



COASTAL BANK

Coastal Local Area Bank Ltd

Corporate Office: Vijayawada

Review Date 01st November 2023

Version : 4.00

Year 2023

POLICY ON BANK DEPOSITS

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Version Release History

SN	Name	Version No.	Description / Details of Revisions	Effective from
1	Deposit Policy	Version 1.0	Board in its 124 Meeting dated 10.05.2019 approved the Policy	2019-21
2	Deposit Policy	Version 2.0	Redrafted Policy was approved by the Board in its 140 th Meeting dated 09.03.2021	2021-22
3	Deposit Policy	Version 3.0	Updated Policy was approved by the Board in its 152 nd Meeting dated 15.10.2022	2022-23
4	Deposit Policy	Version 4.0	Modified based on changes in regulatory instructions on non-callable deposits, linkage of PAN/Adhar, deduction of TDS at higher rate for non-linkage etc, Inoperative accounts and ATM Debit Card charges, Opening of Current A/cs and Issue of debit cards	2023-25



Corporate Office: Vijayawada

POLICY ON BANK DEPOSITS

1.0 Preamble and Objectives of the Policy:

One of the important functions of the Bank is to accept deposits from the public for the purpose of lending. The depositors and their interests form the key area of the regulatory framework for banking in India and this has been enshrined in the Banking Regulation Act, 1949.

The Reserve Bank of India issues guidelines on Interest Rates on deposits and others aspects regarding conduct of deposit accounts from time to time. The Master Circular No. RBI/2014-15/63 DBOD. No. Dir.BC.15/13.03.00/2014-15 dated 1st July 2014, RBI/2015-16/39 DBR No.Dir.BC.7 /13.03..00/2015-16 dated July 1, 2015 and RBI/DBR/2015-16/19 Master Direction DBR. Dir. No.84/13.03.00/2015-16 March 03, 2016 is updated as on February 22, 2019 on Interest Rate on Rupee Domestic Deposits.

With effect from October 22, 1997, RBI has given the freedom to commercial banks to fix their own interest rates on domestic term deposits of various maturities with the prior approval of their respective Board of Directors/Asset Liability Management Committee (ALCO). The interest rate on savings bank accounts too, has been deregulated with effect from October 25, 2011. A domestic rupee account may be opened as current, savings or term deposit.

RBI have issued amendments to Master Direction on Deposits vide RBI/2022-2023/117 DOR.SOG (SPE).REC.No 68/13.03.00/2022-23 September 16, 2022 specifying the entities for which a savings deposit account should not be opened by Banks.

RBI vide circular on **Non-Callable Deposits - Master Direction on Interest Rate on Deposits** No. RBI/2023-24/74 DOR. SPE. REC. No 51/13.03.000/2023-24 October 26, 2023 revised upwards the minimum amount for offering non-callable TDs accepted from individuals from Rs.15 lakhs to above Rs.1 Cr.

This policy document outlines the regulatory prescriptions and puts in place the process for acceptance of deposits from the members of the public, conduct and operations of various deposit accounts, payment of interest on various deposit accounts, closure of deposit accounts and method of disposal of deposits of deceased depositors

2.0 Types of Deposit Accounts

The deposit products are categorized broadly into the following types:

- i) "Demand deposits"** means a deposit received by the Bank, which is withdrawable on demand;

- ii) "Savings deposits"** means a form of demand deposit which is subject to restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the Bank during any specified period;

- iii) "Current Account"** means a form of demand deposit where from withdrawals and deposits are allowed any number of times depending upon the balance in the account or up to a particular agreed amount and will also include other deposit accounts which are neither Savings Deposit nor Term Deposit;

- iv) "Term deposit"** "Term deposit" means a deposit received by the bank for a fixed period and which is withdrawable only after the expiry of the said fixed period and shall also include deposits such as Recurring/Cumulative/Annuity/Reinvestment deposits, Cash Certificates, and so on;

- v) "Bulk Deposit"** means single Rupee term deposits of `Rs 2 crore and above;

- vi) "Non Callable"** means single Rupee term deposits of more than Rs.1 cr

- vi) Basic Savings Bank Deposit Account (BSBDA)** - As per the RBI guidelines, banks are advised to offer a 'Basic Savings Bank Deposit Account' which will offer following minimum common facilities to all their customers:

- The 'Basic Savings Bank Deposit Account' should be considered a normal banking service available to all.
- This account shall not have the requirement of any minimum balance.
- The services available in the account will include deposit and withdrawal of cash at bank branch as well as ATMs; receipt / credit of money through electronic payment channels or by means of deposit / collection of cheques drawn by Central / State Government agencies and departments;
- While there will be no limit on the number of deposits that can be made in a month, account holders will be allowed a maximum of four withdrawals in a month, including ATM withdrawals;
- Facility of ATM card or ATM-cum-Debit Card;
- The above facilities will be provided without any charges. Further, no charge will be levied for non-operation / activation of in-operative 'Basic Savings Bank Deposit Account'.
- Banks would be free to evolve other requirements including pricing structure for additional value-added services beyond the stipulated basic minimum services on reasonable and transparent basis and applied in a non- discriminatory manner.
- The 'Basic Savings Bank Deposit Account' would be subject to RBI instructions on Know Your Customer (KYC) / Anti-Money Laundering (AML) for opening of bank accounts issued from time to time. If such account is opened on the basis of simplified KYC norms, the account would additionally be treated as a 'Small Account' and would be subject to conditions stipulated for such accounts in the Master Circular on 'KYC norms / AML standards / Combating of Financing of Terrorism (CFT) / Obligation of banks under PMLA, 2002'.
- Holders of 'Basic Savings Bank Deposit Account' will not be eligible for opening any other savings bank deposit account in that bank. If a customer has any other existing savings bank deposit account in that bank, he / she will be required to close it within 30 days from the date of opening a 'Basic Savings Bank Deposit Account'.
- The existing basic banking 'no-frills' accounts shall be converted to 'Basic Savings Bank Deposit Account' as per the instructions contained above.

The Bank is committed to provide basic banking services to disadvantaged sections of the society. Banking services will be offered to them through Basic Savings Bank Deposit Accounts (BSBDA) and Small Savings accounts will be opened subject to fulfilment stipulations.

vii) Zero Balance accounts - Bank may also open Zero balance accounts to enable the poorer sections of society to operate Bank accounts.

viii) Deposit Scheme for Senior Citizens- Bank may formulate, fixed deposit schemes specifically for resident Indian senior citizens offering higher and fixed rates of interest as compared to normal deposits of any size.

ix) Non-callable Deposits - - In terms of RBI Master Direction RBI/2023-24, DOR.SPE.REC.No.1/13.03.000/2023-24 dated 26.10.2023, Bank may offer term deposits without premature withdrawal option for term deposits accepted from individuals (held singly or jointly) for amount above Rupees One Crore.

3.0 Account Opening and Operation of Deposit Accounts

3.1 Eligibility to open accounts:

- Savings Bank Accounts can be opened by eligible person / persons and certain organizations / agencies (as advised by Reserve Bank of India (RBI) from time to time).

List of organisations/bodies eligible to have SB accounts

(Ref. RBI/2015-16/39 DBR.No.Dir.BC.7/13.03.00/2015-16 July 1, 2015)

(1)	Primary Co-operative Credit Society which is being financed by the bank.
(2)	Khadi and Village Industries Boards.
(3)	Agriculture Produce Market Committees.
(4)	Societies registered under the Societies Registration Act, 1860 or any other corresponding law in force in a State or a Union Territory except societies registered under the State Co-operative Societies Acts and specific state enactment creating Land Mortgage Banks. .

(5)	Companies governed by the Companies Act, 1956 which have been licensed by the Central Government under Section 25 of the said Act, or under the corresponding provision in the Indian Companies Act, 1913 and permitted, not to add to their names the words 'Limited' or the words 'Private Limited'.
(6)	Institutions other than those mentioned in clause 6(m)(i) and whose entire income is exempt from payment of Income-tax under the Income-Tax Act, 1961.
(7)	Government departments / bodies / agencies in respect of grants/ subsidies released for implementation of various programmes / Schemes sponsored by Central Government / State Governments subject to production of an authorization from the respective Central / State Government departments to open savings bank account.
(8)	Development of Women and Children in Rural Areas (DWCRA).
(9)	Self-help Groups (SHGs), registered or unregistered, which are engaged in promoting savings habits among their members.
(10)	Farmers' Clubs – Vikas Volunteer Vahini – VVV.

As per RBI guidelines, Savings Account cannot be opened for

- Government departments/bodies depending upon budgetary allocations for performance of their functions
- Municipal Corporations or Municipal Committees
- Panchayat Samitis
- State Housing Boards
- Water and Sewerage/Drainage Boards/State Text Book Publishing Corporations/Societies/Metropolitan Development Authority/State District Level Housing Co-operatives
- Any political party or
- Any trading/business or professional concern whether such concern is a proprietary or a partnership firm or a company or an association
- Current Accounts can be opened by individuals' / partnership firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies / Trusts, etc.

- Term Deposit Accounts can be opened by individuals' / partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates / Societies / Trusts, etc.

3.2. Due Diligence:

The Bank before opening any deposit account will carry out due diligence as required under "Know Your Customer" (KYC) and Anti-Money Laundering guidelines issued by RBI, Government of India and or such other policy norms or procedures adopted by the Bank. The due diligence process, while opening a Deposit Account will involve satisfying about the identity of the person, verification of address, satisfying about his/her occupation and source of income and obtaining recent photograph of the person/s opening/operating the account,

As per the provisions of the Prevention of Money Laundering Act, 2002 and the rules made there under by the Government, as well as guidelines issued by Reserve Bank of India (RBI) on KYC, obtaining identification documents for every customer is mandatory and introduction by a 3rd party is not a substitute for KYC documentation.

In addition to the due diligence requirements, under KYC norms, the Bank is required by law to obtain Permanent Account Number (PAN) or General Index Register (GIR) Number or alternatively declaration in Form No. 60 or 61 as specified under the Income Tax Act / Rules.

Inability or unwillingness of a prospective customer to provide necessary information/details will result in the bank not opening an account.

3.3 Periodical KYC updation -

Inability of an existing customer to furnish details required by the Bank to fulfil statutory obligations subsequently will result in closure of the account after due notice(s) to the customer.

4.0 Mode of operation of accounts:

Individuals can open the accounts in their own name (single name) or by more than one individual in their own names (known as Joint Account). Any modification for the mandate for operating the account needs the consent of all account holders.

Savings Bank Account can also be opened by a minor jointly with natural guardian or with mother as the guardian (known as Minor's Account). Minors above the age of 10 will also be allowed to open and operate Saving Bank account, Recurring Deposit and Term Deposits independently for depositing amounts in the a/c and self-withdrawals.

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

- a. **“Either or Survivor”**: If the account is held by two individuals, say A & B, the final balance along with interest, if applicable, will be paid to **either of account holder i.e. A or B, on date of maturity or** In case of premature closure signatures of both the individual would be required. **or** to survivor on death of anyone of the A/c Holders.
- b. **“Former or Survivor”**: The instructions “Former or Survivor” convey that the Account will be operated upon by the “Former” “A” alone, as long as he/she is alive and after his/her death by the “Survivor” “B”. “B” is not to operate the Account during the lifetime of “A”. “B” can operate the Account only after the death of “A”. If “B” dies first the Account is to be operated solely by “A”. The legal representative of “B” will have no right to the balance in the Account or to operate the Account. Only the legal representatives of the last Account Holder after his death are entitled to the balance in the Account.
- c. **“Anyone or Survivor/s”**: If the A/c is held by more than two individuals, say A, B and C, the final balance along with Interest, if applicable, will be paid to any one if all of them are alive or to the survivor/s on the death of any of the A/c Holders. On the death of any one of account holder say A, the final balance along with interest if applicable, will be paid to any two of the surviving account holders i.e. B or C. On the death of any two of account holder say A and B, the final balance along with interest if applicable, will be paid to surviving accountholder i.e. C.
- d. **“Operated Jointly”**: Accounts which has operational instructions “operated jointly”, the operations and all the instructions in this account shall be accepted under joint signatures of all account holders.

The above mandates will be applicable to or become operational only on or after the date of maturity in case of term deposits. This mandate can be modified only by the consent of all the a/c Holders.

5.0 Additions or Deletion of the Name/s of Joint Account Holders

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

6.0 Accounts of minors

A Savings Bank account of a minor may be opened to be operated by the natural guardian of the minor or by the guardian appointed by the Court.

A Savings Bank Account may also be opened in:

1. The single name of a minor aged 10 years or more to be operated by the minor.
2. The joint names of two minors who have completed the age of 10 years, to be operated by them jointly.
3. The joint names of two or more minors to be operated by a person who is the natural guardian of both or all the minors.

The minor accounts shall have additional banking facilities like debit card, cheque book and internet banking upon request, subject to the safeguards that minor accounts are not allowed to be overdrawn and that these always remain in credit. When a minor attains majority, the guardian ceases to be the guardian and the Account ceases to be that of a minor. The payment from the account will be made to the erstwhile minor, provided the branch is satisfied about his identity.

When a minor, whose account is operated by the guardian on his behalf attains majority, a Balance Confirmation Letter, duly signed by the erstwhile minor with his signature duly verified by the guardian shall be obtained. Having done this, it is not necessary to close the existing account and to open a new account, but the note made in the system (Master Data) and the account opening form/card to indicate that it is a minor's account, will be cancelled and new account opening form will be obtained. Thereafter, the account will be operated only by the erstwhile minor who had attained majority.

7.0 Account of illiterate / blind person

The Bank may at its discretion open deposit accounts other than Current Accounts of illiterate person. The account of such person may be opened provided he/she calls on the Bank personally along with a witness who is known to both the depositor and the Bank. 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 accountholder. The Bank official shall explain the terms and conditions governing the account to the illiterate / blind person.

8.0 Account of visually challenged persons:

Bank will facilitate opening of Saving Bank accounts as well as Term Deposit accounts of persons with visual impairment. Such accounts will be operated by the account holder personally. For withdrawals, such accountholders will have to be present before the branch official and affix thumb impression and they will be identified through their photograph to facilitate operations. Bank is also committed in introducing technology banking facilities progressively via ATM & Internet banking in keeping with the availability of supporting technology which will enable visually challenged persons to operate their own accounts.

9.0 Accounts of persons with autism, cerebral palsy, mental retardation and multiple disabilities:

Savings bank and term deposits can also be opened in the name of persons with autism, cerebral palsy, mental retardation and multiple disabilities by the legal guardian appointed by the District Court under Mental Health Act, 1987 or by the Local Level Committees set up under the National Trust for welfare of persons with autism, cerebral palsy, mental retardation and multiple disabilities under Disabilities Act, 1999. Legal guardian, so appointed, will furnish an indemnity-cum-undertaking bond duly stamped as per the local law in force along with Guardianship Certificate.

10.0 Accounts of transgender persons:

In case of a person claiming to be transgender and needs to open account or to do any banking transaction, the person will be recognized as “Third Gender” and the details shall be accepted in the AOFs/ or other applicable forms as such.

- A. The salutation of such person shall be “Mx”
- B. All transgender customers shall be treated equally to other male/ female customers without any discrimination.

11.0 OPENING OF CURRENT ACCOUNTS:

RBI have issued guidelines on opening of current accounts vide RBI/2022-23/27 DOR.CRE.REC.23/21.08.008/2022-23 April 19, 2022 Consolidated Circular on Opening of Current Accounts and CC/OD Accounts by Banks

11.1 Opening of Current Accounts for borrowers availing Cash Credit/ Overdraft Facilities from the Banking System:

For borrowers, where the aggregate exposure of the banking system is less than ₹5 crore:

- Banks can open current accounts without any restrictions subject to obtaining an undertaking from such customers that they (the borrowers) shall inform the bank(s), if and when the credit facilities availed by them from the banking system becomes ₹5 crore or more.

Where the aggregate exposure of the banking system is ₹5 crore or more:

- Borrowers can open current accounts with any one of the banks with which they have CC/OD facility, provided that the bank has at least 10 per cent of the aggregate exposure of the banking system to that borrower. In case none of the lenders has at least 10 per cent of the aggregate exposure, the bank having the highest exposure among CC/OD providing banks may open current accounts.
- Other lending banks may open only collection accounts subject to the condition that funds deposited in such collection accounts will be remitted within two working days of receiving such funds, to the CC/OD account maintained with the consortium leading bank maintaining

current accounts for the borrower. The balances in such collection accounts shall not be used for repayment of any credit facilities provided by the bank, or as collateral/ margin for availing any fund or non-fund based credit facilities. However, banks maintaining collection accounts are permitted to debit fees/ charges from such accounts before transferring funds to CC/OD account.

- Non-lending banks are not permitted to open current/ collection accounts.

11.2 Opening of Current Accounts for borrowers not availing Cash Credit/ Overdraft Facilities from the banking system

In case of borrowers where aggregate exposure of the banking system is ₹50 crore or more:

- Banks shall be required to put in place an escrow mechanism. Borrowers shall be free to choose any lending bank as their escrow managing bank. All lending banks should be part of the escrow agreement. The terms and conditions of the agreement may be decided mutually by lending banks and the borrower.
- Current accounts of such borrowers can only be opened/ maintained by the escrow managing bank.
- Other lending banks can open 'collection accounts' subject to the condition that funds will be remitted from these accounts to the said escrow account at the frequency agreed between the bank and the borrower. Further, balances in such collection accounts shall not be used for repayment of any credit facilities provided by the bank, or as collateral/ margin for availing any fund or non-fund based credit facilities. While there is no prohibition on amount or number of credits in 'collection accounts', debits in these accounts shall be limited to the purpose of remitting the proceeds to the said escrow account. However, banks maintaining collection accounts are permitted to debit fees/ charges from such accounts before transferring funds to the escrow account. 2.1.4 Non-lending banks shall not open any current account for such borrowers.

In case of borrowers where aggregate exposure of the banking system is ₹5 crore or more but less than ₹50 crore:

- There is no restriction on opening of current accounts by the lending banks. However, non-lending banks may open only collection accounts as detailed above.

In case of borrowers where aggregate exposure of the banking system is less than ₹5 crore:

- Banks may open current accounts subject to obtaining an undertaking from them that they (the customers) shall inform the bank(s), if and when the credit facilities availed by them from the banking system becomes ₹5 crore or more. The current account of such customers, as and when the aggregate exposure of the banking system becomes ₹5 crore or more, and ₹50 crore or more, will be governed by the provisions applicable as above.
- Banks are free to open current accounts of prospective customers who have not availed any credit facilities from the banking system, subject to necessary due diligence as per their Board approved policies.
- Banks are free to open current accounts, without any of the restrictions detailed here for borrowers having credit facilities only from NBFCs/ FIs/ co-operative banks/ nonbank institutions, etc. However, if such borrowers avail aggregate credit facilities of ₹5 crore or above from the banks covered under these guidelines, the provisions of the Circular shall be applicable.

12.0 Exemptions Regarding Specific Accounts

Banks are permitted to open and operate the following accounts without any of the restrictions placed in terms of paras 1, 2 and 3 of this Circular: (a) Specific accounts which are stipulated under various statutes and specific instructions of other regulators/ regulatory departments/ Central and State Governments. An indicative list of such accounts is given below:

- (i) Accounts for real estate projects mandated under Section 4 (2) I (D) of the Real Estate (Regulation and Development) Act, 2016 for the purpose of maintaining 70 per cent of advance payments collected from the home buyers

- (ii) Nodal or escrow accounts of payment aggregators/ prepaid payment instrument issuers for specific activities as permitted by Department of Payments and Settlement Systems (DPSS), Reserve Bank of India under Payment and Settlement Systems Act, 2007
- (iii) Accounts for the purpose of IPO/ NFO/ FPO/ share buyback/ dividend payment/ issuance of commercial papers/ allotment of debentures/ gratuity etc. which are mandated by respective statutes or by regulators and are meant for specific/ limited transactions only
- (iv) Accounts opened as per the provisions of Foreign Exchange Management Act, 1999 (FEMA) and notifications issued thereunder including any other current account if it is mandated for ensuring compliance under the FEMA framework
- (v) Accounts for payment of taxes, duties, statutory dues, etc. opened with banks authorized to collect the same, for borrowers of such banks which are not authorized to collect such taxes, duties, statutory dues, etc.
- (vi) Accounts for settlement of dues related to debit card/ ATM card/ credit card issuers/ acquirers
- (vii) Accounts of White Label ATM Operators and their agents for sourcing of currency
- (viii) Accounts of Cash-in-Transit (CIT) Companies/ Cash Replenishment Agencies (CRAs) for providing cash management services
- (ix) Accounts opened by a bank funding a specific project for receiving/monitoring cash flows of that specific project, provided the borrower has not availed any CC/OD facility for that project
- (x) Inter-bank accounts
- (xi) Accounts of All India Financial Institutions (AIFIs), viz., EXIM Bank, NABARD, NHB, and SIDBI
- (xii) Accounts attached by orders of Central or State governments/ regulatory body/ Courts/ investigating agencies etc. wherein the customer cannot undertake any discretionary debits

Banks maintaining accounts listed above shall ensure that these accounts are used for permitted/ specified transactions only. Further, banks shall flag these accounts in the CBS for easy monitoring. Lenders to such borrowers may also enter into agreements/ arrangements with the borrowers for monitoring of cash flows/ periodic transfer of funds (if permissible) in these accounts.

13.0 Availability of account opening forms:

The account opening forms and other material would be provided to the prospective depositor by the Bank. The same will contain details of information to be furnished and documents to be produced for verification and for record. The bank official while opening the account is expected to explain the procedural formalities and provide necessary clarifications sought by the prospective depositor.

14.0 Maintenance of Minimum balance:

For deposit products like Savings Bank Account and Current Deposit Account, the Bank stipulates minimum balances to be maintained as part of terms and conditions governing operation of such accounts. Failure to maintain minimum balance in the account will attract levy of charges as specified by the Bank from time to time

For Saving Bank Account, the Bank may also place restrictions on number of transactions, cash withdrawals, etc., for given period. Similarly, the Bank may specify charges for issue of cheques books, additional statement of accounts, duplicate passbook, ATM/Debit Card charges, folio charges/consolidation, verification of signatures, return of cheques, change in mandate or style of account etc. All such details, regarding terms and conditions for operation of the accounts and schedule of charges for various services provided will be communicated to the prospective depositor while opening the account.

14.1 Minimum Balances in Inoperative Accounts – non levy of charges

With effect from May 6, 2014, banks are not permitted to levy penal charges for non-maintenance of minimum balances in any inoperative account and accordingly, Coastal Bank does not levy such charges.

15.0 Availability of other services to customers:

Customer also can avail other banking product and/or services offered by bank from time to time like-

16.0 Issue of Debit Cards to customers:

RBI have mandated vide their Cir No. RBI/2022-23/92, DoR.AUT.REC.No.27/24.01.041/2022-23 dated April 21, 2022 that banks shall formulate a comprehensive debit cards issuance policy with the approval of the Boards and issue debit cards to their customers in accordance with this policy. Prior approval of the Reserve Bank is not necessary for banks desirous of issuing debit cards to their customers. Accordingly, we prescribe the following process for issue and maintenance of debit cards by the Bank:

- Debit cards shall only be issued to customers having Savings Bank/Current Accounts.
- Bank shall not issue debit cards to cash credit/loan account holders. However, the bank shall issue debit cards to accounts linking the overdraft facility provided along with Pradhan Mantri Jan Dhan Yojana accounts.
- Banks shall not force a customer to avail debit card facility and shall not link issuance of debit card to availment of any other facility from the Bank.
- Bank shall keep internal records to enable operations to be traced and errors to be rectified (taking into account the law of limitation for the time barred cases)
- The cardholder shall be provided with a record of the transactions after he/she has completed it, immediately in the form of receipt or another form such as SMS and the bank pass book for physical updation. Customers can also view their transaction statements in the mobile app of the Bank.
- Bank shall block a lost card immediately on being informed by the cardholder on the helpline.
- Branch staff shall ensure confidentiality of customer information. Staff shall not reveal any information relating to customers obtained at the time of opening the account or issuing the card to any other person or organization without obtaining the customer's explicit consent, with regard to the purpose/s for which the information will be used and the organizations with whom the information will be shared.

Maximum of 5 transactions per month (including financial and non-financial) are allowed free of charges in respect of ATM card usage. If the number of transactions exceed 5 in a month, each financial transaction over and above 5 will be charges at Rs 20.00 + applicable tax and for each non-financial transaction charges will be Rs 5.00 + applicable tax

17.0 Mobile banking- Bank may provide Mobile banking facility at the request of the customer after suitable registration process.

18.0 Safe Deposit Lockers - Allotment of safe deposit vault will be subject to availability and compliance with other terms and conditions attached to the service. Safe deposit lockers may be hired by an individual (being not a minor) singly or jointly with another individual(s), HUFs, firms, limited companies, associates, societies, trusts etc. Nomination facility is available to individual(s) holding the lockers singly or jointly. In respect of lockers held in joint names, up to two nominees can be appointed. Joint locker holders can give mandate for access to the lockers in the event of death of one of the holders on the lines similar to those for deposit accounts.

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

19.0 Risk categorization of accounts:

As per the regulatory guidelines branches have to categorize customers based on risk perception and prepare profiles of customers for the purpose of transaction monitoring.

20.0 Premature withdrawal/closure of deposits by Joint account holders:

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

21.0 Registering Power of attorney for the account:

At the request of the depositor, the Bank will register the mandate/power of attorney given by him/her, authorizing another person to operate the Account on his/her behalf.

Registering the mandate of the customer applicable on the date of maturity of term deposit account and auto renewal:

The term deposit account holders at the time of placing their deposits can give instructions with regard to closure of deposit account or renewal of deposit for further period on the date of maturity.

The term deposit receipt renewed under “Automatic Renewal Scheme” will not be handed over to the customer “unless” he submits the Original (Matured) Term Deposit Receipt to be kept on bank record.

22.0 Nomination Facility:

Nomination facility is available on all deposit accounts opened by the individuals. Nomination is also available to a sole proprietary concern account. Nomination can be made in favour of one individual only. Nomination so made can be cancelled or changed by the account holder/s any time. While making nomination, cancellation or change thereof, it is not required to be witnessed by a third party, except in case of thumb impression affixed by illiterate depositors. Nomination can be made in favour of a minor also. Bank advocates all depositors to avail nomination facility. The nominee, in the event of death of the depositor/s, would receive the balance outstanding in the account as a trustee of legal heirs.

Bank recommends that all depositors avail the nomination facility. The nominee, in the event of death of the depositor/s, would receive the balance outstanding in the A/c of the deceased as a Trustee of Legal Heirs. The depositor will be informed of the advantages of the nomination facility while opening a Deposit A/c. The depositor has the discretion of putting nominee’s name on passbook/term deposit receipt.

23.0 Statement of account/Issue of pass Book:

A statement of account will be provided by the Bank to Savings Bank as well as Current Deposit Account Holders periodically as per terms and conditions of opening of the account. Alternatively, the Bank may issue a Pass Book to these account holders who opt / request for the same.

24.0 Transfer of accounts to other branches:

The deposit accounts may be transferred to any other branch of the Bank at the request of the depositor.

25.0 Interest Payments

25.1 General principles on interest payments:

Interest rates on all types of deposit accounts are decided by the Bank within the general guidelines issued by the Reserve Bank of India from time to time.

Consequent to the deregulation of interest rates of domestic savings deposits accounts held by residents in India with effect from October 25, 2011, Bank is free to determine its savings bank deposit interest rate, subject to the following two conditions:

- Bank offers a uniform interest rate on savings bank deposits up to Rupees one lakh, irrespective of the amount in the account within this limit. While calculating interest on such deposits, the Bank applies the uniform rate on end-of-day balance up to Rupees one lakh.
- Second, for any end-of-day savings bank balance exceeding Rupees one lakh, the Bank may provide differential rates of interest, if it so chooses, and the Bank will not discriminate in the matter of interest paid on such deposits, between one deposit and another of similar amount, accepted on the same date, at any of its offices.
- Accordingly, the Bank publishes its interest rates from time to time which are available on the Bank's website <https://www.coastalareabank.com/public-notice> and also prominently displayed in the branch premises.

The Interest on Term Deposits is calculated by the Bank in accordance with the formulae and conventions advised by the Indian Banks' Association.

In case of saving bank deposits, interest shall be calculated on daily product basis. Interest shall be credited only when interest payable is minimum Re. 1/-. As per RBI's notification interest will be credited at Quarterly intervals in March, June, September and December.

In terms of Reserve Bank of India directives, interest shall be calculated at quarterly intervals, on term deposits and paid at the rate decided by the Bank depending upon the period of deposits. In case of Monthly Deposit Scheme, the interest shall be calculated for the quarter and paid monthly at discounted value.

However, as per the latest guidelines of RBI, Bank shall have the option to pay interest on Rupee savings & term deposits at intervals shorter than quarterly intervals.

25.2 Rounding off of Transactions:

All transactions including Payment of Interest on Deposits/Charging of Interest on Advances shall be rounded off to the nearest Rupee i.e., fraction of 50 paisa and above shall be rounded off to the next higher rupee and fraction of less than 50 paisa shall be ignored.

25.3 Payment of interest on Term Deposit maturing on Sunday/Holiday

In respect of a Term Deposit maturing for payment on a Sunday or a Holiday Interest shall be paid at the originally contracted rate on the deposit amount for the Sunday/Holiday intervening between the date of the expiry of the specified term of the Deposit and the Date of Payment of the proceeds of the Deposit on the succeeding working day.

25.4 Deduction of TDS:

The Bank has statutory obligation to deduct tax at source if the total interest paid /payable on all term deposits held by a person in a financial year exceeds the amount specified under the Income Tax Act. TDS will be deducted on the interest earned on the total amount of deposits held by a customer in the Bank as a whole, and not on individual deposits held by him branch-wise including

Recurring Deposits (as per amendments in Finance Act 2015). The Bank will issue a tax deduction certificate (TDS Certificate) for the amount of tax deducted.

The depositor, if entitled for exemption from TDS can submit declaration in the prescribed format i.e. Form 15G/15H at the beginning of every financial year. Depositors must furnish their PAN Number along with 15G /15H. Failure to furnish PAN will result in deduction of TDS at the prevailing rate advised by Income Tax department.

Depositors to link their Aadhar Numbers to their PAN Numbers or else where tax is deductible in case of such person, such tax shall be deducted at higher rate, in accordance with the provisions of Income Tax Act. As per Press Release dated 28th March 2023 from Government of India Ministry of Finance Department of Revenue Central Board of Direct Taxes, New Delhi:

Every person who has been allotted a Permanent Account Number (PAN) and is eligible to obtain Aadhaar number, must link their PAN with Aadhaar as per provisions of Section 139 AA of the Income Tax Act 1961 on or before 30th June 2023.

- From 1st July 2023, non linking of PAN with Aadhaar shall make PAN "inoperative" and
- TDS / TCS would be deducted /collected at higher rate (Non PAN rate including on cash withdrawal) ,
- Form 15G/H with inoperative PAN will not acceptable
- Existing Form 15 G / H becomes ineffective till PAN remains inoperative.

Please note; linking of Aadhaar with PAN does not apply to an individual who does not possess an Aadhaar number / Enrollment ID **and is:-**

- residing in the States of Assam, Jammu and Kashmir and Meghalaya.
- a Non-Resident as per Income Tax Act 1961.
- of the age of eighty years or more at any time during the previous year.
- not a citizen of India.

25.5 Payment of interest on accounts frozen by banks:

The procedure detailed below shall be followed by the Bank in the case of Term Deposit Accounts of customers frozen by the orders of the enforcement authorities:

- A request letter may be obtained from the customer on maturity. While obtaining the request letter from the depositor for renewal, banks should also advise him to indicate the term for which the deposit is to be renewed. In case the depositor does not exercise his option of choosing the term for renewal, banks may renew the same for a term equal to the original term.
- No new receipt is required to be issued. However, a suitable note should be made regarding renewal in the deposit ledger.
- Renewal of deposit should be advised by registered letter / speed post / courier service to the Government department concerned under advice to the depositor. In the advice to the depositor, the rate of interest at which the deposit is renewed should also be mentioned.
- If overdue period does not exceed 14 days on the date of receipt of the request letter, renewal should be done from the date of maturity. If it exceeds 14 days, banks should pay interest for the overdue period as per the policy adopted by them, and keep it in a separate interest free sub-account which should be released when the original fixed deposit is released.
- Further, with regard to the savings bank accounts frozen by the enforcement authorities, banks should continue to credit the interest to the account on a regular basis.
- Besides, the Bank has statutory obligation to Charge / Deduct Service Tax as well as Transaction Tax as specified / notified by the Govt. of India, from time to time.

25.6 Uniform interest rates:

Bank doesn't discriminate in the matter of interest paid on retail deposits, between one deposit and another, accepted on the same date and for the same maturity, whether such deposits are accepted at the same office or at different offices of the bank.

25.7 Discretion to pay additional interest not exceeding one per cent on deposits of Bank's staff:

The Bank may, at its discretion, allow additional interest to its staff at a rate not exceeding one percent per annum over and above the rate of interest applicable to Deposits for public in general.

Such additional interest may be paid in respect of a term deposit account opened in the name of:

- A member or a retired member of the Bank's staff, either singly or jointly with any member or members of his/her family; or
- The spouse of a deceased member or a deceased retired member of the bank's staff;
- The Bank will obtain a declaration from the depositor concerned, that the moneys deposited or which may, from time to time, be deposited into such account belong to the depositor.

ALM and Risk Management Committee of the Board may accord approval for the additional interest on deposits of Bank's staff.

25.8 Exclusion of Additional Rate of Interest:

Staff members who have retired compulsorily or resigned / dismissed / terminated / removed from the Bank's service shall not be eligible to avail Additional ROI

26.0 Conversion of a term deposit, a deposit in the form of daily deposit or a recurring deposit for reinvestment in term deposit

The Bank, on a request from the depositor, allows conversion of a term deposit, a deposit in the form of daily deposit or recurring deposit, to enable the depositor to immediately reinvest the amount lying in the aforesaid deposits with the Bank in another term deposit. For the period up to April 19, 2010, banks were required to pay interest in respect of such term deposits without reducing the interest by way of penalty, provided that the deposit remained with the bank after reinvestment for a period longer than the remaining period of the original contract. However, on a review and in order to facilitate better asset-liability management (ALM), with effect from April 20, 2010, banks are permitted to formulate their own policies towards conversion of deposits. Accordingly, the Bank decides such conversion rates from time to time. The Bank currently charges penalty on premature payments. However, any waiver of penalty should be approved by the Corporate Office.

27.0 Premature Withdrawal of Term Deposit

The Bank on request from the depositor, at its discretion, may allow withdrawal of term deposit before completion of the period of the deposit agreed upon at the time of placing the deposit on deduction of applicable penalty.

Further, the Bank may disallow premature withdrawal of large Rupee term deposit of Rs.2 crore and above of all depositors, including deposits of individual and HUFs

No interest will be paid for premature withdrawal within 7 days in case of term Deposits, within 3 months in case of Recurring Deposits and within 12 months in case of NRE Term Deposit.

28.0 Premature Renewal of Term Deposit

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

29.0 Renewal of Term Deposits / Overdue Term Deposits:

The Depositors can renew the Term Deposits on the due date and the interest rate prevailing on the maturity date for the respective tenor of the deposit shall be made available. The Bank offers auto-renewal facility for term deposits. The term deposit on maturity is auto-renewed for the same tenor as the maturing deposit at the rate prevailing on the date of renewal for the period.

If a Term Deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the Bank shall attract rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower.

30.0 Advances against Deposits

The Bank may consider request of the depositor/s for loan / overdraft facility against term deposits [unless prohibited under the respective deposit scheme] duly discharged by the depositor/s on execution of necessary security documents. The Bank may also consider advance 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 guardian.

The Bank would be free to charge interest rate without reference to its Base Rate including on advances granted against NRE term deposits and repaid in Foreign Currency or Rupees. (Currently, our Bank is not permitted to open NRE deposits or Foreign Currency Deposits).

31.0 Insurance Cover for Deposits

All bank deposits are covered under the insurance scheme offered by Deposit Insurance and Credit Guarantee Corporation of India (DICGC) to the extent of Rs.5.00 lacs per depositor, subject to certain limits and conditions.

32.0 Dormant/Inoperative Accounts

Savings/Current Accounts which are not operated for a period of two years will be marked/ as dormant / inoperative in the interest of the Depositor as well as the Bank. There will not be any charge for activation of dormant / inoperative account. The depositor can request the Bank to activate the account for operating it. Further for the purpose of classifying an account as inoperative, both the types of transactions i.e. credit as well as debit transactions induced at the instance of customers as well as third party shall be considered. Interest on fixed deposits is credited to SB/CA account as per the mandate of the customer and hence to be treated as customer induced transaction. As such the account will be treated as operative as long as the interest on FDR is credited to the account.

Operations in Inoperative Account may be allowed after due diligence as per risk category of the customer. The due diligence would mean ensuring genuineness of the transaction, verification of the

signature and identity etc., However, the customer should not be inconvenienced in any way, just because the account has been rendered inoperative.

Compliance of KYC guidelines should be meticulously ensured. Fresh KYC should be obtained for accounts lying in inoperative state for more than 2 years. The first debit in inoperative account should be only through second level of authorization. (i.e., through maker and checker in CBS)

33.0 Settlement of dues in Deceased Deposit Accounts

i) 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.

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

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

Interest Payable on Term deposit in Deceased Account

i) 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 rate prevailing on the date of maturity, for the period for which the deposit remained with the Bank beyond the date of maturity as per the Bank's policy in this regard.

ii) 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 prevailing on the date of maturity from the date of maturity till the date of payment.

iii) In respect of balances lying in Current a/c standing in the name of Deceased Individual / Sole Proprietorship Concern, interest shall be paid from the date of death of the depositor till the date of repayment to the claimant at the rate of interest applicable to Savings Deposits as on the date of payment.

34.0 Term Deposits over 10 Years

The Domestic Rupee Term Deposits can be opened for minimum period of 7 days and maximum up to 10 Years. However, Depositors are allowed for Domestic Rupee Term Deposits to be opened for more than permissible period, i.e. 10 Years, in case of Court Order issued in favour of the depositor.

The Rate of Interest eligible for these Term Deposit Accounts shall be the Rate of Interest applicable for the Domestic Rupee Term Deposits of Ten Years on the account open effective date.

35.0 Business Correspondents/Business Facilitators:

As per RBI guidelines Banks have also been permitted to use the services of Non-Governmental Organizations (NGOs)/ Self Help Groups(SHG)/ Micro Finance Institutions(MFIs) and other Civil Society Organizations (CSOs) as intermediaries in providing financial and banking services including collection of deposits through the use of the Business Facilitator and Business Correspondent models. Thus, the Bank may pay reasonable commission/ fee to the Business Facilitators/ Correspondents. The agreement with the Business Facilitators/ Correspondents specifically prohibits them from charging any fee to the customers directly for services rendered by them on behalf of the bank.

36.0 Prohibitions:

Bank shall not

- Pay interest on Current Account

- Discriminate in the matter of rate of interest paid on deposits, between one deposit and another, accepted on the same date and for the same maturity, whether such deposits are accepted at the same office or at different offices of the Bank, except in respect of single term deposits of Rs.2 crores and above on which differential rates of interest are offered subject to the following conditions:
- The permission to offer varying rates of interest for deposits of the same maturity shall apply to single term deposits of Rs.2 crores and above.
- Bank shall disclose in advance the schedule of interest rates payable on deposits including deposits on which differential interest will be paid. Interest rates paid by the bank shall be as per the schedule and not be subjected to negotiation between the depositor and the Bank.
- pay brokerage in the form of commission or gift or incentives on deposits in any manner or in any other form to any individual, firm, company, association, institution or any other person. Exceptions are as follows:
 - commission paid to agents employed to collect door-to-door deposits under a special scheme;
 - inexpensive gifts costing not more than Rs.250/-; and
 - Incentives granted to staff members as approved by the Reserve Bank of India from time to time.
- employ/engage any individual, firm, company, association, institution or any other person for collection of deposit or for selling any other deposit linked products on payment of remuneration or fees or commission in any form or manner, except to the extent permitted.
- launch prize/lottery/free trips (in India and/or abroad), etc. oriented deposit mobilisation schemes.
- resort to unethical practices of raising of resources through agents/third parties to meet the credit needs of the existing/prospective borrowers or to grant loans to the intermediaries based on the consideration of deposit mobilisation.
- issue any advertisement/literature soliciting deposits from public highlighting only the compounded yield on term deposits without indicating the actual rate of simple interest offered by bank for the particular period. Simple rate of interest per annum for the period of deposit shall be indicated invariably.
- pay interest on margin money held in current account.

- accept interest-free deposit other than in current account or pay compensation indirectly.
- accept deposits from/at the instance of private financiers or unincorporated bodies under any arrangement which provides for either issue of deposit receipt/s favouring client/s of private financiers or giving of an authority by power of attorney, nomination or other-wise, for such clients receiving such deposits on maturity.
- Grant advances against fixed deposit receipts or other term deposits of other banks.

37.0 Redressal of grievances

Depositors having any complaint / grievance with regard to services rendered by the Bank has a right to approach authority (i.es) designated by the Bank for handling customer complaint / grievances. The details of the internal set up for redressal of complaints /grievances will be displayed in the branch premises. The branch officials shall redress the grievances of the Customer if any in a time bound manner.

38.0 Privacy of Customer Information

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

The Bank shall not disclose details / particulars of the customer's account to a third person or party without the expressed or implied consent from the customer. However, there are some exceptions, viz. disclosure of information under compulsion of law, where there is a duty to public to disclose and where interest of the Bank requires disclosure.

39.0 Policy Review:

This Policy will be reviewed once in two years or earlier in case any material changes in the regulatory prescriptions.

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