is no legitimate commercial rationale.
- 17 Shell companies which have no physical presence in the country in which it is incorporated. The existence simply of a local agent or low level staff does not constitute physical presence.

- 18 Investment Management/ Money Management Company/Personal Investment Company.
- 19 Accounts for 'gatekeepers' such as accountants, lawyers, or other professionals for their clients where the identity of the underlying client is not disclosed to the financial institution.
- 20 Client Accounts managed by professional service providers such as law firms, accountants, agents, brokers, fund managers, trustees, custodians, etc.
- 21 Trusts, charities, NGOs/NPOs (especially those operating on a "cross-border" basis) unregulated clubs and organisations receiving donations (excluding NPOs/NGOs promoted by United Nations or its agencies)
- 22 Money service business : including seller of Money Orders/Travellers Cheques/ Money Transmission/Cheque cashing/ Currency Dealing or Exchange.
- 23 Business accepting third party cheques (except supermarkets or retail stores that accept payroll cheques/ cash payroll cheques.)
- 24 Gambling/gaming including "Junket Operator" arranging gambling tours.
- 25 Dealers in high value or precious goods (e.g. jewels, gem and precious metals dealers, art and antique dealers and auction houses, estate agents and real estate brokers.)
- 26 Customers engaged in industries that might relate to nuclear proliferation activities or explosives.
- 27 Customers engaged in a business which is associated with higher levels of corruption (e.g. arms manufacturers, dealers and intermediaries.
- 28 Customers that may appear to be Multi level marketing companies etc.

### **Characteristics of Medium Risk Customer**

- 1 Non-Bank Financial Institution
- 2 Stock brokers.
- 3 Import/export
- 4 Gas station
- 5 Car/Boat/Plane Dealership
- 6 Electronics (whole sale)
- 7 Travel Agency
- 8 Used car Sales
- 9 Telemarketers
- 10 Providers of telecommunications service, internet café, IDD call service, phone cards, phone centres.
- 11 Dot-com company or internet business
- 12 Pawnshops
- 13 Auctioneers
- 14 Cash-incentive Businesses such as restaurant, retail shops, parking garages, fast food stores, movie theatres etc.
- 15 Sole Practitioners or Law Firms (small, little known)

- 16 Notaries (small, little known)
- 17 Secretarial Firms. (small, little known)
- 18 Accountants (small, little known)
- 19 Venture Capital Companies (small, little known)

### **Indicative List of High/Medium risk Products & Services**

- 1 Electronic funds payment services such as Electronic cash (e.g. stores value and payroll cards) funds transfers (domestic and international) etc.
- 2 Electronic banking
- 3 Private banking (domestic and international)
- 4 Trust and asset management services
- 5 Monetary instruments such as Travelers' Cheque
- 6 Foreign correspondent accounts.
- 7 Trade finance (such as letter of credit)
- 8 Special use or concentration accounts
- 9 Lending activities, particularly loans secured by cash collaterals and marketable securities.
- 10 Non-deposit account services such as Non-deposit investment products and insurance.
- 11 Transactions undertaken for non-account holders (occasional customers)
- 12 Provision of safe custody and safe deposit boxes
- 13 Currency exchange transactions
- 14 Project financing of sensitive industries in high risk jurisdictions
- 15 Trade finance services and transactions involving high-risk jurisdictions
- 16 Services offering anonymity or involving third parties
- 17 Services involving banknotes and precious metal trading and delivery.
- 18 Services offering cash, monetary or bearer instruments, cross-border transactions, etc.

### **Indicative List of High/Medium Risk Geographics. Countries/Jurisdiction**

- 1 Countries subject to sanctions, embargoes or similar measures in the United Nations Security Council Resolutions.
- 2 Jurisdictions identified in FATF public statement as having substantial money laundering and terrorist financing (ML/FT) risks ([www.fatf-gafi.org](http://www.fatf-gafi.org))
- 3 Jurisdictions identified in FATF public statement with strategic AML/CFT deficiencies.
- 4 Tax havens or countries that are known for highly secretive banking and corporate law practices.
- 5 Countries identified by credible sources\* as lacking appropriate AML/CFT laws, regulations and other measures.

- 6 Countries identified by credible sources as providing funding or support for terrorist activities that have designated terrorist organisations operating within them.
- 7 Countries identified by credible sources as having significant levels of criminal activities
- 8 Countries identified by the Bank as high-risk because of its prior experiences, transaction history, or other factors( e.g. legal considerations, or allegations of official corruption)

**Locations**

- 1 Locations within the country known as high risk for terrorist incidents or terrorist financing activities (e.g. sensitive locations/ cities and affected districts)
- 2 Locations identified by credible sources as having sufficient levels of criminal, terrorist, terrorist financing activities.
- 3 Locations identified by the bank as high-risk because of its prior experiences, transaction history, or other factors.

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\* Credible sources refers to information in reports of Financial Action Task Force, FATF-stylr regional bodies, International Monetary Fund, World Bank, Organisation for Economic Co-Operation and Development, Egmont Group of Financial Intelligence Units or similar bodies and inputs received from RBI, FIU-IND or other competent authority.



