

Deposit Policy

Version:14

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1.Introduction

Accepting deposits from banks forms an important function in a bank. 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 ("RBI") is empowered to issue directives and advices on interest rates on deposits and other aspects regarding conduct of deposit accounts from time to time. With liberalization in the financial system and deregulation of interest rates, banks are now free to formulate deposit products within the broad guidelines issued by RBI.

This policy outlines the guiding principles in respect of the deposit services offered by the Sumitomo Mitsui Banking Corporation branches in India ("SMBC") and terms & conditions governing the operation of deposit accounts. It recognizes the rights of depositors and aims at dissemination of information with regard to various aspects of acceptance of deposits from the members of the public, conduct and operations of various deposits accounts, payment of interest on various deposit accounts, closure of deposit accounts, method of disposal of deposits of deceased depositors, etc., for the benefit of customers.

SMBC reiterates its commitments to individual customers outlined in Bankers' Fair Practice Code of Indian Banks' Association. This document is a broad framework under which the rights of common depositors are recognized. This policy should be read in conjunction with other policy and procedure documents.

2. Types of Deposit Accounts

The deposit products can be categorised broadly into the following types. Definitions of major deposits schemes are as under:

- **Demand deposit** means a deposit received by the Bank, which is withdrawable on demand.
- **Current Account** means a form of non-interest-bearing demand deposit where from withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount and will also be deemed to include other deposit accounts which are neither Savings Deposit nor Term /Fixed deposit.
- **Savings deposit** means a form of interest bearing demand deposit which is a deposit account whether designated as "Savings Account", "Savings Bank Account", "Savings Deposit Account", "Basic Savings Bank Deposit Account (BSBDA)" or any other name called which is subject to the restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by RBI during any specified period.
- **Domestic Rupee Deposits** mean rupee deposits maintained in India in the form of current account, savings deposit or term/fixed deposit.
- **Term/Fixed deposit** means an interest bearing deposit received by the bank for a fixed period and shall also include deposits such as Recurring /Cumulative /Annuity /Reinvestment deposits and Cash Certificates.
- **Bulk Deposits** means single rupee term deposits of Rupees three crore and above as amended by RBI from time to time.
- **FCNR (B)account** means a Foreign Currency Non- resident (Bank)account referred to in Foreign Exchange Management (Deposit)Regulations,2000, as amended from time to time.
- **Non- Resident Indian (NRI)** means a person resident outside India who is a citizen of India.
- **NRE account** means a Non-resident External deposit referred to in Foreign Exchange Management (Deposit)Regulations,2000, as amended from time to time.
- **NRO account** means a Non-resident ordinary deposit referred to in Foreign Exchange Management (Deposit)Regulations,2000, as amended from time to time.
- **Person of Indian Origin(PIO)** means a person resident outside India who is a citizen of any country other than Bangladesh or Pakistan or such other country as may be specified by the Central Government, satisfying the following conditions:
 - a) Who was a citizen of India by virtue of the constitution of India or the citizenship act ,1955(57 of 1955). or

- b) who belonged to a territory that became part of India after the 15th day of August, 1947. or
- c) who is a child or a grandchild or a great grandchild of a citizen of India or of person referred to in clause (a) or (b) or
- d) who is a spouse of foreign origin of a citizen of India or spouse of foreign origin of a person referred to in clause (a) or (b) or (c)

Explanation: for the purpose of this sub-regulation, the expression "Person of Indian Origin" includes an "Overseas citizen of India" cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955.

- **RFC account** means a Resident Foreign Currency account referred to in Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.
- **Alternative Reference Rates (ARR)** are the rates that are based on overnight /term/other interest rates anchored to an active and liquid wholesale market and as advised by market-led working groups for each jurisdiction.
- Exchange Earners' Foreign Currency Account (EEFC) is an account maintained in foreign currency with an authorized Dealer i.e. a bank dealing in foreign exchange. It is a facility provided to the foreign exchange earners, including exporters to credit 100 percent of their foreign exchange earnings to the account, so that the account holders do not have to convert foreign exchange into Rupees and vice versa, thereby minimizing the transaction costs. The account is a noninterest bearing account.

Credit of 100% foreign exchange earnings to the EEFC account is allowed subject to the condition that the sum total of the accruals in the account during a calendar month should be converted into Rupees on or before the last day of the succeeding calendar month after adjusting for utilization of the balances for approved purposes or forward commitments.

Not all exporters can open an EEFC account under general permission. Eg.; SEZ entities cannot open EEFC accounts. Such entities can instead open a Foreign Currency Account.

Please refer to RBI EEFC FAQ in case of any further clarifications on EEFC accounts.

- **SNRR account** means a Special Non-Resident Rupee account referred to in sub regulation (4) of regulation 5 of Foreign Exchange Management (Deposit) Regulations, 2000 as amended from time to time. The SNRR account shall not bear any interest.
- **Special Non- Resident Rupee Account-SNRR account**
 1. Any person resident outside India, having a business interest in India, may open Special Non-Resident Rupee Account (SNRR account) with an authorised dealer for the purpose of putting through bona fide transactions in rupees, not involving any violation of the provisions of the Act, rules and regulations made thereunder. The business interest, apart from generic business interest, shall include the following INR transactions, namely:-
 - i. Investments made in India in accordance with Foreign Exchange Management (Non-debt Instruments) Rules, 2019 dated October 17, 2019 and Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified vide notification no. FEMA 396/2019-RB dated October 17, 2019, as applicable, as amended from time to time.

- ii. Import of goods and services in accordance with Section 5 of the Foreign Exchange Management Act 1999 (42 of 1999), read with Notification No. G.S.R. 381(E) dated May 3, 2000, viz., Foreign Exchange Management (Current Account Transaction) Rules, 2000, as amended from time to time.
 - iii. Export of goods and services in accordance with Section 7 of the Foreign Exchange Management Act 1999 (42 of 1999), read with Notification No. G.S.R. 381(E) dated May 3, 2000, viz., Foreign Exchange Management (Current Account Transactions) Rules, 2000, as amended from time to time, and further read with FEMA Notification No.23(R)/2015-RB dated January 12, 2016, as amended from time to time.
 - iv. Trade credit transactions and lending under External Commercial Borrowings (ECB) framework in accordance with Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended from time to time and
 - v. Business related transactions outside International Financial Service Centre (IFSC) by IFSC units at GIFT city like administrative expenses in INR outside IFSC, INR amount from sale of scrap, government incentives in INR, etc. The account will be maintained with bank in India (outside IFSC).
2. The SNRR account shall carry the nomenclature of the specific business for which it is in operation. Indian bank may, at its discretion, maintain separate SNRR Account for each category of transactions or a single SNRR Account for a person resident outside India engaged in multiple categories of transactions provided it is able to identify/ segregate and account them category-wise.
 3. The operations in the SNRR account shall not result in the account holder making available foreign exchange to any person resident in India against reimbursement in rupees or in any other manner.
 4. The SNRR account shall not bear any interest.
 5. The debits and credits in the SNRR account shall be specific/ incidental to the business proposed to be done by the account holder.
 6. The balances in the SNRR account shall be eligible for repatriation.
 7. Transfers from any NRO account to the SNRR account are prohibited.
 8. All transactions in the SNRR account will be subject to payment of applicable taxes in India.
 9. SNRR account may be designated as resident rupee account on the account holder becoming a resident.
 10. Opening of SNRR accounts by Pakistan and Bangladesh nationals and entities incorporated in Pakistan and Bangladesh requires prior approval of Reserve Bank.

3. *INR Deposit(s)*

Customers can place a deposit subject to a minimum amount criterion, which the customer may withdraw on demand, or if deposit is made for a fixed period of time, only on expiry of which funds may be withdrawn.

INTEREST PAYMENTS ON DOMESTIC RUPEE DEPOSITS

- A) Interest rate on Current Account:** No interest shall be paid on deposits held in current accounts.
- B) Interest Rate on Savings Deposits:** Interest on domestic rupee savings deposits shall be calculated on a daily product basis. The interests on Savings Deposits shall be credited to customer accounts at quarterly or shorter intervals. Bank may offer different rates of Interest on the basis of deposits amount / size as guided by RBI from time to time.
- C) Interest on Term/Fixed Deposit:**
- a) Interest rates are decided by SMBC in accordance with the interest rate framework guidelines issued by the Reserve Bank of India, as amended from time to time. In accordance with Reserve Bank of India prevailing directives, interest on Term Deposits is payable at the rate decided and published in advance by SMBC depending upon the tenor/size/maturity of deposits subject to the condition that minimum tenor of the term deposit offered shall be seven days.
 - b) The Term /Fixed Deposit interest rates shall be uniform across all branches and for all customers and there shall be no discrimination in the matter of interest paid on the deposits, between one deposit and another of similar amount, accepted on the same date, at any of its offices except for the following cases of differential interest. Differential interest rate may be offered only on Bulk Deposits for different amount bands. Differential Interest Rate may also be offered for Deposits without Prematurity Condition.

3. INR Deposit(s)Contd.

- c) The rate of interest on deposits shall be as per the schedule of interest rates disclosed in advance and shall also be displayed in the branch premises and web page of SMBC India. Changes, if any, shall also be communicated upfront and shall also be prominently displayed on webpage of SMBC India. For the purposes of operational convenience. The bank shall publish rates on website as and when there is any change in the interest rates being offered for Term/ Fixed Deposits. These rates will be in effect till such time when the interest rates are changed and re-published by the bank. Further, the Interest rates for the deposit value amounting to Rs. 100 crore and above, shall be available at the branch level. The bank shall ensure fixing uniform rates for deposits of similar amount on the same day.
- d) SMBC provides option to place Term/Fixed Deposit with or without premature withdrawal option as per the deposit amount, term etc. selected.
- e) Interest shall be calculated at quarterly intervals on term deposits and paid at the rate decided by the bank depending on the period of deposit.
- f) SMBC shall not negotiate the rates of interest and shall not discriminate between the depositors in the matter of interest paid on the deposits, between one deposit and another of similar amount, accepted on the same date, across all branches and for all customers.
- g) For INR deposits, the bank computes the interest at 365 days for both leap and non leap years.
- h) SMBC shall, at their discretion, formulate term deposit schemes specifically for resident Indian senior citizens, offering higher and fixed rates of interest as compared to normal deposits of any size. Provided that this facility is not offered on the term deposit standing in the name of an HUF or the Karta of the Hindu Undivided Family (HUF), even if the Karta is a resident Indian senior citizen.

3. INR Deposit(s)Contd.

D) Premature Withdrawal of Fixed Deposits

- a) **Deposits without premature withdrawal option:** Bank will not permit premature withdrawal of such Deposit under any circumstances except where such premature withdrawal is on account of direction from any statutory and regulatory authority (including cases related to insolvency/bankruptcy/winding up/dissolution of the Customer) in which case no interest / or as per judicial direction will be paid on the principal amount of the Deposit. Auto-renewal facility is not available for such Deposits
- b) **Deposits with premature withdrawal option:** SMBC on request from a depositor shall allow premature withdrawal of a Fixed Deposits with premature withdrawal option before completion of the period of the deposit agreed upon at the time of making the deposit. Interest shall be paid at the rate prevailing on the booking date applicable to the amount and period for which the deposit remained with the Bank.

SMBC will levy a penalty for premature closure of an existing deposit at such rates as may be decided from time to time. SMBC shall make depositors aware of the applicable rate of penalty along with the deposit interest rate at the time of acceptance of term/fixed deposits.
- c) **Payment of Interest on Premature Withdrawal of Deposits with premature withdrawal option:** The interest rates applicable on term deposits withdrawn before the maturity date shall be as under:
 - a) Interest shall be paid at the rate prevailing on the booking date applicable to the amount and period for which the deposit remained with SMBC and not at the contracted rate.
 - b) No interest shall be paid, where premature withdrawal of deposits takes place before completion of minimum tenor of the Term Deposit offered by SMBC.

E. Tax Deduction Certificate

- a) SMBC has statutory obligation to deduct tax at source if the total interest paid / payable on all Fixed deposits held by a person exceeds the amount specified under the applicable Income Tax Act, 1961, as amended from time to time.
- b) SMBC will issue a tax deduction certificate (TDS Certificate) for the amount of tax deducted. The depositor, if entitled to exemption from TDS can submit declaration in the prescribed format at the beginning of every financial year.

3. INR Deposit(s)Contd.

F. Deposit Maturing on Non-Business Working Days

In respect of a Fixed deposit maturing for payment on a non-working Saturday / Sunday or a holiday or a non-business working day, SMBC will pay interest at the originally contracted rate on the original principal deposit amount for the non-working Saturday / Sunday / holiday / non-business working day intervening between the date of maturity/expiry of the specified term of the deposit and the date of payment of the proceeds of the deposit on the succeeding working day.

G. Interest on overdue Fixed Deposits

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. Term deposit is as defined in section 2.

4. Foreign Currency Deposit(s)

The Bank shall also allow FCNR (B) deposits to Non-Resident Indians (NRIs) and/or Persons of Indian Origin (PIOs). FCNR (B) deposit is a Foreign Currency denominated interest bearing deposit, an interest bearing with fixed amount, tenor and interest rate. FCNR (B) deposits provided by Bank will be denominated in US Dollars, GBP, EURO, AUD, JPY and Canadian Dollars only. As per the extant RBI regulations, FCNR(B) deposit are allowed for minimum period of one year and a maximum period of five years.

Type of Account

The FCNR account shall be opened only in the form of term deposit with maturity of such period as specified by RBI from time to time.

INTEREST PAYMENT

- a. On floating rate deposits, interest shall be paid within the ceiling rate of Alternative Reference Rates (ARR) /SWAP rates for the respective currency / corresponding maturities combination. For floating rate deposits, the interest reset period shall be six months. In case of fixed rate deposits, interest shall be paid within the ceiling of Overnight Alternative Reference Rate for the respective currency/maturity.
- b. Overnight Alternative Reference rate for the respective currency/SWAP rates as on the last working day of the preceding month would form the base for fixing ceiling rates for the interest rates that would be offered effective the following month.
- c. Financial Benchmarks India Pvt.Ltd.(FBIL) quotes / displays the Overnight Alternative Reference rate for the respective currency/ SWAP rates to be used by banks in arriving at the rates of interest to be offered on FCNR (B) deposits. FBIL also publishes the deposit rates for five maturities in six currencies on the last working day of each month.
- d. For the purposes of operational convenience, the amount of interest payable would be rounded off to the nearest two decimal points.
- e. Interest may be credited to a new FCNR(B)account or an existing /new NRE/NRO account in the name of the account holder, at his option.

4. Foreign Currency Deposit(s)Contd.

MANNER OF CALCULATION OF INTEREST ON FCNR (B) DEPOSITS

Interest on FCNR (B) Deposits shall be calculated and paid at intervals of 180 days each and thereafter for the remaining actual number of days. Interest shall be paid on the basis of 360 days to a year. Depositor will have the option to receive the interest on maturity with the compounding effect.

At the time of payment on interest (after every 6 months or due date) the interest amount shall be paid out to the specified account or as per instructions provided by the customer. No interest shall be paid on FCNR B Deposit if deposit is withdrawn before the expiry of one year.

Change of residential status of the account holder:

When an account holder becomes a person resident in India, deposits may be allowed to continue till maturity at the contracted rate of interest, if so desired by him. However, except the provisions relating to rate of interest and reserve requirements as applicable to FCNR(B) deposits, for all other purposes such deposits shall be treated as resident deposits from the date of return of the account holder to India. Authorized dealers should convert the FCNR(B) deposits on maturity into resident rupee deposit accounts or RFC account (if the depositor is eligible to open RFC account), at the option of the account holder and interest on the new deposit (rupee account or RFC account) shall be payable at the relevant rates applicable for such deposits.

Calculation of interest on renewal of FCNR (B) deposits

a) Interest calculation on renewal of FCNR(B) deposits shall be as under: (a) If the period from the date of maturity till the date of renewal (both days inclusive) does not exceed 14 days, the rate of interest payable on the amount of the deposit so renewed shall be the appropriate rate of interest for the period of renewal as prevailing on the date of maturity or on the date when the depositor seeks renewal, whichever is lower.

(b) In all other cases of renewal, interest rates for the overdue period on the renewed amount shall be determined by treating it as a fresh term deposit.

c) If, after renewal, the deposit is withdrawn before completion of the minimum stipulated period under the scheme, scheduled commercial banks may, at their discretion, recover the interest paid for the overdue period i.e. period beyond the original date of maturity.

4. Foreign Currency Deposit(s)Contd.

Payment of interest on FCNR (B) deposits of NRIs on return to India

SMBC may, at their discretion, on receipt of the request from the depositor, allow FCNR (B) deposits of persons of Indian nationality/origin who return to India for permanent settlement to continue till maturity at the contracted rate of interest subject to the conditions that:

- (a) The rate of interest as applicable to FCNR(B) deposits shall continue.
- (b) Such deposits shall be treated as resident deposits from the date of return of the account holder to India.
- (c) The FCNR (B) deposits on maturity shall be converted into Resident Rupee Deposit Account or RFC Account (if eligible) at the option of the account holder.
- (d) The rate of interest on the new deposit (Rupee account or RFC Account) shall be the relevant rate applicable for such deposit account.

Interest payable on the deposit of a deceased FCNR(B) depositor

Scheduled commercial banks shall pay interest on the term deposits standing in the name(s) of a deceased FCNR(B) individual depositor or two or more joint depositors where one of the depositors has died, as under:

- (a) If paid on the maturity of the deposit, interest shall be paid at the contracted rate.
- (b) If the deposit is claimed before the maturity date, interest shall be paid not at the contracted rate but at the rate applicable to the period for which the deposit remained with the bank and without charging penalty for pre-payment.
- (c) In case the depositor dies before the date of maturity of the deposit but the amount of the deposit is claimed after the date of maturity, interest shall be paid at the contracted rate till the date of maturity and simple interest at the applicable rate operative on the date of maturity for the period for which the deposit remained with the bank beyond the date of maturity.
- (d) In case of death of the depositor after the date of maturity of the deposit, the interest rate operative on the date of maturity in respect of savings deposits held under Resident Foreign Currency (RFC) Account Scheme shall be paid from the date of maturity till the date of payment.
- (e) In case the claimants are residents, the maturity proceeds shall be converted into Indian Rupees on the date of maturity and interest shall be paid for the subsequent period at the rate applicable to a domestic term deposit of similar maturity.

4. Foreign Currency Deposit(s)Contd.

Conversion of FCNR (B) Accounts of Returning Indians into RFC Accounts/Resident Rupee Accounts- Payment of interest

Subject to the conditions given for interest framework of these Directions, SMBC shall pay interest at the time of conversion of FCNR(B) Account into RFC/Resident Rupee Account even if the deposit has not completed the minimum maturity period mentioned in the provisions herein against Tenor of deposits under FCNR(B) scheme. Provided that the rate of interest shall not exceed the rate payable on savings bank deposits held under RFC Account Scheme.

Premature withdrawal of deposits

(a) SMBC shall, on request from the depositor, permit premature withdrawal of deposits under the FCNR(B) Scheme.

(b) If the premature withdrawal of FCNR(B) deposits takes place before completion of the minimum stipulated period as mentioned in provisions herein against Tenor of deposits under FCNR(B) scheme, no interest shall be paid.

Penalty on Premature Withdrawal of Deposits:

There shall be applicable penalties for premature withdrawal of FCNR(B) term deposits approved by the committee of the Board to which powers have been delegated, subject to the following:

(a) The components of penalty shall be clearly brought to the notice of the depositors at the time of acceptance of the deposits. If not, the exchange loss arising out of premature withdrawal shall be borne by the Scheduled Commercial Banks.

(b) Penalty shall be levied on premature withdrawal of FCNR(B) deposits

(i) when the depositors return to India for permanent settlement.

(ii) for conversion of FCNR (B) deposits into NRE deposits or vice-versa.

Banks shall, at their discretion, levy penalty to recover the swap cost in the case of premature withdrawal of FCNR(B) deposits.

No penalties shall be levied in the case of premature conversion of balances held in FCNR (B) deposits into RFC Accounts by Non-Resident Indians on their return to India.

4. Foreign Currency Deposit(s)Contd.

Loans outside India - Authorised dealers may allow their branches / correspondents outside India to grant loans to or in favour of non-resident depositor or to third parties at the request of depositor for bona fide purpose except for the purpose of relending or carrying on agricultural/ plantation activities or for investment in real estate business, against the security of funds held in the NRE accounts in India and also agree for

remittance of the funds from India, if necessary, for liquidation of the outstanding.

Loans / overdrafts against security of funds held in the account: The terms and conditions as applicable to NRE deposits (cf. Schedule 1) in respect of loans and overdrafts in India to depositor and to third parties as also loans outside India against security of deposits, shall apply mutatis mutandis to FCNR(B) deposits.

Resident Foreign Currency Accounts Scheme: SMBC shall have the freedom to determine interest on deposits of money accepted by it or renewed by it under the Resident Foreign Currency Account Scheme, in accordance to the comprehensive policy on interest rates on deposits duly approved by the Board of Directors or any committee of the Board to which powers have been delegated.

5. Account opening and operation of Deposit Account

- i. SMBC before opening any account will carry out due diligence as required under "Know Your Customer" (KYC) guidelines issued by RBI and or such other norms or procedures adopted by SMBC in accordance with the "Know Your Customer (KYC) norms / Anti-Money Laundering (AML) standards/Combating of Financing of Terrorism (CFT)/Obligation of banks under PMLA, 2002". If the decision to open an account of a prospective depositor requires clearance at a higher level, reasons for any delay in opening of the account will be informed to him and the final decision of SMBC will be conveyed at the earliest to him.
- ii. The account opening forms and other material will be provided to the prospective depositor by SMBC. The same will contain details of information to be furnished and documents to be produced for verification and or for record, it is expected of the SMBC official opening the account, to explain the procedural formalities and provide necessary clarifications sought by the prospective depositor with respect to an account.
- iii. SMBC may prescribe certain minimum / average 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 SMBC from time to time. Similarly, SMBC may specify charges for issue of cheques books, additional statement of accounts, duplicate passbook, folio charges, etc. All such details, regarding terms and conditions for operation of the accounts and schedule of charges for various services provided will be communicated to the prospective depositor while opening the account. These changes will also be available on the webpage of the bank for India operations.
- iv. Non-interest bearing Current Accounts can be opened by individuals/ partnership firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies / Trusts, etc. Fixed deposits can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates / Societies / Trusts, etc. Saving Account can be opened by individuals/ HUFs / Specified Associates / Societies / Trusts, etc.

5. Account opening and operation of Deposit Account (Contd.)

- v. The due diligence process, while opening an account will involve obtaining information about the identity of the person, verification of address, occupation, purpose, nature of business and source of income. Customer will be on boarded based on the SMBC's Customer Due Diligence and AML policy.
 - vi. In addition to the due diligence requirements, under KYC norms, SMBC 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.
 - vii. Accounts can be opened by an individual in his/her own name (account in single name) or by more than one individual in their own names (Joint Account).
 - viii. Operation of Joint Account - A Joint Account opened by more than one individual can be operated by single individual or by more than one individual jointly. The mandate for operating the account can be modified with the consent of all account holders.
 - ix. The joint account holders can give any of the following mandates for the disposal of balance in the above accounts:
 - i. 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 survivor on death of anyone of the account holders.
 - ii. Anyone or Survivor/s: If the account is held by more than two individuals say, A, B and C, the final balance and accrued interest, if applicable, will be paid to the survivor on death of any two account holders.
- In respect of T e r m / Fixed deposits, the above mandates will be effective only upon the maturity thereof. This mandate can be modified only by written consent of all account holders.
- x. At the request of the customer, SMBC will register mandate / power of attorney given by him authorizing another person to operate the account on his behalf.

5. Account opening and operation of Deposit Account (Contd.)

- xi. Fixed deposit issuance request form contains column for providing maturity instructions along with an option for Fixed Deposit With or Without premature withdrawal facility. The account holders of a Fixed deposit at the time of placing their deposits give instructions with regards to premature withdrawal of Term Deposits or closure of deposit account or renewal of deposit for further period on the date of maturity.
- xii. The depositors giving instructions for Opening the deposits without pre-maturity option are guided by the differential rates and related terms and conditions. FD Card rates published by the bank covers T & C related to various deposits.
- xiii. Nomination facility is made available for all accounts opened by individuals and sole proprietary concerns. 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 required to be witnessed by a third party in certain cases such as illiterate, blind customer etc. Nomination can be modified by the consent of account holder/s. Nomination can also be made in favor of a minor under guardianship.
- xiv. SMBC recommends that all depositors avail nomination facility, especially if they are opening the account as a sole holder. In case the person opening an account decline to avail of the nomination facility, SMBC will explain the advantages of nomination facility. If the person opening the account as a sole account holder still does not want to nominate, SMBC will ask him to give a specific letter to the effect that he does not want to make a nomination. In case the person opening the account declines to give such a letter, SMBC will record the fact on the account opening form and proceed with opening of the account if otherwise found eligible. Under no circumstances, SMBC will refuse to open an account solely on the ground that the person opening the account refused to nominate a beneficiary.
- xv. A statement of account will be provided by SMBC to holders of a current/saving account periodically as per terms and conditions of opening of the account.
- xvi. In case of FCNR (B) deposits, Depositor who returns to India for good may be allowed to continue the deposit till maturity at the contracted rate. Except the provision relating to rate of interest and reserve requirements as applicable to FCNR(B) deposits, for all other purposes, such deposits would be treated as resident deposits from the date of return of the account holder to India.
- xvii. Premature withdrawal of such FCNR (B) deposits would be subject to penal provisions of the Scheme. The Bank shall convert the FCNR (B) deposits on maturity into Resident Rupee Deposit Account or RFC Account (if eligible) at the option of the account holder. The rate of

interest on the new deposit (Rupee account or RFC Account) shall be the relevant rate applicable for such deposit account. The penal provisions would not be applicable in the case of premature conversion of balances held in FCNR (B) deposits into Resident Foreign Currency Accounts by Account holder on their return to India.

- xviii. Bank shall pay interest at its discretion at the time of conversion of FCNR (B) Account into RFC / Resident Rupee Account even if the same has not run for a minimum maturity period, subject to the condition that the rate of interest should not exceed the rate payable on savings bank deposits held under RFC Account Scheme
- xix. Bank shall provide basic banking services to senior citizens of more than 70 years of age and differently abled persons at the doorstep of such customers. This facility shall be available from all SMBC branches in India.

6. *Basic Savings Bank Deposit Account*

SMBC is committed to the policy of financial inclusion and making banking facilities available to the financially underprivileged. SMBC offers 'Basic Savings Bank Deposit Account' account in line with the RBI guidelines on the "Financial Inclusion- Access to Banking Services". The basic features of this Basic Savings Bank Deposit Account are:

- The 'Basic Savings Bank Deposit Account' is a normal banking service available to all.
- The 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; receipt / credit of money through electronic payment channels or by means of deposit / collection of cheques drawn by Central / State Government agencies and departments.
- There will be no limit on the number and value of deposits that can be made in a month; account holders will be allowed four or more withdrawals in a month.
- The above facilities will be provided without any charges. No charge will be levied for non-operation / activation of in-operative 'Basic Savings Bank Deposit Account'.

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.

Holders of 'Basic Savings Bank Deposit Account' will not be eligible for opening any other savings bank deposit account in the bank. If a customer has any other existing savings bank deposit account in that bank, he/she will be required to close it within 30 days from the date of opening a 'Basic Savings Bank Deposit Account'.

7.Addition/Deletion of the name/s of Joint Account Holders

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

8. Secrecy of Customer accounts

SMBC will not disclose details or particulars of the customer's account to a third person or party without the expressed or implied consent from the customer, subject to exceptions under applicable laws imposing a duty on, or granting discretion to, SMBC to disclose.

9.Advances against deposits

SMBC may consider request of the depositor/s for loan / overdraft facility collateralized against Fixed deposits duly discharged by the depositor/s on execution of necessary security documents. SMBC 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. SMBC shall not give advance against fixed deposits without pre-maturity option.

10.Minors'Accounts

The minor can open Savings Bank Account and the same can be operated by the natural guardian or by minor himself / herself, if he/she is above the age of 10 as per the Terms & conditions of the Bank. The account can also 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.

Additionally, a minor may be allowed to hold a joint account with one or more adults subject to the following conditions:

- a. The minor must not be the sole account signatory at any time.
- b. The mandate shall say either "adult to sign singly" or "minor and adult to sign jointly".
- c. The adult joint account holder(s) for the minor's account ("Adult Joint Account Holder(s)") must be:
 - Directly related to the minor (i.e. the Adult Joint Account Holder(s) is/ are one or both of the minor's parent(s)); and
 - An existing client of SMBC India.

In the event of any incapacity &/or death of the adult account holder, the minor cannot continue to operate the account singly unless he/she has reached the age of majority. The Adult Joint Account Holder(s) shall ideally maintain a separate account with SMBC with net assets sufficient to cover the transactions under the minor's account; No lending value shall be assigned to assets in a minor's account. Once minor has reached maturity, the minor shall provide an accession letter, affirming and ratifying all past transactions, to SMBC. Further, a fresh specimen signature of the erstwhile minor would be obtained.

11.Account of Illiterate

SMBC may at its discretion open deposit accounts other than Current Accounts of an illiterate person. The account of such person may be opened provided he/she calls SMBC 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. SMBC will explain the need for proper care and safe keeping of the passbook etc. given to the account holder. The Bank official shall explain the terms and conditions governing the account to the illiterate person.

12.Settlement of dues in Deceased Deposit Account

Please refer to the Deceased Depositors policy for more information regarding the settlement of claims in the accounts of deceased depositors.

13. 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 the insurance cover in force will be made available to the depositor.

14. Stop Payment Facility

SMBC will accept stop payment instruction from the depositors in respect of cheques issued by them in writing provided the same is received within the office hours as notified by bank from time to time and will be subject to the cheque being unpaid. Charges, as specified, will be recovered.

15.Inoperative Accounts

A saving as well as current account will be treated as inoperative if there are no customer induced transactions in the account for over a period of two year. 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 customer as well as third party will be considered, however, the service charges levied by SMBC or interest credited by it would not be considered. Operation in such accounts may be allowed after due diligence as per risk category of the customer. There will not be any charge for activation of the account.

At the time of activation of Inoperative accounts, the customer shall provide request letter to the bank for activation of accounts along with the basic KYC documents.

SMBC will make monthly review of accounts in which there are no operations (i.e. no credit or debit other than crediting of periodic interest or debiting of service charges) for more than one year. SMBC will approach the customers and inform them in writing that there has been no operation in their accounts and ascertain the reasons for the same. In case any reply is not given by the account holder, SMBC will classify the same as inoperative account after the expiry of the extended period.

Under the provisions of The Depositor Education and Awareness Fund (the Fund) the amount to the credit of the account which has not been operated upon for a period of ten years or any deposit or any amount remaining unclaimed for more than ten years shall be credited to The Fund, within a period of three months from the expiry of the said period of ten years. The Fund shall be utilized for promotion of depositors' interest and for such other purposes which may be necessary for the promotion of depositors' interests as specified by RBI from time to time. The depositor would, however, be entitled to claim from the bank their deposit or any other unclaimed amount or operate their account after the expiry of ten years, even after such amount has been transferred to The Fund.

16.Redressal of customer complaints

Depositors having any complaint / grievance with regard to services rendered by SMBC have a right to approach authority designated by SMBC for handling customer complaint / grievances. The details of the internal set up for redressal of complaints / grievances are displayed in the SMBC's premises.

Please refer to the Grievance Redressal policy for more information regarding the contact details of the designated officials for handling of the complaints and grievance.

17. Policy Revision

This policy is subject to revision based on the extant RBI guidelines from time to time and as deemed necessary by SMBC.