

## Unclaimed Deposits Policy

### **1. Introduction:**

There has been a steady increase in the amount of Unclaimed Deposits lying with the Banks year after year. The inherent risks associated with such deposits are very high. Reserve Bank of India (RBI) has advised Banks to play a more pro-active role in finding the whereabouts of the account holders whose accounts have remained inoperative and advised Banks to have a Board approved policy with regard to such deposits.

This Policy on "Inoperative & Unclaimed Deposit Accounts" aims at dissemination of information with regard to classification of accounts as Inoperative / Unclaimed, conduct of operations on Inoperative/ Unclaimed accounts, providing information to customers on Inoperative/ Unclaimed Accounts, Grievance Redressal Mechanism etc., and to ease out the difficulties faced by the customers on account of their accounts having been classified as inoperative.

### **2. Classification of account as Inoperative/Unclaimed:**

All types of Savings Bank Accounts as well as Current Accounts would be treated as inoperative/Dormant if there are no transactions in the account for a period of two years. For classifying an account as inoperative/dormant, both the types of transactions, i.e., debit as well as credit transactions induced at the instance of customers as well as third parties would be considered.

An annual review shall be made for accounts in which there are no operations (i.e. no credit or no debit other than crediting of periodic interest or debiting of service charges) for more than one year and efforts would be made to trace out the customers/legal heirs. Record of follow up with the customers/ legal heirs would be maintained.

#### **Unclaimed Accounts/Deposits:**

- a. Savings and current account deposits: which have not been operated for 10 years and above.
- b. Term deposits: Remain in overdue status for 10 years and above.

### **3. Information to customers on account being classified as Inoperative / Unclaimed:**

The Bank shall make efforts to find the whereabouts of the customers in all possible ways. The depositors will be informed through SMS on their registered mobile number with the Bank, 3 months before the account is classified as

Dormant /inoperative and the consequences there of and

- a. In the joint Account only the First holder will be notified through SMS on his/her registered mobile number with the Bank, before the account is classified as dormant;
- b. the procedure to be followed for activating the account will be intimated and
- c. Activation of such accounts will not be charged.

The customers will also be informed through the letters before the account being classified as in-operative/Dormant. If the letters are returned undelivered, the same will be filed separately.

Before the account being classified as Unclaimed, the communication letter/SMS to the registered mobile number/ email ID will be sent to the depositor/customer 3 months in advance.

List of unclaimed deposits will be made available in the Bank's website and details of the same will be sent to RBI on monthly basis, or as and when required.

#### **4. Payment of Interest on Inoperative accounts/deposits:**

The payment of interest on savings and Term deposits will be as per the Bank's guidelines on Customer service policy, Deposit policy and Settlement of death claim policy (in case of death of the customer).

#### **5. Activation of inoperative account:**

Activation of inoperative Savings Bank / Current accounts will be allowed only after due diligence as per risk category of the customer by ascertaining genuineness of transaction, verification of signature, identity etc., in accordance with the Bank's KYC & AML Policy. Nevertheless, it will be ensured that the customer is not inconvenienced as a result of extra care taken by the Bank.

#### **6. Process for claiming unclaimed deposit/inoperative account:**

##### **Claim by Self:**

**Inoperative Account:** Customer can visit the branch of the Bank with the original Savings Bank passbook / Current account passbook / statement of account and cheque book (if issued) OR original term deposit receipt, as the case maybe, and submit valid proof of identity and address. On verification of the same, as per the written request of the customer, branch shall either reactivate the Savings Bank / Current account after complying with all the KYC norms or close the account and pay the

proceeds or branch shall either renew the term deposit or pay the amount.

**Unclaimed Account / Deposit :** In case of demand from a customer / depositor whose unclaimed amount / deposit has been transferred to RBI's DEAF account, the Bank will repay the customer / depositor, along with interest, if applicable, and lodge a claim for refund from RBI, for an equivalent amount paid to the customer / depositor. The rate of interest payable to the depositors / claimants on the unclaimed interest bearing deposits amount transferred to DEAF shall be as specified by RBI from time to time. At present, it is 3% simple interest per annum, and is subject to change at the rates specified by RBI from time to time. In the absence of the aforesaid original documents, the customer/s has/have to furnish a letter intimating the loss of the documents & an Indemnity Letter in the prescribed format and any other document/s as may be required by the Bank for reactivation / closure of Savings Bank / Current account / renewal / withdrawal of term deposit.

**Claim by Legal Heir / Nominee:** The Legal Heir / Nominee can visit the branch of the Bank and submit the required documents and comply with the claim settlement process of the Bank.

**Claim by Non-Individual:** For claim of Non-Individual accounts, the customer needs to submit the Claim Form on the Company's/ Firm's / Institution's letter head duly signed by the authorized signatories along with their valid identity and address proofs. The customer may also be required to submit such other documents as may be requested by the Bank.

**Claim in respect of Missing Persons:** Settlement of claim in respect of missing persons shall be done as per settlement of death claim Policy of the Bank.

#### **7. Service charges:**

No service charges shall be levied for activation of Inoperative account.

#### **8. Unclaimed deposits/Inoperative accounts:**

Section 26 of the Banking Regulation Act, 1949 (AACS) provides, inter alia, that every StCB shall, within 30 days after close of each calendar year submit a return in the prescribed form and manner to the Reserve Bank of India as at the end of each calendar year (i.e., 31st December) of all accounts which have not been operated upon for 10 years.

#### **9. The Depositor Education and Awareness Fund (DEAF):**

In line with the RBI guidelines, relating to The Depositor Education and Awareness Fund, the amount to the credit in any deposit account maintained

with the bank which has not been operated upon for ten years or more, or any other specified credit balances remaining unclaimed for ten years or more, shall be credited to the Fund, along with the interest accrued, within the prescribed period, as per RBI guidelines from time to time.

In the event of receipt of claims for refund of deposits, even after such amount has been transferred to the Fund, the bank shall refund the amount to the depositor/ claimant and in turn, claim refund of such amount from the Fund, with up to date interest, at the rates specified by RBI, from time to time.

**10. Other safeguards:**

Bank will take adequate operational safeguards to ensure that the claimants of unclaimed deposits are genuine which may include due diligence as per risk category of the customer with a view to ascertain genuineness of the transaction, verification of the signature and identity etc. Bank will also ensure that the amounts lying in inoperative accounts ledger/records are properly audited by the internal auditors of the Bank.

**11. Complaints and Grievance Redressal:**

Grievances received from the customers/depositors will be addressed as per the Bank's guidelines on Grievance and Redressal Mechanism Policy.

**12. Review and Modifications to the Policy:**

Taking into consideration of RBI/NABARD guidelines, Managing Director is authorized to make suitable changes to the policy from time to time.