

# **IDBI BANK DEPOSIT POLICY**

## **(November 2024)**

		<u>Page</u>
<b>1.</b>	<b>Preamble</b>	
<b>2.</b>	<b>Types of Deposit Account</b>	
<b>3.</b>	<b>Account Opening and Operations of Deposit Accounts</b>	
3.1	Account Opening	4
3.2	Operations of Deposit Accounts	8
3.3	Mandate	9
3.4	Addition or Deletion of the name/s of joint account holders	10
3.5	Nomination	10
3.6	Minors' Account	11
3.7	Account of illiterate/Blind/Persons with autism/Transgender persons	11
3.8	Transfer of Account	12
3.9	Account Statement	12
3.10	Debit Card Hot Listing	13
3.11	Stop Payment Facility	13
3.12	Inoperative/Unclaimed Account /Deposit	13
3.13	Interest Payment-Savings Bank	15
3.14	Interest Payment-Term Deposit	15
3.15	Calculation of Interest and different methodologies	17
<b>4.</b>	<b>Term Deposit</b>	
4.1	Type of Term Deposit	19
4.2	Premature Withdrawal of Term Deposit	21
4.3	Premature Renewal of Term Deposit	21
4.4	Renewal of Overdue Term Deposit	22
4.5	Advances Against Deposits	22
4.6	Settlements of dues in Deceased Deposit Account	22
4.7	Interest payable in Deceased Deposit Accounts	24
<b>5.</b>	<b>Other Important Information</b>	
5.1	Customer Information	24
5.2	Privacy / Confidentiality of Customers Accounts	24
5.3	Collection of local / outstation cheques	24
5.4	Insurance cover for Deposits	24
5.5	Safe Deposit Lockers	25
5.6	Extension of alternate deliver channels to Customers	25
5.7	Suo Motu Closure and Freezing of Account	26
5.8	Redressal of complaint and grievances	27
<b>6.</b>	<b>NRI Deposits (NRE/NRO/ FCNR)</b>	27
<b>7.</b>	<b>Effective Date of FCNR Deposits</b>	33
<b>8.</b>	<b>Portfolio Investment Scheme (PIS)</b>	33
<b>9.</b>	<b>RFC Accounts</b>	34
<b>10.</b>	<b>Post –facto change in policy matters</b>	34

---

## **DEPOSIT POLICY**

### **1. PREAMBLE**

1.1. One of the important functions of the Bank is to accept deposits from the public for the purpose of lending. In fact, depositors are the major stakeholders of the Banking System. The depositors and their interests form the key area of the regulatory framework for banking in India and this has been enshrined in the Banking Regulation Act, 1949. The Reserve Bank of India is empowered to issue directives / advices on interest rates on deposits and other aspects regarding conduct of 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.

1.2. This policy document on deposits outlines the guiding principles in respect of formulation of various deposit products offered by the Bank and terms and conditions governing the conduct of the account. The document recognizes the rights of depositors and aims at dissemination of information with regard to various aspects of acceptance of deposits from the members of the public, conduct and operations of various 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. It is expected that this document will impart greater transparency in dealing with the individual customers and create awareness among customers of their rights. The ultimate objective is that the customer will get services they are rightfully entitled to receive without demand.

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

## **2. TYPES OF DEPOSIT ACCOUNTS**

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

- i) **"Demand deposits"** means a deposit received by the Bank which is withdrawable on demand by the depositor;
  - a) **"Savings deposits"** means a form of demand deposit which is subject to restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the Bank during any specified period;
  - b) **"Current Account Deposits"** means a form of demand deposit wherefrom withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount and also includes other deposit accounts which are neither Savings Deposit nor Term Deposit.
- ii) **"Term deposit"** means a deposit received by the Bank for a fixed period withdrawable only after the expiry of the fixed period and include deposits such as Recurring / Fixed Deposits /Sweep-in deposits (held in units) or any other form of Fixed Deposits.

## **3. ACCOUNT OPENING AND OPERATION OF DEPOSIT ACCOUNTS**

### **3.1. Account Opening**

The Bank will provide its customers with details of various types of accounts that they may open with the Bank. Customers can make a choice on what type of account best suits them, based on their requirements and applicable guidelines.

- i) The Bank before opening any deposit account will carry out due diligence as required under "Know Your Customer" (KYC) guidelines and all guidelines issued by the RBI vide Master Directions on Know Your Customer (KYC) 2016 (as amended from time to time) existing policy of the Bank on KYC Norms and AML measures and guidelines issued by the Indian Bank's Association (IBA) and the Bank till date. Further, the Bank will seek Re-KYC as and when required under the applicable Master Direction or necessitated under an emerged situation or circumstance. It would be the responsibility of the Customer to submit the Re-KYC as and when sought by the Bank.

- ii) The bank is committed to provide basic banking services to disadvantaged sections of the society. Bank will offer Basic Savings Bank Account (BSBD) to this segment.

The BSBD Account shall have the following features:

- a. No requirement of minimum balance
- b. Free deposit of cash at bank branch as well as ATMs/CDMs
- c. Free receipt/ credit of money through any electronic channel or by means of deposit /collection of cheques drawn by Central/State Government agencies and departments.
- d. No limit on number and value of deposits that can be made in a month subject to transactional restrictions as applicable to small A/cs.
  - a) First four customer induced debit transactions (including ATM withdrawals at own bank / other bank ATMS) would be free per month in BSBD accounts. Thereafter, applicable charges will be levied. Transactions done through digital mode and UPI would not be considered in the count of number of free monthly transaction limit.
  - b) Free ATM-cum-Debit Card

Bank shall provide additional value-added services, including issue of cheque book, beyond the above minimum facilities, which may/may not be priced (in non-discriminatory manner) subject to disclosure. The availing of such additional services shall be at the option of the customers. However, while offering such additional services, bank shall not require the customer to maintain a minimum balance.

The Bank has a separate product for opening accounts of beneficiaries of various Central / State Government Schemes including scholarship for students which is without any restriction for 'minimum balance' requirement or 'total credit limit'. Further, the account is not being considered for classification as in-operative/dormant due to non-operation in the account.

Before opening a BSBD account, bank shall take a declaration from the customer that

he / she is not having a BSBD account in any other bank.

- iii) The account opening forms and other material would be provided to the prospective customer by the Bank. The same will contain details of information to be furnished and documents to be produced for verification and or for record. The Bank official must explain the procedural formalities and provide necessary clarifications sought by the prospective customer when he approaches for opening a deposit account.
- iv) The regulatory guidelines require banks to categorize customers based on risk perception and prepare profiles of customers for the purpose of transaction monitoring. Inability or unwillingness of a prospective customer to provide necessary information/details could result in the bank not opening an account.
- v) Inability of an existing customer to furnish details required by the bank to fulfill regulatory directions and internal guidelines could also result in closure of the account after due notice(s) is provided to the customer.
- vi) For deposit products of Savings Bank Account and Current Deposit Account, the Bank would normally stipulate certain minimum balances to be maintained from time to time as part of terms and conditions governing operation of such accounts. Non-maintenance of required minimum balance in the account may attract levy of charges or conversion of accounts to different product as specified by the Bank from time to time.
- vii) 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 cheque books, additional statement of accounts, duplicate pass book, 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 customer while opening the account in the form of a leaflet and the same shall be duly acknowledged by the customer. The details are also available on Bank's web site to the prospective depositor. Any changes in the schedule of charges or the terms and conditions will be communicated to the customers 30 days in advance by means of statement of accounts/e-

mail/SMS alert/notice board at our branch/ website. During the notice period, the bank will not charge for non-maintenance of higher minimum balance prescribed. Savings Bank customers who have not maintained the required minimum balance threshold for the monthly cycle will be sent an intimation of the same on their mobile number or e-mail address or physical address as registered with the Bank, at the end of their respective cycle for restoration of balance. Their monthly balances will then be reviewed post one month of their respective charge cycle, and in the event of non-maintenance again the penal charges will be applied.

**viii) Eligibility for Account Opening**

- a) **Savings Bank Accounts** can be opened for individual eligible person / persons and certain organizations / agencies (as advised by Reserve Bank of India (RBI) from time to time).
- b) **Current Accounts** can be opened by individuals / Sole Proprietary Firm JLG/ Partnership firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies / Trusts /Departments / Authority created by Government (Central or State), Limited Liability Partnership etc.
- c) **Term Deposits Accounts** can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates / Societies / Trusts / Departments / Authority created by Government (Central or State), Limited Liability Partnership etc.
- ix) The due diligence process, while opening a deposit account will involve satisfying about the identity of the person, verification of address, verification of signature, satisfying about his occupation and source of income. The due diligence process while opening a deposit account of an NRI shall additionally involve establishing the NRI status of the client.
- x) The Bank has a well-defined Policy on Know Your Customer Norms and Anti Money Laundering Measures.
- xi) In addition to the due diligence requirements, under KYC norms, except in the case of NRE/ FCNR deposits pertaining to NRIs ,the Bank is required by law to obtain Permanent Account Number (PAN) or alternatively declaration in Form No. 60 as specified under the Income Tax Act,1961

and/or Rules there under.

- xii) Submission of GSTIN: To avail input tax credit, the Bank recommends submission of GSTIN for updation of the same in the Bank records.
- xiii) In case of failure to submit PAN, the Bank shall take necessary action as required under the applicable rules.
- xiv) FATCA Declaration: Confirmation regarding Residence Status for Tax Purposes in Jurisdiction(s) outside India needs to be furnished. Further, under section 285BA of the Income-tax Act, 1961, additional details are to be furnished where applicant is a resident outside India for Tax Purposes.
- xv) The use of Aadhaar for KYC, Offline Verification, Authentication etc. shall be in accordance with the Aadhaar (Targeted Delivery of Financial and Other Subsidies Benefits and Services) Act 2016, the Aadhaar and Other Law (Amendment) Act, 2019 and the regulations made there under.
- xvi) The Bank offers Video based Customer Identification Process (V-CIP) commonly known as Video KYC to identify and onboard customers. The account opened using V-CIP is fully KYC compliant and fully operational. The process is digital and paper-less and ensures end-to-end account processing, including digital C-KYC.

### **3.2. Operations of Deposit Accounts**

- i) Deposit accounts can be opened by an individual in his own name (status: known as account in single name) or by more than one individual in their own names (status: known as Joint Account). The mandate for operating the account can be modified with the consent of all account holders. In case of change in address, email or phone number of the account holders or observance of any discrepancies in the account level transactions, the same needs to be intimated to the Bank by the account holder(s) to mitigate risk of frauds.
- ii) **Operation of Joint Account** - Operation of Joint Account - The Joint Account opened by more than one individual can be operated by single individual or by more than one individual (Jointly by all/ Either or Survivor/ Anyone or Survivor/ Latter or Survivor / Former or Survivor). Operating instructions of this nature are obtained from the customer at the time of



account opening or at a later date with due consent of all the account holders.

### **3.3. Mandate**

The joint account holders can give any of the following mandates for the disposal of balance in the Savings accounts and term deposit accounts :

- i. Either or Survivor:** if the account is in the name of two individuals says, A & B, the final balance along with interest, if applicable, will be paid to either of account holders i.e. A or B, on date of maturity or to the survivor on death of any one of the account holders.
- ii. Anyone or Survivor:** If the account is in the name of two or more individuals say, A, B & C, the final balance along with interest if applicable, will be paid to any of accountholders i.e. A or B or C, on the date of maturity.  
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.
- iii. Former or Survivor:** If the account is in the name of two individuals say, A & B, the final balance along with interest, if applicable, will be paid to the former i.e. A on date of maturity and to the survivor on death of anyone of the account holders.
- iv. Later or Survivor:** If the account is in the name of two individuals say, A & B, the final balance along with interest, if applicable, will be paid to the latter i.e. B on date of maturity and to the survivor on death of anyone of the account holders.
  - a. The above mandates will be applicable to or become operational only on or after the date of maturity of term deposits. This mandate can be modified by the consent of all the account holders.
  - b. In case of Term Deposits, 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 depositors or 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.

- c. At the request of the depositor, the bank will register mandate/power of attorney given by him authorizing another person to operate the account on his behalf.
- d. 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.
- e. In case of absence of any instructions deposits will be treated as an auto renewal deposit and would be renewed for a similar period as that of matured deposit.
- f. In case of Sweep in Saving Term Deposit made from Savings Bank Account with Mode of Operation instruction as Either or survivor/Former or survivor/ Anyone or survivor, the depositors shall give the mandate to pay the principal along with interest and permit premature withdrawals of the Sweep out fixed deposit on written instruction from any one of them, any day before the maturity.

#### **3.4. Addition or deletion of the name/s of joint accountholders**

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

#### **3.5. Nomination**

Nomination facility is available on all deposit accounts opened by the individuals in their individual capacity. Nomination is also available to a sole proprietary concern account, articles left in safe custody and safe deposit lockers. 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 case of illiterate accounts. Nomination can be modified by the consent of account holder/s. Nomination can be made in favour of a minor also. In such cases at the time of making nomination, depositor has to give a name of person (called appointee) who is a major and will receive the amount of deposit on behalf of the nominee in the event of death of the account holder during the minority of the nominee. Bank recommends that all depositors 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. The depositor will be informed of the advantages of the nomination facility while opening a deposit account. In case of Deposits made by using Sweep out facility, same Nominee will be applicable as in the operative Bank Account.

**3.6. Minor's Accounts**

- i) Saving Bank Account or Term Deposit Account can also be opened in the name of a minor operated with natural guardian or with mother as the guardian (known as Minor's Account) or jointly with Guardian who is representing the Minor.
- ii) Minors above the age of 10 years- Bank may allow a literate minor above 10 years who can comprehend the nature of banking transactions and can sign uniformly to open and operate savings bank account independently on request. Bank may put the age limit and transaction amount cap basis keeping in view their risk management system. Bank may allow offering additional banking services like internet banking, ATM/Debit card and Cheque book facility subject to account will always remain in credit and will not be allowed to be overdrawn.
- iii) KYC norms & due diligence of minor should be ensured while opening and operating these accounts.
- iv) On attaining majority on the same day account should be made Debit Frozen till the time customer converts the minor account to major with required KYC documents. Thus, bank shall initiate the prior communication to Minor accounts that would attain to majority. The erstwhile minor should confirm the balance in his/her account and if the account is operated by the natural guardian / guardian, fresh specimen signature of the erstwhile minor duly verified by the natural guardian would be obtained and kept on record

**3.7. Account of Illiterate/Blind Person / Persons with autism, cerebral palsy, mental retardation and multiple disabilities/ Transgender persons**

- i) The Bank may at its discretion open deposit accounts other than Current Accounts of illiterate person after observing all necessary formalities. 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. No cheque book facility is provided for such Savings Bank Account. At the time of withdrawal/ repayment of deposit amount and/or interest, the account holder should affix his / her thumb impression or mark in the presence of the authorized officer who should verify the identity of the person. The Bank will explain the need for proper care and safe keeping of the passbook etc. given to the account holder. The Bank official shall

explain the terms and conditions governing the account to the illiterate.

- ii) 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. Cheque book facility, lockers, retail loans and credit cards will be made available. Such account holders 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.
- iii) 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.
- iv) 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. The salutation of such person shall be “Mx”. All transgender customers shall be treated equally to other male/ female customers without any discrimination.

### **3.8. Transfer of Account**

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

### **3.9 Account Statement**

As a part of Green initiative by our Bank, the physical account statement provided by the Bank to Savings Bank and Current Deposit Account Holders is discontinued and the account statements are available at our Digital Banking platforms viz. E -Statements, M-

Passbook, Mobile Banking, WhatsApp and Internet Banking. Alternatively, the Bank provides facility of Pass Book and the physical statements are provided on specific request of customer subject to product guidelines and charges.

### **3.10 Debit Card Hot Listing**

The Bank will accept ATM card / Debit card hot listing instructions from customers through Internet Banking , Mobile Banking, Phone Banking channel - 24 hours a day and from branch channel during customer hours. Phone Banking numbers are made available to customers whenever a Card is issued and all branches contain a detailed leaflet with the numbers.

### **3.11 Stop Payment Facility**

The Bank will accept stop payment instruction from the customers in respect of cheques issued by them through Net Banking, Mobile Banking and from Branch Channel. Charges, as specified by the Bank from time to time will be recovered.

### **3.12 Inoperative/Unclaimed Account/Deposit**

As per extant Reserve Bank of India (RBI) guidelines, an account would be treated as inoperative if there are no customer induced transactions in the account for over a period of two years. Debit Operation in such inoperative accounts would be resumed / restarted /allowed after obtaining the revised KYC documents as per the extant guidelines of the Bank on KYC norms.

An account / deposit would be treated as unclaimed if it is inoperative for 10 years or more. A list of such accounts / deposits shall be displayed on the website of the Bank. The list so displayed on the website shall contain only the names of the account holder(s) and his / her / their address.

Such Unclaimed account would be transferred to a separate account status in the interest of the depositor and the Bank. No charges would be levied by the Bank for migrating an account from unclaimed to Operative account.

**Customer induced (CI) Transactions:** The transactions in account which are in the nature of:

- a) a financial transaction initiated by or done at the behest of the account holder by the bank/ third party (an illustrative list is given below) or;
- b) a non-financial transaction, or;
- c) KYC updation done in face-to-face physical mode or through digital channels such as internet banking or mobile banking application of the bank.

**Financial Transaction** - A monetary transaction in the savings/ current account of the customer with the bank either by way of a credit or debit transaction.

Illustrative List:

- a) ATM/ Cash withdrawal/deposit
- b) RTGS / NEFT/ IMPS /UPI/ AePS/ ABPS Transactions
- c) Internet Banking Transactions
- d) Debit Card Transactions
- e) Transfer of funds from / to the linked CBDC (e-Rupee) account
- f) Cheque Clearing
- g) Remittance of funds by way of demand drafts
- h) Cash withdrawal by third party through cheque
- i) Standing Instructions issued by the customer
- j) NACH Debit / Credits
- k) Term Deposit Interest / proceeds
- l) Dividend on shares/Interest on Debentures or any other investment proceeds
- m) Direct Benefit Transfer (DBT) credits
- n) Refunds like refunds related to e-commerce payments, Income Tax Returns, etc.
- o) National Electronic Toll Collection (NETC) debits

**Non-Financial Transaction**- An enquiry or request for any product/ service initiated by the account holder through any ATM or internet banking or mobile banking application of the bank or through Third Party Application Providers, which requires two-factor authentication (2FA) and leaves a trail for audit purposes or successful log-in to the internet banking/ mobile banking application. Illustratively, this includes transactions such as change in transaction limit, request for issue of cheque book/ credit card/ debit card, nomination facility, balance enquiry, etc.

RBI has established The Depositor Education and Awareness Fund (the Fund). Under the provisions of the Fund the amount to the credit of any account with the Bank 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 his/her deposit or any other unclaimed amount or operate his/her account after the expiry of ten years, even after such amount has been transferred to the Fund. The Bank would be liable to pay the amount to the depositor/claimant and claim refund of such amount from the Fund.

### **3.13 Interest Payments - Savings Bank Account**

Rate of Interest on Savings is deregulated by Reserve Bank of India and paid as decided by the Bank. Interest on savings deposits shall be calculated on a daily product basis and shall be credited at quarterly or shorter intervals, as decided by the ALCO of the Bank. Interest on savings bank accounts, including those frozen by the enforcement authorities, shall be credited on regular basis irrespective of the operational status of the account. In compliance to the latest guidelines of RBI, the Bank may provide differential rates of interest on day end balances exceeding rupees one lakh, as per the discretion of the ALCO of the Bank. Further, creation of Floating rate based deposit products by linking the saving interest structure to external benchmarks may also be done, subject to mark-up approval from the ALCO of the Bank.

### **3.14 Interest Payments- Term Deposit Account**

- i. The Interest on term deposits will be paid at the rates specified by the Bank taking into account the overall guidelines issued by Reserve Bank of India / Indian Banks' Association (IBA) from time to time and as decided by the ALCO of the Bank.
- ii. 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 interest on deposits repayable for less than 3 months or where the terminal quarter is incomplete, interest shall be paid proportionately for the actual number of days reckoning the year at 365 days. In case of monthly deposit scheme, the interest shall be calculated for the

quarter and paid monthly at discounted value. The interest on term deposits is calculated by the Bank in accordance with the formulae and conventions advised by IBA.

- iii. The interest on FCNR deposits shall be paid at the rates calculated in accordance with the basis prescribed by the Reserve Bank of India (RBI) from time to time for various maturities. The interest on FCNR deposits shall be paid on the basis of 360 days to a year and shall be calculated at intervals of 180 days each.
- iv. The rate of interest on deposits will be prominently displayed in the branch premises and also on the bank's official website. Changes, if any, with regard to the deposit schemes and other related services shall also be communicated upfront and shall be prominently displayed.
- v. The Bank shall keep the interest rates 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 the Bank's offices.
- vi. Interest rates payable on deposits shall be strictly as per the schedule of interest rates disclosed in advance.
- vii. The interest rates offered by the Bank shall be reasonable, consistent, transparent and shall not be in negotiation between the depositor and the Bank. Moreover, the interest rates offered shall be in accordance with the Interest Rate Framework policy, laid down by the Bank.
- viii. All transactions, involving payment of interest on deposits shall be rounded off to the nearest rupee for rupee deposits and to two decimal places for FCNR(B) deposits
- ix. If a term deposit is maturing for payment on a non-business working day, the Bank shall pay interest at the originally contracted rate on the original principal deposit amount for the non-business working day, intervening between the date of the maturity of the specified term of the deposit and the proceeds of the deposit on the succeeding working day. In case of reinvestment deposits and recurring deposits, the Bank shall pay interest for the intervening non-business working day on the maturity value.



- x. The Bank has statutory obligation, to deduct tax at source if the total interest paid / payable on all term deposits held by a person exceeds the amount specified under the Income-tax Act,1961.

The Bank 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. The said declaration is required to be submitted by the depositor for each of the deposit placed with the Bank to avail the said exemption.

In case where PAN is not submitted by the customer:

- a. TDS as per Income Tax rules will be applied
  - b. TDS certificate will not be issued
  - c. Form 15G/H will not be accepted
- xi. Interest earned/accrued on NRE & FCNR term deposits is tax free in India under the relevant provisions of Income-tax Act,1961 in India and hence no tax at source is deductible in respect of these deposits. However, the Bank has statutory obligation to deduct tax at source on any interest paid / payable on NRO SB/ term deposits at the specified rates. The depositor can claim the benefit of reduced rates of tax under Double Tax Avoidance Agreement (DTAA), which India has with the governments of various countries, by submitting the documents prescribed by the bank at the beginning of every financial year.
  - xii. Presently, Single Rupee Deposit of Rs 3 Cr upto 7.5 Cr is classified as Premium Term Deposit and Single Rupee Deposit above Rs. 7.5 Cr is classified as Bulk Deposit with applicable RoI, as stipulated by RBI.

### **3.15 Calculation of Interest and different methodologies**

#### **3.15.1 Calculation of Interest for complete quarter as well as Broken Period**

- i) The calculation of interest for complete quarters is calculated by reckoning 12 months in a year
- ii) The interest for the broken period i.e. residual period beyond the complete quarters is calculated reckoning 365 days in a year

#### **3.15.2 Options for calculation of interest and deduction of TDS**

- 3.15.2.1** The Bank provides an option to customers of calculation of

interest and deduction of TDS based on both Anniversary and Calendar Quarter. The Calendar quarter system has been put in place in view of the customer requirement for appropriation of income and deduction of tax thereof in the relevant financial years.

**3.15.2.2** The Calendar quarter system is the default method followed by the Bank. On specific request from customer, the anniversary quarter system is also provided.

**3.15.2.3** In respect of Cumulative Deposits, even though the calculation of interest and deduction of TDS is offered under calendar quarter method, the calculation of such interest is done on calendar quarter, only for the purpose of calculation of tax obligation. However, for the purpose of compounding of the interest, the same is done on anniversary quarters only as such both the methods do not have any difference in the interest calculation except for application of TDS. In event of nil TDS, the interest amount would be identical in both methodologies.

**3.15.2.4** The difference in amount would arise in the two methodologies only on account of the amount of difference in the TDS - which would be different in case of Calendar quarter and anniversary quarter – as they would be applied at different dates.

**3.15.2.5** In respect of Quarterly Interest Payout Deposits, interest under Calendar Quarter methodology is calculated upto the last but one day of every quarter. The interest of the last day is considered in the next quarter cycle.

**3.15.2.6** Tax at Source (TDS) would be deducted on accrual basis.

#### **4. Term Deposit**

Term Deposits, also known as Fixed Deposits or Time Deposits, are deposits accepted by the bank for fixed period and are repayable on expiry of the fixed period. Interest is paid at quarterly rests to the depositor or compounded quarterly. At the specific request of the depositor, interest could be paid at monthly rests also, but at a discounted rate.

#### 4.1 Types of Term Deposits:

- i) Fixed Deposits- Interest paid out periodically.
  - a. Deposits can be accepted for a period as prescribed by RBI from time to time.
  - b. Interest shall be payable Annually/ Quarterly / Monthly (at discounted rate). In case of Annual payout option, interest shall be compounded at quarterly rests.
  - c. Interest may be paid by cash (subject to certain conditions of Income Tax Act, 1961) or credited to operative account or by issuance of PO/DD/ or by transferring the amount to operative account of the customer with other Bank through RTGS/NEFT.
- ii) Cumulative Term Deposit –Interest accumulated on quarterly compounding basis and payable on Maturity.
- iii) Recurring Deposits –Investment of a fixed sum every month from the Operative Account over a period of time. The Bank offers Recurring Deposits under the Brand Name – IDBI Systematic Savings Plan (SSP)
  - a. Deposits can be accepted for a period as prescribed by RBI from time to time.
  - b. Interest is calculated on quarterly compounded rests. Interest on cumulative deposits is deemed as reinvested.
  - c. No interest outflow is allowed under this scheme till the maturity of the Term Deposit.
  - d. Penal fee, as applicable, will be applied on default of Recurring Deposit Installment from second default installment onwards.
- iv) Flexi - Fixed Deposit (FFD) - also known as Sweep in Saving/Current Term Deposit. This term deposit provides facility to link the term deposit to a saving /current account. Whenever the balance in a savings/current account falls short to clear any debits in the operative account, the FFD can be broken as per the set process of the Bank. This Term Deposit can be either Cumulative Term Deposit or Non-Cumulative Term Deposit.
- v) Tax Savings Term Deposit – is a term deposit wherein the customer gets a

tax benefit under Income Tax Act 1961 on the amount invested, although the interest paid on these deposits is taxable.

- vi) Foreign Currency Non Resident (FCNR) Deposits - Term Deposits denominated in foreign currency for NRIs.
- vii) Floating Interest Rate Term Deposit - While all the Term Deposits schemes carry fixed interest rate , the Bank offers Floating Rate Term Deposits (FRTD) linked to a directly observable and transparent market determined external benchmark
- viii) Deposits under Capital Gains Accounts Scheme, 1988- The Bank is authorized to accept deposits under the Capital Gains Accounts Scheme (CGAS), 1988 by CBDT, Department of Revenue, Ministry of Finance, GOI. Long term Capital gains arising on transfer of capital assets, is not chargeable to tax if the amount of capital gain or net consideration has been utilized for specified purposes within the stipulated period as laid down under the Income-tax Act,1961. The amount of capital gain, which is not so utilized for the specified purposes, could be deposited in special Savings Bank or Term Deposit account opened with IDBI Bank Ltd as per the provisions of CGAS, 1988.
- ix) Term Deposits for Senior Citizens: The Bank offers additional interest rate on term deposits for Senior Citizens over and above the normal interest rates. The Senior Citizen rates are however not applicable to NRO &NRE Term Deposits and Bulk term deposit: Bank shall extend Senior Citizen rates on fixed deposits to be placed with it automatically on attainment of Senior Citizen status as per the card rate applicable during booking of the term deposit, based on the date of birth available in the Bank records without obtaining any specific customer request for the same for all KYC compliant accounts. The Bank may also offer additional interest rates for Super Senior Citizens (80 years and above) from time to time and the same shall be decided as per the discretion of the ALCO of the Bank.
- x) The Bank offers Deposits with Non-Callable option in select buckets. These deposits shall carry differential interest rates and shall be offered for deposit amounts, as stipulated by RBI. However, no pre-mature /partial withdrawal

facility is available on these deposits.

- xi) The Bank is also having the provision for offering Green Deposits to aid customers in achieving their objectives of contributing towards a sustainable environment, where-in the funds deposited would be utilized for green financing, as prescribed by RBI in its framework for acceptance of Green Deposits.

#### **4.2 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. Interest payable on prematurely withdrawn deposits will be the rate applicable for the amount and the period for which the deposit remained with the Bank (as per the prevailing interest rate on the original date of deposit). The Bank shall also levy penal interest @ 1% on pre-mature withdrawal of deposits. This penalty shall be applicable across all Term Deposit variants, as per the discretion of the ALCO of the Bank. In compliance with RBI directives, no interest is payable on pre-mature closure of NRE & FCNR term deposits in less than a year. The Bank may come out with special notice period deposit schemes from time to time. The threshold amount of deposit and the period of advance intimation to be served by the customers, shall be decided as per the discretion of the ALCO of the Bank.

#### **4.3 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. Such deposits would be charged with premature closure penalty, if applicable.

#### **4.4 Renewal of Overdue Term Deposit**

When a term deposit is renewed on maturity, the interest rate as applicable on the date of maturity, would be applied. If request for renewal is received after the date of maturity, such overdue deposits will be renewed with effect from the date of maturity at interest rate applicable as on the due date, provided such request is received within 14 days from the date of maturity. In respect of overdue deposits renewed after 14 days from the date of maturity or if a term deposit matures and proceeds are unpaid, the amount left unclaimed with the Bank shall attract rate of interest as applicable to savings deposits or the contracted rate of interest on the matured Term Deposits, whichever is lower. In the absence of any customer instructions, the Bank follows the practice of auto renewal of deposits on the date of maturity for a similar period as the original deposit. The rate of interest on this renewed deposit will be the interest rate as applicable for such period on the date of renewal.

#### **4.5 Advances Against Deposits**

The Bank may consider request of the depositor/s for overdraft facility against term deposits duly discharged by the depositor/s on execution of necessary security documents. The Bank may also consider overdraft 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/applicant.

#### **4.6 Settlement of dues in Deceased Deposit Account**

**4.6.1** Bank will follow a simplified procedure for settlement of accounts of deceased account holders. The claims in respect of deceased depositors and release of payment to survivor(s)/ nominees will be made within a period not exceeding 15 days (for cases with nomination) and not exceeding 30 days (for cases without nomination) from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claimant(s) to the Bank's satisfaction. With a view to facilitate timely settlement of claims on the death of a customer, Bank has provided the Claim Form on Website for customer to access the same for submission to branch physically.

- 4.6.2** 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.
- 4.6.3** The above procedure will be followed even in respect of a joint account (when all the holders die) and where nomination is registered with the Bank.
- 4.6.4** In a joint deposit account, when one of the joint account holders dies, the Bank is required to make payment jointly to the legal heirs of the deceased person and the surviving depositor(s). However, if the joint account holders had given mandate for disposal of the balance in the account in the forms such as "either or survivor, former / latter or survivor, anyone of survivors or survivor; etc., the payment will be made as per the mandate to avoid delays in production of legal papers by the heirs of the deceased.
- 4.6.5** In the absence of nomination and when there are no disputes among the claimants, the Bank will pay the amount outstanding in the account of deceased person against joint application and indemnity by all legal heirs or the person mandated by the legal heirs to receive the payment on their behalf without insisting on legal documents as per the latest death claim policy of the Bank. This is to ensure that the common depositors are not put to hardship on account of delays in completing legal formalities. For the amount outstanding over the prescribed limit the necessary legal formalities as prescribed by the Bank from time to time need to be completed.
- 4.6.6** In the case of credit balance lying in current account standing in the name of a deceased individual / sole proprietorship concern, interest on the credit balance lying in such current account should be paid from the date of death of depositor till the date of repayment to the legal heirs / claimant/s. The rate of interest applicable in such case shall be rate applied to savings deposit as on the date of payment.

#### **4.7 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 Savings rate for the period for which the deposit remained with the Bank beyond the date of maturity; in case the deposit is not rolled over.
- ii) If the amount of deposit is claimed before the date of maturity, interest at the rate applicable to the period for which the deposit has remained with the bank will be paid.

### **5. OTHER IMPORTANT INFORMATION**

#### **5.1 Customer Information**

The Bank ensures to maintain the secrecy of the customers personal information. The information is used, if necessary, only internally or for creating awareness (telephonic/written) of the new products/services to the customers.

#### **5.2 Privacy and Confidentiality of Customers Accounts**

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. The Bank may also disclose the customer information, as per the prevailing practice, amongst banks to exchange credit information and credit opinion on the standing (general position) of the customers/ borrowers. The Bank follows the guidelines framed by RBI and IBA in this regard.

#### **5.3 Collection of local /outstation cheques**

The Bank has a Cheque collection policy and payment of interest for delayed collection of cheques and the same is available on the Bank's Website.

#### **5.4 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 insurance coverage is upto a maximum of Rs 5 lac per depositor. Deposits in the name of banks, central and state governments (including quasi government bodies, local autonomous bodies, Government Corporation) and foreign government are not covered under the scheme. The details of the insurance cover in force will be made available to the depositor.

### **5.5 Safe Deposit Lockers**

This facility is not offered through all bank branches and wherever the facility is offered, allotment of safe deposit vault will be subject to availability and compliance with other terms and conditions attached to the service. Safe deposit lockers may be hired by an individual (being not a minor) singly or jointly with another individual(s), HUFs, firms, limited companies, associates, societies, trusts etc. In respect of lockers held in joint names with mode of operations 'Either or Survivor', 'Any one of Survivor', 'Former or Survivor', 'Latter or Survivor', no nomination facility is provided. Where the mode of operations is 'Jointly' each hirer may appoint a nominee on his/her behalf.

Joint locker holders can give mandate for access to the lockers in the event of death of one of the holders on the lines similar to those for deposit accounts. In the absence of nomination or mandate for disposal of contents of lockers, with a view to avoid hardship to common persons, the Bank will release the contents of locker to the legal heirs against indemnity on the lines as applicable to deposit accounts, if the contents of the locker are not of great value / importance.

### **5.6 Extension of Alternate Delivery Channels to Savings Bank & Current Deposit account holders**

The Bank offers choice of electronic channels to customers for conducting their banking transactions. The choice of electronic channels includes ATM, BNA, Internet banking, phone banking and mobile banking including SMS and WhatsApp banking facility. Wherever such electronic facilities are offered as a part of the basic account/product, bank will obtain specific consent of the customers for availing the facility.

**Debit card-** Bank issues Debit cards to customers having Saving Bank/Current Accounts. The Bank charges on debit card transactions within stipulated benchmark as per regulatory guidelines. The Bank has a comprehensive debit card issuance policy

including policy on co-branded debit cards approved by the Board and issues debit cards in accordance with the policy.

**Mobile and Internet banking-** Bank has an easy registration process for Mobile and Internet Banking. The Bank has placed transaction limits based on risk perception and mitigation measures with the approval of the Board. Use of mobile banking services for cross border inward and outward transfers is strictly prohibited.

### **5.7 Suo Moto Closure and Freezing of Accounts**

The Bank shall close accounts, which are considered undesirable and un- remunerative. These accounts shall be closed only after sending notice through bulk SMS/E-mail etc. as per records available in the account. Examples of undesirable and un-remunerative features are:

- a. Savings Bank Account being used either for the purpose for which it is not allowed or for the purpose of routing transactions which are dubious or undesirable, the Bank reserves the right to close such Savings Bank Account by giving due notice to the customer based on the clarification received on such transactions..
- b. Drawing cheques without funds.
- c. Rash / fraudulent transactions routed through Bank account which may expose the Bank to unnecessary risks.
- d. Zero Balance Accounts
- e. Dormant / inoperative accounts.
- f. Accounts where transactions, such as huge cash transactions, are being made, disproportionate to the given profile of the customer.
- g. Accounts in which, in the opinion of the Bank/ Regulatory /Government authorities, transactions having Money Laundering angle are being conducted.
- h. Accounts, in which, the Bank is not able to apply appropriate KYC measures due to non-furnishing of information by customer and / or non-co-operation in this regard.
- i. Non-compliance of Minimum Balance requirements for current and savings account as applicable to the relevant scheme /product.
- j. Payroll Accounts which have remained non-funded for more than 6 months without credit of salary are redundant in nature and will be suo-moto closed after

complying the minimum notice period by way of bulk SMS/E-Mail/ Public Notice etc.

k. **KYC Non-Compliance :**

- 1) In case of existing relationships, the Bank shall apply ‘partial freeze’, in accordance with the guidelines laid down in the Bank’s KYC policy.
- 2) Closure of Accounts:
  - i) Where the Bank is unable to apply appropriate KYC measures due to non-furnishing of information by customer and / or non-cooperation in this regard, Bank shall have a right to close such accounts as per Customer Severance policy of the Bank.
  - ii) Bank induced of closure of accounts due to non KYC complaint shall be initiated by the Branch after giving proper notice to the account holder as per the Customer Severance Policy of the Bank. Bank / Branches shall capture appropriate closure reasons in core banking software while closing such non KYC compliant accounts

The customers may refer the Bank’s Customer Severance Policy from the Branch for operational process and for clarifications

**5.8 Redressal of complaints and grievances**

The Bank has a Grievance Redressal Policy and the customers may refer the same from the Branch. The same is also available on the Bank’s website

**6. Non- Resident Deposit Accounts**

	Particulars	Non-Resident (External) Rupee Account Scheme [NRE Account]	Foreign Currency (Non-Resident) Account (Banks) Scheme [FCNR (B) Account]	Non-Resident Ordinary Rupee Account Scheme [NRO Account]
1	Eligibility	<p><b>Non-Resident Indian (NRI):</b> Non-resident Indian (NRI) means a person resident outside India who is a citizen of India or is a person of Indian origin. As per The Foreign Exchange Management Act, 1999 (FEMA) "Person" includes –</p> <ol style="list-style-type: none"> <li>i) An individual,</li> <li>ii) A Hindu undivided family,</li> <li>iii) A company,</li> </ol>		

		<p>iv) A firm, v) An association of persons or a body of individuals, whether incorporated or not. vi) Every artificial juridical person, not falling within any of the preceding sub-clauses vii) Any agency, office or branch owned or controlled by such person</p> <p><b>Person of Indian Origin (PIO):</b>A ‘Person of Indian Origin (PIO)’ is 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:</p> <ol style="list-style-type: none"> <li>Who was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955); or</li> <li>Who belonged to a territory that became part of India after the 15th day of August, 1947; or</li> <li>Who is a child or a grandchild or a great grandchild of a citizen of India or of a person referred to in clause (a) or (b); or</li> <li>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)</li> </ol> <p>A PIO will include an ‘Overseas Citizen of India’ cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955. Such an OCI Card holder should also be a person resident outside India. Opening of NRE accounts in the names of individuals/entities of Bangladesh / Pakistan nationality / ownership require approval of Reserve Bank of India. However, individuals of Bangladesh nationality can open an NRO account subject to the individual(s) holding a valid visa and valid residential permit issued by Foreigner Registration Office (FRO)/ Foreigner Regional Registration Office (FRRO) concerned. The due diligence process while opening a deposit account of an NRI shall additionally involve establishing the NRI status of the client.</p>		
2	<b>Type of Account</b>	Savings, Current, Recurring, Fixed Deposit	Term Deposit only	Savings, Current, Recurring, Fixed Deposit
3	<b>Currency</b>	Indian Rupees	US Dollar ,Euro ,Pound Sterling ,AUD CAD ,SGD ,HKD ,CHF and JPY	Indian Rupees
4	<b>Period for fixed deposits</b>	From one to ten years	For terms not less than 1 yr and not more than 5 yr	As applicable to resident accounts.
5	<b>Taxability</b>	Interest earned/accrued on NRE & FCNR term deposits is tax free in India under the relevant provisions of Income-tax Act,1961 in India and hence no tax at source is deductible in respect of these		The Bank has statutory obligation to deduct tax at source on any interest paid / payable on NRO SB/ Term deposits at the specified

		deposits		rates. The depositor can claim the benefit of reduced rates of tax under Double Tax Avoidance Agreement (DTAA), which India has with the governments of various countries, by submitting the documents prescribed by the bank at the beginning of every financial year.
6	<b>Pre-mature withdrawal of fixed deposits</b>	In compliance with RBI directives, no interest is payable on pre-mature closure of NRE & FCNR term deposits in less than a year.		As applicable to resident deposits
7	<b>Minimum Deposit Amount</b>	The prescription for minimum balance under various types of NRE deposits shall be as per the applicable Schedule of Facilities (SOF) in case of NRE SB / CA & Rs.10,000 for NRE FD.	FCNR (B) deposits can be accepted for minimum amount US Dollar 1000 or equivalent in case of any other currencies.	The rules and guidelines of resident accounts (domestic deposits), related to minimum deposit are applicable to NRO accounts.
8	<b>Joint Account</b>	Opening of joint NRE/FCNR (B) /NRO accounts can be permitted in the names of two or more non-resident individuals who are persons of Indian nationality or origin. Non-Resident Indian (NRI) may be permitted to open NRE/NRO/ FCNR (B) account with their resident close relative (relative as defined in Section 2 (77) of the Companies Act 2013 read with rule 4 of the Companies (specification of definitions details) rules 2014) on former or survivor basis. The resident relative can operate the account as a Power of Attorney holder during the life time of the NRI/ PIO account holder.		
9	<b>Permissible credits</b>	Following credit transactions shall be allowed in NRE accounts in conformity with conditions, if any, laid down against each item. <ul style="list-style-type: none"> <li>• Proceeds of remittances to India in any permitted currency through normal banking channels</li> <li>• Proceeds of personal cheques drawn by the account holder on his foreign currency account and bank drafts payable in any permitted currency including instruments expressed in Indian rupees for which reimbursement is received in foreign currency, deposited by the account holder, provided the bank is satisfied that the account holder is still resident outside India</li> </ul>		Credits in the NRO accounts shall be allowed by way of: <ul style="list-style-type: none"> <li>• Credit balance in the existing resident account at the time of re-designation of the resident account as NRO account.</li> <li>• Proceeds of remittances from outside India through normal banking channels received in any permitted foreign currency.</li> </ul>

		<p>and drafts are standing / endorsed in the name of the account holder.</p> <ul style="list-style-type: none"> <li>• Proceeds of account payee cheques, demand drafts / bankers' cheques, issued against encashment of foreign currency, where the instruments issued to the NRE account holder are supported by encashment certificate issued by Authorised Dealer Category-I / Category-II.</li> <li>• Proceeds of foreign currency / bank notes tendered by account holder during his temporary visit to India, provided (a) the amount was declared on a Currency Declaration Form (CDF), where applicable, and (b) the notes are tendered to the bank in person by the account holder himself/herself and the bank is satisfied that account holder is a person resident outside India.</li> <li>• Transfers from other NRE / FCNR (B) accounts.</li> <li>• Interest accruing on the funds held in the account.</li> <li>• Interest Earned on NRO accounts (Savings &amp; Fixed Deposits) held with IDBI Bank may be credited to NRE accounts held with IDBI Bank, if requested by the customer, after confirming that appropriate TDS has been deducted on the interest earned.</li> <li>• Other current income viz. dividend, rent, etc may be credited to the NRE accounts, if requested by the customer, after obtaining certificate from Chartered Accountant in Form 15 CA &amp; 15 CB stating that necessary tax has been deducted / paid / provided for as the case may be.</li> <li>• Interest on Government securities and dividend on units of mutual funds, provided the securities / units were purchased by debit to account holder's NRE / FCNR (B) account or out of inward remittance through normal banking channels.</li> <li>• Maturity proceeds of Government dated securities / Treasury bills, sale proceeds of units received from domestic mutual funds, Bonds issued by a PSU in India and other investments permitted for NRIs on repatriation basis provided</li> </ul>	<ul style="list-style-type: none"> <li>• Any foreign currency, which is freely convertible, tendered by the account holder during his temporary visit to India. Foreign currency exceeding USD 5000 or its equivalent in the form of cash should be supported by currency declaration form. Rupee funds should be supported by encashment certificate, if they represent funds brought from outside India.</li> <li>• Transfers from rupee accounts of non-resident banks</li> <li>• Legitimate dues in India of the account holder. This includes current income like rent, dividend, pension, interest, etc.</li> <li>• Sale proceeds of assets including immovable property acquired out of rupee/foreign currency funds or by way of legacy/inheritance.</li> <li>• Transfer from existing NRO/NRE/FCNR (B) account of the account holder.</li> <li>• Resident individual may make a rupee gift to a NRI/PIO who is a close relative of the resident individual [Close relative as defined in Section 2 (77) of the Companies Act 2013 read with rule 4 of the Companies (specification of definitions details) rules 2014] by way of crossed cheque /electronic transfer. The gift amount should be within the overall limit per financial year as permitted under the Liberalised Remittance</li> </ul>
--	--	---	---

		<p>the securities / units were originally purchased by debit to account holder's NRE / FCNR (B) account or out of remittances received from abroad.</p> <ul style="list-style-type: none"> <li>• Refund of share / debenture subscriptions to new issues of Indian companies or portion thereof, if the amount of subscription was paid earlier from the same account or from another NRE / FCNR (B) account of the account holder or by remittance from abroad through normal banking channels</li> <li>• Refund of application / earnest money made by the house building agencies on account of non-allotment of flat / plot, together with interest if any, (net of income tax payable thereon) provided the original payment was made out of NRE / FCNR (B) account of the account holder or by remittance from abroad through normal banking channel to the house building agencies</li> <li>• Any other transaction, if covered under general or special permission granted by Reserve Bank of India subject to compliance with conditions, if any, laid down by it.</li> <li>• No credit to NRE account by deposit of INR cash is allowed</li> </ul>	<p>Scheme (LRS) for a resident individual.</p> <ul style="list-style-type: none"> <li>• Resident individual may lend to a Non-resident Indian (NRI)/ Person of Indian Origin (PIO) close relative [means relative as defined in Section 2 (77) of the Companies Act 2013 read with rule 4 of the Companies (specification of definitions details) rules 2014] by way of crossed cheque /electronic transfer, subject to conditions within the overall limit under the Liberalised Remittance Scheme per financial year available for a resident individual. The loan amount should be credited to the NRO a/c of the NRI /PIO.</li> </ul>
<b>10</b>	<b>Permissible Debits</b>	<p>Following debit transactions may be allowed in NRE accounts:</p> <ul style="list-style-type: none"> <li>• Local disbursements.</li> <li>• Remittances abroad.</li> <li>• Transfer to other NRE / FCNR (B) accounts of the account holder or any other person eligible to maintain such account and also to NRO account</li> <li>• Investments in shares / securities / commercial paper of an Indian company and other investments permitted on repatriation basis or for purchase of immovable property in India provided such investment / purchase is covered by general / special permission granted by Reserve Bank of India.</li> </ul>	<ul style="list-style-type: none"> <li>• All local payments in rupees including payments for investments in India subject to compliance with the relevant regulations made by the Reserve Bank.</li> <li>• Remittance outside India of current income like rent, dividend, pension, interest, etc. in India of the account holder.</li> <li>• Remittance up to USD One million, per financial year (April –March) for all bonafide purposes, to the</li> </ul>

		<ul style="list-style-type: none"> <li>Any other transaction generally or specially permitted by Reserve Bank of India.</li> </ul>	<p>satisfaction of the authorised dealer bank.</p> <ul style="list-style-type: none"> <li>Transfer to NRE account of NRI within the overall ceiling of USD one million per financial year subject to payment of tax, as applicable</li> </ul>
<b>11</b>	<b>Repatriability</b>	Entire balance (Principal & Interest) is freely repatriable.	<p>Not repatriable except for all current income.</p> <p>Balances in an NRO account of NRIs/ PIOs are remittable up to USD 1 (one) million per financial year (April-March) along with their other eligible assets.</p>
<b>12</b>	<b>Change in residential status from resident to non-resident</b>	All the resident Indian accounts needs to be either closed or converted to NRO account. Accordingly, TDS will also be applicable on all accounts.	
<b>13</b>	<b>Change of Status from Non-Resident to Resident</b>	All the NRI Savings Bank Account and Term Deposit shall be either closed or converted to Resident Indian Account. TDS would be applicable as per the Resident Indian Scheme. FCNR (B) deposit can be maintained till maturity.	
<b>14</b>	<b>Operations by Mandate Holder</b>	<ul style="list-style-type: none"> <li>Bank may allow operations on NRE accounts by residents in terms of mandate granted in the residents favour by the non-resident account holders, provided they are restricted to withdrawals for local payments.</li> <li>The resident mandate holders shall not, however, be allowed to repatriate outside India funds held in the accounts under any circumstances to third parties or make payment by way of gifts to a resident on behalf of the account holder or transfer funds from the account to another NRE account.</li> <li>The mandate holder may however remit funds through normal banking channels to the account holder himself.</li> </ul>	<p>Bank may allow operations on an NRO account by Mandate Holder granted in favour of a resident by the non-resident individual account holder provided such operations are restricted to:</p> <ul style="list-style-type: none"> <li>All local payments in Rupees including payments for eligible investments subject to compliance with relevant regulations made by the Reserve Bank; and</li> <li>Remittance outside India of current income in India of the non-resident individual</li> </ul>



			<p>account holder, net of applicable taxes. The mandate holder is not permitted to repatriate outside India funds held in the account other than to the non-resident individual account holder nor to make payment by way of gift to a resident on behalf of the non-resident account holder or transfer funds from the account to another NRO account.</p>
--	--	--	---

### 7. Effective date of FCNR Deposit

The effective date of commencement and payment of interest on FCNR (B) deposits should be determined as per the guidelines given below:

- When the amount for the deposit is remitted into our Nostro A/c. - From the date of credit to our Nostro Account
- When the amount for the deposit is by means of cheque - From the date of credit to our Nostro Account.
- When the amount for the deposit is from renewal or from existing deposit (NRE a/c) - From date of closing of existing deposit or from the date of debit to NRE a/c. as the case may be.

### 8. Portfolio Investment Scheme

An NRI intending to buy and sell shares / convertible debentures of an Indian company through a registered broker on a recognized stock exchange in India should apply in prescribed form to the bank for participating in the Scheme on repatriation and / or non-repatriation basis.

While applying, the NRI should also undertake that

- i) The particulars furnished are true and correct;
- ii) He has no dealing with/ he will not deal with any other designated branch/bank under PIS;
- iii) He will ensure that total holding in shares / convertible debentures, both on repatriation and non-repatriation basis in any one Indian company at no time shall exceed 5 per cent of the paid up capital/ paid up value of each series of convertible debentures of that company.

The Bank offers PIS Scheme vide its two branches at Fort-Mumbai and Kochi-Kerala. Additional centers are under consideration for the convenience of NRI Customers

desirous of availing PIS Services from other locations. NRI Customers may kindly visit the website or contact the Bank for list of updated branches.

**9. RFC Accounts**

RFC account can be opened by Returning NRI to hold funds in foreign currency received /realized / acquired as part of permissible credits under FEMA including Balances in NRE/ FCNR (B) accounts on change in residential status from Non-Resident to Resident. RFC account can also be opened by Resident Indians for holding foreign currency received as part of permissible credits under FEMA

**10. Post-facto change in policy matters**

Policy shall stand revised to the extent of changes in any of the guidelines as might be advised by RBI /Govt. and any other regulatory bodies from time to time relating to this policy.