



# Deposit Policy

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# Deposit Policy

This Deposit Policy (“Policy”) outlines the guiding principles in respect of various deposit products offered by National Australia Bank, Mumbai Branch (“Bank”) and terms and conditions governing the conduct of the account. This Policy is a broad framework under which the rights of common depositors are recognized. Detailed operational instructions on various deposit schemes and related services are contained in the Bank’s ‘Terms and Conditions’ in relation to deposit accounts, as amended from time to time.

## 1. Types of Deposit Accounts

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

- i) “Savings Account” means an account into which a savings deposit in any approved currency is placed by you with the Bank and offers you with the ability to withdraw or transfer funds with a withdrawal or transfer instruction in a form acceptable to the Bank from time to time. A Savings Account includes the following account types:-
  - i. Resident No Frills Savings Account
  - ii. RFC Domestic Savings Account
  - iii. NRE Savings Account
  - iv. NRO Savings Account
- ii) “Term Deposit Account” means an account we offer which receives deposits for fixed periods of time at fixed interest rates in any approved currency. A Term Deposit Account includes the following account types:-
  - i. RFC Term Deposit Account
  - ii. NRE Term Deposit Account
  - iii. NRO Term Deposit Account
  - iv. FCNR Term Deposit Account
- iii) “Current Account” 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 will also include other deposit accounts which are neither Savings Deposit nor Term Deposit Accounts. A Current Account includes the following account types:-
  - i. RFC Current Account
  - ii. RFC Domestic Current Account
  - iii. NRE Current Account
  - iv. NRO Current Account
  - v. EEFC Current Account

Within the above-mentioned broad categories, the Bank may introduce various products with specific features.

## 2. Account Opening and Operation of Deposit Accounts

- i) Before opening any deposit account the Bank will carry out due diligence as required under “Know Your Customer” (KYC) guidelines issued by RBI Anti- Money laundering rules and regulations and or such other norms or procedures as per the policy of the Bank. If the decision to open an account of a prospective depositor requires clearance at a higher level, reasons for any delay in opening of the account will be informed to him and the final decision of the Bank will be conveyed at the earliest to him.
- ii) The Bank is committed to providing basic banking services to disadvantaged sections of the society. Banking services will be offered to them through no-frill accounts and accounts will be opened with relaxed customer acceptance norms as per regulatory guidelines.
- iii) The account opening forms and other material would be provided to the prospective depositor by the Bank. The same will contain details of information to be furnished and documents to be produced for verification and or for record, it is expected of the Bank official opening the account, to explain the procedural formalities and provide necessary clarification sought by the prospective depositor when he approaches for opening a deposit account.
- iv) The regulatory guidelines require banks to categorise 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 statutory obligations could also result in closure of the account after due notice(s) is provided to the customer.
- vi) For accounts like Savings Bank Account and Current Account, the Bank will normally stipulate certain minimum balances to be maintained as part of terms and conditions governing operation of such accounts. Failure to maintain minimum balance in the account will attract levy of charges as specified by the Bank in “Guide to Fees and Charges”, as amended from time to time. For Saving Bank Account, the Bank may also place restrictions on number of transactions, cash withdrawals, etc., for given period. Similarly, the Bank may specify charges for issue of cheque books, additional statement of accounts, duplicate passbook, folio charges, etc. All such details, regarding terms and conditions for operation of the account and schedule of charges for various services provided will be communicated to the prospective depositor while opening the account in the Bank’s “Guide to Fees and Charges”.

- vii) Savings Bank Accounts can be opened for eligible person/ persons and certain organizations/agencies (as advised by Reserve Bank of India from time to time)
- viii) Current Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies / Trusts. Departments of Authority created by Government (Central or State) Limited Liability Partnership, etc.
- ix) Term Deposits Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates / Societies / Trusts, Departments of Authority created by Government (Central or State), Limited Liability Partnership, etc.
- x) The due diligence process, while opening a deposit account will involve satisfying about the identity of the person, verification of address, satisfying about his occupation and source of income. Obtaining introduction of the prospective depositor from a person acceptable to the Bank and obtaining recent photograph of the person/s opening / operating the account are part of due diligence process.
- xi) In addition to the due diligence requirements, under KYC norms the Bank is required by law to obtain Permanent Account Number (PAN) or alternatively declaration in Form No. 60 or 61 as specified under the Income Tax Act / Rules.
- xii) 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). Savings Bank Account can also be opened by a minor jointly with natural guardian or with mother as the guardian (Status: known as Minor's Account). Minors above the age of 10 will also be allowed to open and operate saving bank account independently. However, no overdrafts will be granted to these minors. Savings Bank Account can also be opened by a minor represented by guardian or jointly with a major, where minor is represented by natural guardian. Minors above the age of 10 will also be allowed to open and operate Savings Bank Account subject to restrictions on transactions and no cheque books will be provided to such accounts.
- xiii) 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. The mandate for operating the account can be modified with the consent of all account holders. The Savings Bank Account opened by minor jointly with natural guardian / guardian can be operated by such guardian only.
- xiv) The joint account holders can give any of the following mandates for the disposal of balance in the above accounts:
  - (a) Either or Survivor: If the account is held by two individuals say, A & B, the final balance along with interest, if applicable, will be paid to survivor on death of anyone of the account holders.
  - (b) Anyone or Survivor/s : If the account is held by more than two individuals say, A, B and C, the final balance along with interest, if applicable, will be paid to the survivor on death of any two account holders. 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.
- xv) 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.
- xvi) 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. In case of absence of any instructions deposits will be treated as an auto renewal deposit and should be renewed for a similar period.
- xvii) Nomination facility is available on all deposit account opened by individuals. Nomination is also available to an account opened by a sole proprietor. 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. Nomination can be modified by the consent of account holder/s. Nomination can be made in favour of a minor also.
- xviii) Bank recommends that all depositors avail of 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.
- xix) A statement of account will be provided by the Bank to Savings Bank account holders as well as Current Account holders periodically as per terms and conditions of opening of the account. Alternatively, the Bank may issue a Pass Book to Savings Bank Account holders.
- xx) The deposit accounts may be transferred to any other branch of the Bank at the request of the depositor.

### **3. Interest Payments**

Interest rates are decided by the Bank within the general guidelines issued by the Reserve Bank of India from time to time.

The rate of interest on deposits will be prominently displayed in the branch premises.

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. 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.

### **4. Minors' Accounts**

The minor can open Savings Bank Account and the same can be operated by the natural guardian or by minor himself / herself, if he/she is above the age of 10 years. The account can also be opened jointly.

On attaining majority, the erstwhile minor should confirm the balance in his/her account and if the account is operated by the natural guardian / guardian, fresh specimen signature of erstwhile minor duly verified by the natural guardian would be obtained and kept on record for all operational purposes.

### **5. Addition or deletion of the name/s of joint account holders**

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

### **6. Non Resident and Foreign Currency Accounts**

The Bank offers a range of Deposit Accounts for Non Resident Indian and certain other permitted individuals and corporates like Non Resident (External) Rupee account (NRE), Foreign Currency Non Resident Account (FCNR), Non Resident Ordinary Account (NRO), Resident Foreign Currency (Domestic ) Account (RFCN).

Opening and maintaining of such Non Resident and foreign currency accounts is guided by the Foreign Exchange Management Act-1999 (FEMA) and regulations framed thereunder.

### **7. Customer information**

The customer information collected from the customers shall not be used for cross selling of services or products by the Bank, their subsidiaries and affiliates unless the customer has given his express or implied consent to the same.

### **8. Secrecy of customer's accounts**

The Bank shall not disclose details / particulars of the customer's account to a third person or party except as provided in the Bank's 'Privacy Policy' or without the expressed or implied consent from the customer.

### **9. 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. The Bank shall declare their charges for premature withdrawal of term deposit. The Bank shall make depositors aware of the applicable charges along with the deposit rate.

### **10. Renewal of overdue term deposits**

The customer may choose rollover instructions at the time of placing a deposit or during the term from the options and in the manner specified by the Bank from time to time. In the event the customer has not provided the Bank with rollover instructions relating to any deposit and interest accrued during the expiring term, the Bank will rollover the customer's deposit and any interest accrued automatically for a new term of the same duration as the immediately preceding term and the customer will be bound by Bank's 'Terms and Conditions' in relation to that rolled over deposit as if the customer had provided with instructions to roll over the deposit.

### **11. Advances against deposits**

The Bank may consider request of the depositor/s for loan / overdraft facility against term deposits duly discharged by the depositor/s on execution of necessary security documents. The Bank may also consider loan against deposit standing in the name of minor, however, a suitable declaration stating that loan is for the benefit of the minor, is to be furnished by the depositor - applicant.

### **12. Settlement of dues in deceased deposit account**

If the customer has registered nomination with the Bank, the balance outstanding in the account of the deceased customer will be transferred to the account of / paid to the nominee after the Bank satisfies about the identity of the nominee, etc. This procedure will be followed even in respect of a joint account where nomination is registered with the Bank. In a joint 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 customer(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 or survivor", the payment will be made as per the mandate to avoid delays in production of legal papers by the heirs of the deceased.

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 up to the limit approved by the bank's board.

### **13. Interest payable on term deposit in deceased account**

In the event of death of the customer before the date of maturity of deposit and amount of the deposit is claimed after the date of maturity, the Bank shall pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment, the Bank shall pay simple interest at the applicable rate obtaining on the date of maturity, for the period for which the deposit remained with the Bank beyond the date of maturity; as per the Bank's policy in this regard.

However, in the case of death of the customer after the date of maturity of the deposit, the Bank shall pay interest at savings deposit rate obtaining on the date of maturity from the date of maturity till the date of payment.

### **14. Insurance Cover for Deposits**

All deposits with the Bank are covered under the insurance scheme offered by Deposit Insurance and Credit Guarantee Corporation of India (DICGC) subject to certain limits and conditions.

### **15. Stop Payment Facility**

The Bank will accept stop payment instruction from the depositors in respect of cheques issued by them. Charges, as specified, will be recovered as specified in the Bank's 'Guide to Fees and Charges'.

### **16. Dormant Accounts**

Accounts which are not operated for a period of two years will be transferred to a separate dormant / inoperative account status in the interest of the depositor as well as the Bank. The depositor will be informed of charges, if any, which the Bank will levy on dormant / inoperative accounts. The depositor can request the Bank to activate the account for operating it.

### **17. Redressal of complaints and grievances**

Depositors having any complaint / grievance with regard to services rendered by the Bank have a right to approach authority(ies) designated by the Bank for handling customer complaint / grievances as per the 'Grievance Redressal Policy'. The Grievance Redressal Policy will be displayed in the branch's premises'. In case the depositor does not get response from the Bank within 30 days from date of complaint or he is not satisfied with the response received from the Bank, he has a right to approach Banking Ombudsman appointed by the Reserve Bank of India.

### **18. Approved Currencies and Minimum Amounts**

Approved currencies and minimum amounts for each account change from time to time and are displayed in our Branch or available from your Relationship Manager.

For more information call  
National Australia Bank Limited,  
Mumbai Branch

**+91 22 6198 8200**

or visit [www.nabasia.in](http://www.nabasia.in)