



1

**ANDAMAN & NICOBAR STATE COOPERATIVE BANK LTD.
PORT BLAIR**

SYSTEMS & PROCEDURES

SAVINGS BANK RULES

'Know Your Customer' Guidelines

1. a) Any person fulfilling account opening requirements may, upon agreeing to comply with the prescribed rules, as mentioned hereunder, open a Savings Bank Account, provided she/he furnishes proof of identity and proof of address as required by the Bank. The applicant will need to furnish proof of identity and proof address by way of the following: (Pl. see our Circular No.SCB/KYC-Policy/2009-10/2909 dt.25.11.2009)

A. Proof of identity (any one of the following with authenticated photograph thereon):

- i. Passport
- ii. Voter ID Card
- iii. PAN Card
- iv. Govt./Defence ID Card
- v. Islanders Card
- vi. ID cards of reputed employers.
- vii. Driving Licenses.
- viii. Letter from a recognized Public Authority/Public Servant/Pradhan.

B. Proof of current address (any of the following):

- i. Ration Card
- ii. Credit Card Statement
- iii. Salary Slip
- iv. Income/Wealth Tax Assessment Order.
- v. Electricity Bill
- vi. Telephone Bill
- vii. Statement of Bank account
- viii. Letter from reputed employer
- ix. Letter from any recognized authority

Note: While the above set should normally suffice to establish the identity and the correct address of the applicant, wherever this is not so additional documents may be called for.

Renewal of overdue deposits

In terms of our existing instructions (paragraph 10 of our Master Circular dated March 16, 2004), banks are free to renew overdue domestic term deposits at an interest rate prevailing on the date of maturity provided the depositor approaches the bank within 14 days from the date of maturity of the deposit.

In case the application for renewal is made 14 days after the date of maturity, the rate of interest offered should be the rate prevailing on the date of renewal of deposit. Banks also have freedom on the interest rate payable for the period between the date of maturity and date of renewal.

On a review, it has been decided that all aspects concerning renewal of overdue deposits may be decided by individual banks subject to their Board laying down a transparent policy in this regard and the customers being notified of the terms and conditions of renewal including interest rates, at the time of acceptance of deposit. The policy should be non-discretionary and non-discriminatory

In case of joint accounts, the applicants who are not closely related to each other would require to establish their identity and address independently.

b) For opening 'No frill Savings Bank accounts', two photographs of the applicant and self-certification of address will be necessary. Balances in these accounts at any point of time should be limited to Rs.5000/- in a year. As and when the balance or total transactions exceed these limits, Bank will treat the account as a regular account and ask account holder to comply with normal Know Your Customer (KYC) procedure.

The officer responsible for opening of accounts should scrutinize the originals of the Photo ID/address documents and satisfy himself/herself about the prima facie authenticity of the same. Photocopies of these documents should be authenticated by the Officer and kept along with the account opening form.

Introductory Reference

KYC norms should be strictly followed while opening accounts. Identity of the customer should be confirmed beyond doubt. Introduction in the account is mandatory, except, 'no frill'. Whenever the balance in no frill account is exceeded, the KYC Norms is applicable and the introduction should be obtained accordingly. (Pl. see our Circular No.SCB/Fin. Inclusion/2007-08/1846 dt.06.08.2007.)

Who Can Open An Account?

2. A. Savings Bank account may be opened by:

- i. A single person in his or her name.
- ii. Two persons in their joint names, payable to
 - a) Either or Survivor
 - b) Both jointly
 - c) Both or Survivor
 - d) Former or Survivor
 - e) Latter or Survivor
- iii. By more than two persons in their joint names payable to
 - a) All of them or the survivors or the last survivor
 - b) Any one or more of them or survivors or the last survivor
 - c) A particular person during his/her lifetime or survivors jointly or the last survivor

Note:

- i. If any one or more of the account holders in case of accounts opened as per styles under ii (a) and iii (b) above countermand payment to the other joint account holders, then the account will become operative, respectively, by Both or All of them jointly.
- ii. In case pension paying department permits, pension drawing account can be opened in joint names with the family pensioner nominated in the PPO and will be operated accordingly.

3. Accounts may be opened in the name(s) of:

- a) Illiterate or blind person(s) and sick, old, physically handicapped or otherwise incapacitated person(s).
- b) Minor

MINOR ACCOUNTS

The account can be opened in any one of the following modes.

- i) By a natural guardian, i.e., father or mother in circumstances approved by the Bank, on behalf of the minor;
- ii) By a natural guardian, i.e., father or mother in circumstances approved by the Bank, in the joint names of himself/herself and the minor, payable to either or survivor;
- iii) By a person in the name of any minor of whom he or she is the guardian appointed by a competent Court under any enactment for the time being in force;
- iv) By a minor of age 10 and above in his/her single name, in circumstances approved by the Bank, to be operated upon by himself/herself, provided he/she can put uniform signatures.

Accounts under Rules 3(i) and 3(ii) will be opened where the funds to be lodged comprise of the guardian's own money and the guardian's intention is in the case of Rule 3(i) to utilize the money for the benefit of the minor and to eventually make the money lying to the credit of the account available to minor or his/her attaining majority and in the case of Rule 3(ii) to provide that with effect from the date of the minor attains majority, the account be also be operated upon by the minor. (E or S)

In a case where the funds with which the account in the name of the minor is to be opened devolve upon him/her by gift, inheritance etc., or where the Bank, at its discretion, to consider it necessary, the account in the name of the minor will be permitted to be opened only by a guardian appointed by a Court vide Rule 3(iii) and the guardianship certificate must embody an express authority to open and operate an account with the Bank.

In all cases, the guardian must make a declaration of the date of the minor's birth. The date upon which the minor will attain majority shall be recorded at the Bank and in the passbook.

In the case of accounts under Rule 3(i) and 3(iii), upon the minor attaining majority, the right of the guardian to operate the account will automatically come to an end where after the guardian shall not operate on the account. Any balance in the account will be deemed to be the exclusive property of the minor who has attained majority and further withdrawals from the account will be allowed to him/her alone.

- (i) In the case of account under Rule 3(ii), the minor on attaining majority will also be permitted to operate on the account on completion of the necessary formalities.

(ii) In the event of the death of the guardian before the minor attains majority, the balance in the account would be payable to the minor on his/her attaining majority or to some other person appointed by a competent Court as the guardian of the property of the minor or trustee on behalf of the minor prior to the latter attaining majority.

Note:

- i. A minor for whom a guardian is appointed by Court attains majority on completing 21 years of age (vide section 3 of the Indian Majority Act, 1875). Otherwise, he/she will be deemed to attain majority on completing 18 years of age.
 - ii. In the case of accounts opened under 3 (iv), the minor can maintain therein a maximum balance of Rs 2 lacs and in the case of accounts opened under 3(i) and (ii), the maximum amount of balance at any time is Rs 5 lacs.
4. Accounts may, in approved cases, be opened in the names of Associations, Clubs, Regimental Funds or Military Units or other similar non-trading institutions, for purposes of depositing their savings, provided their bye laws, rules etc. are acceptable to the Bank and are strictly adhered to. Their income should also be exempt from payment of income tax.
 5. No business or trading concern (whether proprietary, partnership or corporate body) will ordinarily be permitted to open a Savings Bank account. Savings Bank account is a facility to build up savings and hence it must not be used as a Current Account. Bank may close an account should it have any reason to believe that the account holder has used her/his account for a purpose for which it is not allowed.
 6. As per RBI directives, Government Departments or Bodies who for performance of their functions depend on Budgetary Allocations cannot open Savings Bank Accounts. Examples of such nature are Municipal Corporations or Committees, Panchayat Samitees, State Housing Boards, Water and Sewerage Boards, State Text Book Publishing Corporations or Societies, Metropolitan Development Authorities, State/District Level Cooperative Housing Societies etc. The following agencies/organizations are, however, exempted from the above rules and hence Savings accounts can be opened in their names:
 - (a) Primary Co-operative Credit Society which is being financed by the Bank. (PACS)
 - (b) Khadi and Village Industries Boards.
 - (c) Agriculture Produce Market Committees.
 - (d) Societies registered under Societies Registration Act, 1860 or any other corresponding law in force in State or Union Territory.
 - (e) Companies governed by the Companies Act, 1956 which have been licensed by the Central Government under Section 25 of the said Act, or under the corresponding provision in the Indian Companies Act, 1913 and permitted, not to add to their names the word, " Limited" or the words "Private Limited".

- (f) Institutions other than those mentioned above and whose entire income is exempt from payment of income tax under Income Tax Act, 1961.
- (g) Government departments/bodies/agencies in respect of grants/subsidies released for implementation of various programmes/schemes sponsored by Central Government/State Governments subject to production of an authorization from the respective Government departments to open savings bank accounts.
- (h) Development of Women and Children in Rural Areas(DWCRA).
- (i) Self-help Groups (SHGs), registered or unregistered, which are engaged in promoting savings habit among their members.
- (j) Farmers' Clubs-Vikas Volunteer Vahini(VVV).
- (k) Small Farmers Development Agency
- (l) Marginal Farmers and Agricultural Laborer's Agencies
- (m) Drought prone areas Programme(DPAP)
- (n) District Rural Development Agency (DRDA)
- (o) Integrated Tribal Development Agency (ITDA)
- (p) Nagar panchayats and palikas, Municipal Bodies for credit of subsidy amount.
- (q) District Development Agency (DDA)

How To Open An Accounts

7. In ordinary course, applicant(s) should attend the Bank personally for completion of formalities for opening the account. They may be furnished with an abridged version of these rules. They will duly fill in and sign the prescribed application form.
8. The applicant(s) should submit one copy of his/her/their recently taken passport size photographs. The photograph will be affixed in the account opening form. If the applicant is an illiterate person, two photographs are to be submitted, of which one is affixed in the passbook and the other in the account opening form.
9. Account holder's signatures must be legible and well formed. Signatures in capital or block letters are not acceptable. The account holders, in their self-interest, are expected to adhere to uniform signature as per specimen recorded with the Bank while operating the accounts and addressing any correspondence to the Bank.

Other requirements:

1. Furnish PAN number (if any) or declaration in Form 60
2. For persons having agricultural income, declaration in Form 61 to be submitted.
3. In the case of minor accounts, date of birth to be furnished. Bank to diarize date of attaining majority; and on attaining majority allow minor to operate the account after getting specimen signature in the opening form.
4. In the case of illiterates, bank to record identification marks in opening form.
5. For Clubs/Associations, Banks to verify bye-laws, rules, regulations and resolutions

The joint account holders should declare the intended mode for operating the account. The duly filled in application should be presented at the branch with an initial deposit not less than the minimum balance prescribed for Savings Bank account. A person opening a Savings Bank account will be deemed to have had notice of, and to have opened his/her account subject to these Rules.

Nomination Facility

10. The Nomination facility is available on Savings Bank Accounts and the account holders are advised to avail of this facility for smooth settlement of claim by legal heirs in unforeseen circumstances. Nomination can be made in favour of only one nominee. In case they do not wish make a nomination, this fact should be recorded on the account opening form under their full signature. Nomination favouring a minor is permitted on the condition that the account holder while making the nomination appoints another individual, not being a minor, to receive the amount of deposit on behalf of the nominee in the event of the death of the depositor during the minority of the nominee. In the case of a deposit made in the name of a minor, the nomination shall be made by a person lawfully entitled to act on behalf of the minor. In the event of death of the account holder of a deposit, the nomination facility enables the Bank to release to the nominee the deposit amount without insisting on a succession certificate or probate of the Will from the legal heirs of the deceased account holder.

Types Of Accounts & Balance Stipulation

11. The applicants can opt for opening of an account either with chequebook facility or without cheque book. This information can also be obtained from branches.

Notes:

- i. The stipulated minimum balances are subject to revision from time to time.

Service Charges Minimum Service Charges (Folio Charges) Rs.56/- for Savings a/c p.a. and Rs.300/- for Current a/c p.a. Account maintained on computer, 40 entries or part is treated as one ledger folio. No service charges will be levied on No Frills accounts.

Distinctive Account Numbers

12. Each account will be allotted a distinctive Account Number, which will be recorded in the passbook to be supplied to the account holder(s). This number must be quoted in the pay-in-slip, cheques, withdrawals and all the correspondence addressed to the Bank by the account holder(s).

Pass Book

13. Pass book(s) supplied to the account holder(s) will show her/his/their account number, name(s) occupation(s) or profession(s) and address (es). The details of each transaction, both Credit and Debit will be entered in the passbook. The resultant balance will be printed/written. Depending upon exigencies, computer generated statements of account may be issued in lieu of the passbook.

14. Passbook must invariably be presented for withdrawing cash by means of a withdrawal form. Withdrawals using cheque forms and ATM cum Debit card can be effected without pass book. Deposits may be made without production of the passbook.
15. Passbook should be got updated regularly. During early October and April, the passbook should be presented at the counters for recording therein the interest paid for the respective half year. The passbook tendered at the time of making any transaction in the account will be made up and returned to the presenter on the same day. The account holders should carefully examine the entries in their passbooks and draw the Bank's attention to errors or omissions, if any.
16. The account holders must keep their passbook in a safe place. The Bank will not be responsible for any loss or incorrect payment attributable to the neglect of this primary duty cast on the account holder.
17. Any change in the address of the account holder should be immediately intimated to the Bank along with the proof of new address and the passbook forwarded for noting the change.
18. No charge will be made for the passbook initially issued or for the one issued in continuation. On receipt of a written request from the account holder, the Bank will issue, after necessary enquiries and completion of formalities, a duplicate passbook in lieu of the one lost or spoiled. Service charge for issue of duplicate passbook with current and old balance will be recovered. This information can also be obtained from branches.

Deposits In The Accounts

19. The account holder may deposit as often as she/he may desire. However cash deposits for less than Rs.50/- will not be accepted. Cash, cheques, drafts etc should be deposited along with pay in slip duly completed and signed. Account holders in their own interest are advised to preserve the counterfoil of the pay in slip at least till the relative entries are made in their pass book.
20. The account holder may deposit into his account cheques, drafts, Dividend warrants and other instruments drawn in his favour only. Third party cheques/instruments endorsed in favour of the account holder will NOT be accepted for credit of his account. Normally no drawings will be permitted against the accepted instruments until these are realized, exceptions being made in terms of Rule No.23. In case of delay in realization of collection, interest for the delay will be paid to the account holder. If outstation cheques/instruments are returned unpaid, prescribed service charge will be recovered. This information can also be obtained from branches.
21. The Bank may give immediate credit in respect of outstation cheques drawn in favour of the account holders for amounts up to Rs.20,000/- which may change from time to time, provided the account has been conducted satisfactorily for a period of at least six months. The normal collection and out of pocket charges will be recovered. This information can also be obtained from branches. Overdue interest will be recovered for instruments subsequently returned unpaid.

Operations in the Ordinary Account

22. The account holder can withdraw money personally from her/his ordinary Savings Blank Account by using Bank's standard withdrawal form. The passbook must accompany the withdrawal form. The withdrawal form can be issued only for

receiving payments by the account holder herself/himself. ATM cum Debit card can also be used in ATMs for cash withdrawal, for convenience and anytime banking.

23. The account holder cannot withdraw an amount less than Rs.50/-. All withdrawals must be round Rupees only.
24. When an account holder is unable to attend personally for withdrawing money, he may send his representative along with the passbook and a letter of authority in the following format. If the account holder is illiterate, then the thumb impression on the letter of authority should be attested by two persons known to the Bank or by a magistrate under his court seal.

Letter of Authority (format)

Place:
Date :

The Branch Manager
A & N State Coop. Bank Ltd.

.....

Dear Sir,

Please pay the bearer a sum of Rs.....(Rupees.....) and debit the account to my/our Savings Bank Account No.....

Yours faithfully,

Signature(s)/Thumb impression

Operations In Cheque Operated Accounts

27. The Bank will issue the first chequebook after completion of all formalities with regard to opening of the account. The service charges for issue of cheque books in Savings account can also be obtained from branches.

The account holders must use only the cheques from the chequebooks issued to them by the Bank. The Bank reserves the right to refuse payment of any cheques drawn otherwise. Further, chequebooks will be issued one at a time against the duly signed requisition slip contained in the chequebook issued earlier. Request for issue of chequebook otherwise than on such requisition slips will be considered only exceptionally. Ordinarily, Bank will not issue more than one chequebook at a time or before exhausting all or nearly all cheque leaves issued previously.

Withdrawals can be made through cheques from the chequebook issued, withdrawal form as in case of non-chequebook account and by using ATM cum Debit card.

28. Cheques must be written legibly and as far as possible without alterations. All alterations / cuttings, if unavoidable, must be authenticated under full signature of the account holder. Cheques should be drawn in a way as to prevent any alterations / insertions after their issue. The account holder's signature(s) on the cheque must conform to his specimen signature(s) recorded with the Bank.

29. The account holders are advised to keep their chequebooks in a place of safety. The Bank will not be responsible for any incorrect payment attributable to their negligence in this regard.

30. The minimum drawing permitted per cheque form is limited to Rs. 50/-. Unless unavoidable, the cheque should be drawn for amounts in round Rupees.

31. Cheques drawn in excess of the balance in the account are liable to be dishonoured and returned unpaid. Service Charge will be recovered each time a cheque is returned unpaid for want of sufficient funds. The current charges can also be obtained from branches. The account holder's attention is invited to the provision of Section 138 of the Negotiable Instruments Act 1881, where under such dishonoured cheques may attract punitive action. The Bank reserves its right to close the account if it is observed that the cheques drawn on the account have been frequently returned for want of funds in the account.

32. The account holders can request the Bank in writing to register stop payment instructions in respect of cheques issued or lost by them. Service charge at the prescribed rates for a single/ range of cheques for noting stop payment instruction will be debited to the account.

This information can also be obtained from branches.

Withdrawals By Sick/Old/Incapacitated Persons

33. The account holder(s) may be too ill/ old to sign a cheque or may be physically incapable to attend the Bank to personally withdraw the money by affixing her/ his thumb impression on the withdrawal form.

Some may not even be able to affix the thumb impression due to certain physical defect/ infirmity. In such circumstances, her/ his thumb (if possible) / toe impression may be identified by two independent witnesses known to the Bank, one of whom should be a responsible Bank Official. In exceptional cases, where an account holder cannot put his thumb / toe impression, any other body-mark can be affixed on the letter of authority and the same should be identified by two witnesses as mentioned above. Under all such circumstances the account holder should indicate to the Bank as to who would receive the money from the Bank on the basis of his/her authority as obtained above. The person so authorised to receive the money and to sign the letter of authority in token thereof should also be identified by two independent witnesses as mentioned above.

Deposits / Withdrawals through Post

34. The account holders can remit funds for credit of their accounts through post by way of money orders wherein full details of the account, including the distinctive account number, must be clearly mentioned. Similarly, they may send written requests to the Bank to debit their accounts and remit funds to them by money order or by registered insured post at their risk. In no case can such remittances be made to third parties. Money order commission, out of pocket expenses and service charges, if any will be debited to their accounts.

Ceiling On Number Of Withdrawals

35. A depositor cannot withdraw money from his account more than twice in a week.

Dormant/Inoperative Accounts

36. Accounts in which there have been no withdrawals for the last twelve months will be termed as Dormant accounts. Accounts, in which there have been no operations, whether debit or credit, during the last twenty-four months, are termed as Inoperative accounts. Account holders, in their own interest, are advised to avoid their accounts becoming dormant / inoperative. Moreover, absence of their contact with the Bank for such a long period may affect Bank's capacity to extend prompt service at the eleventh hour.

37. The Bank will levy service charges as under on all inoperative accounts with balances below the stipulated minimum prescribed under Rule No. 11 above.

Service Charges

38. The service charges prescribed under:

a) Rule no 12 (for non-maintenance of minimum balance)

b) Rule no 35 (for exceeding the permissible number of withdrawals)

c) Rule no 37 (for inoperative accounts with less than stipulated minimum balance)

will be debited to the account at the quarterly/ half-yearly/ annual intervals, as applicable, for Savings Bank Accounts. The service charges in other cases will be recovered at the time the respective service is rendered or violation of any Rule takes place.

39. The rates of service charges are subject to revision from time to time and the prevailing rates are available at the branches.

Standing Instructions

40. The account holders can request the Bank in writing to register standing instructions for periodical payment of insurance premium, membership fees etc. by debit to their Savings Bank accounts. A service charge will be recovered each time, irrespective of whether the instruction is carried out or not depending on the availability of funds in the account. If the Standing Instruction involves issue of a draft or Bankers cheque, the usual service charges for their issuance plus postage will be additionally recovered. This information can also be obtained from branches.

Payment of Interest

41. The payment of interest is subject to the RBI directives issued from time to time and any change in the rate of interest may be notified through advertisement in the newspapers. The current rate of interest paid on Saving Bank accounts can be ascertained from the Bank.

42. Interest will be calculated for each calendar month, on the lowest balance (in round Rupees) at the credit of an account between the close of the fourth and the last day of the month. Interest will be credited to the account at half yearly intervals on the last working day of March and September. Interest will be paid only if it works out to Rs. 1/- or more. Thereafter fifty paise and more will be rounded off to the next higher rupee and anything less will be ignored.

Transfer Of Accounts

43. Accounts can be transferred from one branch to another branch of the Bank free of charge. The account holders may submit their request letters along with the passbook either to the branch where their accounts exist or to the branch where they intend to transfer their accounts. The unused cheque leaves issued by the existing branch should be surrendered to the branch along with the request letter for transfer of account.

Closure Of Accounts

44. In case of joint accounts (operable by both jointly or both or survivor or all of them or survivors or either or survivor) all the joint account holders must sign the request letter to transfer the account.

45. Account holders(s) desirous to close their accounts should submit their applications stating the reasons for closure. The passbook, unused cheques and the ATM cum Debit Card (after cutting into two pieces across the magnetic strip) must be surrendered along with the request letter. A service charge be recovered if the account is closed before twelve months of its opening. This information can also be obtained from branches. The request letter for closure of joint accounts must be signed by all the account holders.

Change in Rules

46. The Bank reserves the right to alter, delete or add to any of these Rules for which the customer will be duly notified through Bank's website and / or branch notice board.

Current Account Rules

KYC NORMS

The bank should follow scrupulously the guidelines issued on KYC Norms and Anti-Money Laundering Standards from time to time. (Refer KYC POLICY vide Circular No;SCB/KYC-POLICY/2007-08/4213 dt.18.01.2008.)

1. Opening of Current Accounts

1.1 The current accounts are opened for parties approved by the Bank on proper introduction with a minimum sum of Rs.2000.. The quarterly average balance will be Rs.2000. The minimum service charges shall be Rs.300/- p.a.

1.2 Persons desiring to open a Current Account must call at the Bank, when he/she will be furnished with a copy of the rules and the appropriate form of application to open a current account. The particulars required in the application form must be filled in and the initial deposit shall be paid when he/she will be supplied with a Cheque Book.

1.3 The Bank will not open an account which is to be operated under a thumb impression or cross mark or an account under the signature by hand of a person other than the Depositor.

1.4 Accounts may be opened by

a. a person in his/her own name ;

b. two persons or more than two persons in their joint names in anyone of the following forms :

Accounts in the name of	Mode of Operation
A&B	Either or Survivor
A&B	Jointly or Survivor
A&B	Former or Survivor
A, B & C	Anyone or Survivors or Survivor

(Instructions regarding operations on the account given at the time of opening a joint account can be varied only by the account holders jointly)

1.5 Accounts may also be opened in the names of companies, partnership firms, clubs, associations, religious, educational, charitable and other institutions on production of the necessary documents, copies of rules, bye-laws, etc., duly attested by authorized persons.

1.6 Minor's account can also be opened at the sole discretion of the Bank

- (a) through the natural guardian either joint with the minor or singly,
(b) by guardians appointed by a competent court. Only guardians will be permitted to

operate such accounts. The guardian should furnish the date of birth of the minor when the account is opened. When the minor attains majority, the right of the guardian to operate on the account will automatically cease and the minor, on furnishing proof of his age to the satisfaction of the Bank, will be allowed to operate the account.

2. Deposits of Cash and Cheques

2.1 All deposits to current accounts should ordinarily be accompanied by paying-in-slips which are supplied to depositors.

2.2 Pay-in-slips

Separate paying-in-slips should be used for deposit of a) cash, b) cheques drawn on the branch where the account is maintained, c) cheques drawn on other local branches of the bank, d) cheques drawn on local clearing banks, e) cheques on outstation branches/banks and f) Bills and other collection items.

2.3 **Customers are required to cross cheques deposited for the credit of their accounts before handing them over for collection.**

2.4 **A remittance for credit of an account can be made by letter under special circumstances. The remitter should indicate the account number and name, for which the credit is intended.**

3. Issue of Cheque Books

3.1 Cheques must be drawn on Bank's printed cheque forms only, supplied by the Bank. **The Bank reserves the right to refuse payment of cheques drawn otherwise.**

3.2 An application for a cheque book must be made personally in writing on the printed requisition form supplied with each book. Cheque books will be issued at a cost computed at Rs.2/- per cheque leaf and 50 leaves free.

3.3 When a cheque book is required to be sent by post, it will be sent by registered post at the cost and the responsibility of the account holder.

3.4 It is the responsibility of the depositor to ensure safe custody of the cheque book supplied to him/her and that cheque leaves are not stolen or mislaid or fraudulently used.

3.5 **The Bank may, at its sole discretion, reject any request for issue of more than one cheque book at a time, unless sufficient reason is shown for such request.**

4. Operation by cheques

4.1 The Bank reserves to itself the right to refuse payment of cheques which have been Altered in any way unless the alteration is authenticated under the drawer's full Signature.

4.2 The date, the name of the payee and the amount on cheques should be written clearly in indelible ink and in such a way as to leave no space for any subsequent additions or insertions of any other words or figures.

4.3 Mutilated, post-dated and irregularly drawn cheques, as also cheques containing Extraneous matter, may be refused payment.

4.4 The signature of account holder on cheque should be uniform and must agree with the specimen signature furnished by him/her to the Bank.

4.5 Post-dated cheques, i.e. cheques bearing a date subsequent to the date of presentation will not be paid.

4.6 Cheques presented after the expiry of 6 months from the date of their issue will be considered as out of date or stale and payment thereof shall be refused.

4.7 Paid cheques will not be returned except under special arrangements.

4.8 Cheques must be drawn only against funds actually realised and credited to accounts. Under no circumstances should a customer presume that overdraft facilities will be allowed or drawings passed against cheques in course of realisation.

4.9 It should also be clearly understood that

- i. Cheques issued by the customer which when passed, would cause a debit balance in the account for whatsoever reason, would be deemed by the Bank as an implied request and authority by the customer to the Bank to pass the cheques and allow such a temporary debit/overdraft and
- ii. the passing of cheques whether at the discretion of the bank or otherwise or at the request of the customer, resulting in overdrafts in the account should not be construed as a regular arrangement for an overdraft facility.

4.10 Issuing cheques without sufficient balance in the account is an offence under Sec.138 of Negotiable Instruments Act and will attract penal provisions under the relevant section.

5. Cheques and Bills for collection

5.1 All cheques and other instruments tendered for credit should be crossed.

5.2 Cheques on clearing banks will be collected in accordance with the rules of the local clearing house.

5.3 The bank undertakes on behalf of constituents the collection of cheques, bills, drafts, etc.

5.4 Cheques, demand drafts, bills etc., payable locally should be sent early in the day, so that if possible, they may be collected on the same day.

5.5 Cheques, drafts etc., on local banks will be collected free of charge.

5.6 If instruments taken for collection are dishonoured and returned, the bank does not undertake to give notice of such dishonour to the constituent who has tendered the instrument until the succeeding day. The bank will have the right to debit the account for all items already credited to the account, which are subsequently returned or remain unpaid.

5.7 Cheques, drafts etc., tendered for collection and credited to an account must not be drawn against until they have been realized. It must be distinctly understood that even though credit entries may have been made in the statement of account or pass book, should such credits be made up wholly or partly of cheques or other instruments under collection, the amounts so made up are not available for drawing until such cheques and instruments have been actually realized. Under no circumstances should a customer presume that drawings will be permitted against cheques in course of collection.

5.8 The bank will not be responsible for any loss that may occur by delay or otherwise in transmission or collection.

5.9 Cheques and drafts and other instruments accepted for collection/ purchased/ negotiated by the Bank will be forwarded for collection to the branches or the bank/ another bank at the place at which the instruments are made payable entirely at the risk and responsibility of the account holder. The bank will be at liberty to make use of the services of any bank of its choice for collection and the bank so employed will be the agent for the account holder for the purpose of collection.

5.10 The bank or the agent at its option will send for collection the instruments at the sole risk and responsibility of the account holder by ordinary or registered post at its discretion. The bank will not be responsible for any loss of the instruments in the course of such transmission.

5.11 The bank may accept from the agency bank, cash payment instruments or mandates in exchange of instruments sent for collection, such mandates or exchange instruments will be collected solely at the risk and responsibility of the account holder.

6. Loss of instruments in transit

6.1 Customers are requested to send cheques, drafts and other valuable instruments by registered post lest they be lost or stolen in transit.

6.2 The bank will register instructions for stop payment from the account holder, relating to cheques issued by him and lost, stolen, etc.,.

6.3 In case of cheque lost in transit or in the clearing process or at the paying bank's branch, the bank will intimate the same to the notice of the customer immediately.

6.4 The Bank will take care to get the proceeds of the cheques by contacting the drawee bank / branch and the customer will be informed about the possible delay in realization of cheques.

7. Statement of Accounts/Passbooks

7.1 A statement of account shall be delivered to the account holder/s from time to time.

7.2 At branches where the system of furnishing statements is not followed passbooks will be supplied.

7.3 Unless the constituent notifies the bank immediately of any discrepancy found by him / her in his/her statement of account, it will be taken that he / she has found the entries in the statement of account correct. It is also obligatory on the part of the constituent that any wrong credit entries found in the statement of account be immediately brought to the knowledge of the Bank, if it is not done so, then it will be considered as a breach of contract on the part of the customer and the matter would be dealt with accordingly. This is a system generated output and requires no signature.

7.4 Statements/Passbooks must be kept safely.

7.5 Duplicate Statement/Passbooks

If the statement of account/passbook is mislaid or lost, duplicate statement/pass book with entries commencing from the first of the month in which the application for duplicate is made, will be supplied on request by the constituent at prescribed charges with latest entry. Additional charges as has been laid down proportionate to the copying work will be collected, if a copy of the account for an earlier period is required.

7.6 All current account depositors should carefully examine the entries in the passbook and draw the bank's attention to errors/omissions, discrepancies/ unauthorized/ wrong entries. The customer would be bound by the entries if the bank does not hear from him within a reasonable time after receiving the passbook. His silence would estop him from contesting the entries subsequently. The bank will not be responsible for any entries not authenticated under the initials of its authorized official.

7.7 In computerized branches, where statement of accounts or pass book entries are generated / printed by using an electronic media, such statements / entries do not require an authentication by an official.

7.8 However, in exceptional situations where entries are manually made in the pass books in computerized branches, such entries should be valid, only if authorised by an official of the branch.

7.9 If the passbook is lost or mislaid, it should be immediately notified. A duplicate

passbook with the latest balance entry will be issued on payment of charges against a written request duly signed by the depositor with an undertaking that the original passbook, if found at a later date, will be returned to the bank.

8 Standing Instructions

Standing instructions for remittances such as insurance premia, transfer of fund etc., will be accepted by the bank subject to levy, of charges decided by the bank from time to time.

8.1 Such instructions continue to hold good until cancellation by the customer or closure of account or death of the customer or insufficiency of balance for any single remittance.

8.2 The bank will not be liable to the customer for any loss if standing instructions could not be carried out due to insufficiency of balance in the account or cancellation or for reasons beyond the control of the bank.

9 Inoperative Account

9.1 Accounts in which there are no operations for a period of ten years from the date of operation, except by way of any charges debited or interest credited will be treated as unclaimed deposit account. Charges prescribed for inoperative accounts are applicable to unclaimed deposit accounts.

10. Service Charges

10.1 Service charges as fixed by the bank from time to time will be levied to the current accounts yearly or at intervals as is decided upon by the bank.

11. Accounts of Deceased Parties

11.1 Individuals can avail nomination facility. Appropriate forms for filing nomination (DA1), cancellation (DA-2) and variation (DA-3) are provided on request. (Nomination)

11.2 In regard to deceased depositors' accounts, the legal heirs/representatives will be allowed to operate the account, on recognition of the claim by the bank.

12. Interest

12.1 No interest will be paid on current accounts

12.2 Transfer

At the request of the account holder, current accounts may be transferred from one branch to another branch in the Union Territory of A & N Islands free of charge and on return of the unused cheque leaves.

13. Closure of Accounts

An account holder may close his current account and receive the balance in credit less incidental charges against his cheque on surrender of unused cheque leaves.

14. Obligation of account holders

To prevent forgery, fraud etc., account holders should observe the following safeguards:

14.1 To count cheques in the cheque books issued to them and draw the attention of the bank, if any cheque is found missing therein.

14.2 To keep the cheque books in a place of safety under lock & key.

14.3 To fill in the date, the name of the payee (in case of cheques) and the amount clearly in indelible ink and in such a way as to leave no space for any subsequent additions or insertions of any other words or figures.

14.4 To strictly avoid giving signed blank cheques.

14.5 Not to allow the use of any cheque leaf from their cheque books by other persons and to confine the use of a cheque book to drawings only on the account for which it is issued.

14.6 When writing cheques, to use carbon paper so that the impression of writing is made on the back side of the cheque.

14.7 To cross cheque unless cash payment is required. Crossing should be done in such a way that the crossing runs the whole width of the cheque. A furtherance of safeguard will be to include the words "Not Negotiable" along with the crossing.

14.8 To see that their signatures correspond exactly with the specimen supplied to the Bank.

14.9 To authenticate under their full signatures all alterations in the cheque or withdrawal slips.

14.10 The depositor / s shall inform the Bank in writing in the event of change in Resident status .

15. Communication to and from banks

16.1 Every change of address of the account holder should be immediately notified to the bank in writing.

16.2 All communications should be addressed to the bank and not to any officer of the bank personally.

16.3 The bank reserves to itself the right to send cheques, discharge of bills, advices, letters etc., through ordinary unregistered/registered post and the evidence of their being so despatched as in the bank's records will be conclusive and binding upon the customers.

17. General Lien

The bank has a right to appropriate the deposits of customers towards satisfaction of any liabilities of such customers whether such liabilities be actual or contingent, primary or collateral and several or joint, at any office of the bank.

18. Closure of account by bank

The bank reserves its right to take steps to get the account closed, if frequent return of cheques for want of funds is observed .

19. Confidentiality of customers

19.1 The bank shall treat customer's Personal information as Private and Confidential. The customer's information shall be revealed to the third party in the following exceptional cases only:

- a. where disclosure is made under compulsion of law.**
- b. where Disclosure is made under IT and other laws**
- c. where disclosure is made under Banking Regulation Act**
- d. where there is a duty to disclosure to public**
- e. where there is an express or implied consent of the customer**
- f. where interest of bank requires disclosure**

20. Nomination facility

20.1 Nomination facility is available to the account holder. Nomination can be made at the time of opening of account or subsequently. It can also be cancelled / varied.

20.2 At the time of opening of the account if the account holder does not require nomination, he has to specifically instruct the bank to that effect, if he requires the name of the nominee should find a place in the pass book.

20.3 The nomination shall be in favour of an individual only. Nomination can be made only in respect of deposit account held by individual (s) / sole proprietary concern. If the proprietary concern undergoes a change in constitution, the nomination made will stand cancelled.

20.4 The Bank should insist for Nomination in Current Accounts, in Individual/Sole Proprietary concern, while opening accounts. Accounts of above nature (individual (s) /

sole proprietary concern) having no nomination facility should be asked to complete nomination as early as possible.

21. Right to alter Rules

21.1 The bank reserves the right to alter or add to these rules at any time without giving separate notice to each account holder. An announcement of the change of the rules put up on the notice board of the bank will be considered as sufficient notice.

21.2 A person having opened a current account shall be deemed to have read, understood and agreed to be bound by the rules as now subsisting or as at any time altered or added to.
