



# **POLICY ON BANK DEPOSITS**

Approved by Board vide agenda no.11 in its meeting held on  
9<sup>th</sup> March, 2013

**Branch Control Department  
KSC Apex Bank Ltd.,  
Chamarajpet, Bangalore.  
01.04.2013**

## POLICY ON DEPOSIT ACCOUNTS

### PREAMBLE:

This policy on bank deposits outlines the guiding principles in respect of various deposit products offered by our bank and terms and conditions governing the conduct of the account. This policy discloses the various aspects of acceptance of deposits from members of public, conduct and operation of various deposit accounts, payment of interest on various deposit accounts, closure of deposit accounts etc., for the benefit of the customers. The aim of this policy is to create awareness among customers of their rights and to ensure that the customer will get services for which they are entitled.

### TYPES OF ACCOUNTS:

- a. **‘Demand deposit’** means, a deposit received by the bank which is withdrawable on demand.
- b. **‘Savings deposits’** means, a form of demand deposit which is a deposit account which is subject to the restrictions as to the number of withdrawals permitted by the bank during any specified period
- c. **‘Term deposit’** means, a deposit received by the bank for a fixed period and which is withdrawable only after the expiry of the said fixed period and shall also include deposits such as cumulative deposit, re-investment deposit, cash certificates etc.
- d. **‘Notice deposit’** means, term deposit for a specific period but withdrawable on giving at least one complete banking day’s notice.
- e. **‘Current Account’** means, a form of demand deposits where from withdrawals are allowed any number of times.
- f. **‘Budgetary Allocation’** means, the allocation of funds by the government made through the budget, wherein all the government’s expenditure is reflected. Any institution, irrespective of the fact that, it is a government department, semi-government or quasi government body which receives grants, loans or subsidies from the government is said to depend on budgetary allocation. Government grants to institutions are also in the nature of budgetary allocation. Government’s subscription to the share capital of these institutions also forms part of the budgetary allocation. Local bodies like Municipal corporation, Zilla Parishat, Taluk Panchayath and Grama Panchayath are given grants in the nature of ‘Compensation and assignments’, which also form part of budgetary allocation, although taxes collected by these bodies are not covered under the definition and scope of budgetary allocation of Central and State governments.
- g. The bank before opening any deposit account will carry out due diligence as required under ‘KNOW YOUR CUSTOMER’ (KYC) guidelines

issued by RBI , anti-money laundering rules and or such other norms or procedures as per customer acceptance policy of the bank .

**Method of calculation of interest:**

**On fixed deposit:**

Interest shall be calculated at quarterly intervals on term deposits and paid at the rate decided by the Bank depending upon the period of deposit. In case of monthly income schemes/where interest is paid at the end of each month, the interest shall be calculated for the quarter and paid monthly at discounted rate. In respect of deposits re-payable in less than 3 months or where the terminal quarter is incomplete, interest should be paid proportionately for the actual number of days reckoning the year at 365 days.

**On Reserve fund deposit:**

Bank can accept Reserve fund deposit from Societies/ DCC banks /Other Banks/institutions at their request. The rate of interest payable on such deposit shall be equal to the rate of interest payable on maximum period of term deposit and the same shall be paid on half yearly basis.

**On Cumulative/DJJ deposit:**

Interest compounded quarterly shall be payable on maturity along with principal amount at the rate decided by the Bank depending upon the period of deposit.

**Deduction of tax at source:**

The bank has a 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 depositor, if entitled to exemption from TDS can submit declaration in the prescribed form at the beginning of every year. Tax at source will not be deducted for the deposits accepted from members/associated members/nominal members of the Bank & this is subject to guidelines issued by the IT authorities from time to time.

**On Savings bank deposit:**

Interest shall be paid at the end of half year of each financial year, interest being calculated on daily closing balance.

**Payment of interest on term deposits maturing on sunday/ holiday/ non-business working day:**

In case of re-investment deposits and cumulative deposits interest shall be paid for the intervening Sunday / holiday/ non-business working day on the maturity value and in case of other term deposits, interest shall be paid for the

intervening Sunday / holiday/ non-business working day shall be paid on the original principal amount.

**Premature withdrawal of term deposit:**

On request from the depositor, bank shall allow withdrawal of a term deposit before completion of the period of deposit agreed upon at the time of making the deposit. The bank will have freedom to determine its own penal interest of premature withdrawal of term deposit. At present our bank is charging 1% penal interest on premature withdrawal of term deposit. By prematurely closing a term deposit, interest for the deposit for the period that it has remained with the bank will be paid at the rate applicable to the period for which the deposit remained with the bank after charging 1% penal interest for premature withdrawal and not at the contracted rate. Simple interest on premature withdrawal of deposits like DJJ deposit and Cumulative deposit shall be paid at the rate applicable on the date of acceptance of deposit for the period during which the deposit remained with the bank after charging 1% penal interest for premature withdrawal if the deposits are closed within twelve months from the date of opening. However, if the deposit is closed on the expiry of twelve months or more from the date of opening of the deposit account, interest on premature withdrawal of deposit shall be paid on compound basis with quarterly rests at the rate applicable on the date of acceptance of deposit for the period during which the deposit remained with the bank after charging 1% penal interest for premature withdrawal. The penalty for premature closure of term deposit shall not be levied in case of premature closure is sought by the nominee of a deceased depositor. No interest is payable, where the premature withdrawal of the deposit takes place before completion of the minimum period prescribed for term deposits.

**Renewal of a Overdue Deposit:**

Overdue term deposit shall be renewed at the rate of interest prevailing on the date of maturity only for an overdue period of 14 days.

In respect of renewal of overdue deposit for a period exceeding 14 days and if the depositor renews the entire amount of overdue deposit or a portion thereof as a fresh term deposit, the rate of interest payable shall be the rate of interest prevailing on the date of maturity or the rate of interest prevailing on the date of renewal, whichever is less, for the overdue period for the amount of fresh term deposit.

**Interest payable on the deposit account of a deceased depositor:**

In the event of the death of the depositor before the date of maturity of the deposit and the 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 operative on the date of maturity, for the period for which the deposit remained with the bank beyond the date of maturity. However, in case of the death of the depositor after the date of the maturity of the deposit, the bank shall pay interest at savings deposit rate operative on the date of maturity from the date of maturity till the date of payment.

In case of death of a senior citizen, the higher rate of interest paid to the senior citizen shall cease on the date of death. However, where the deposit is continued by the survivor/ nominee/legal representative by substituting the name of the nominee or legal representative of the senior citizen and that the survivor/ nominee/ legal representative is also a senior citizen on the date of death, the higher rate of interest paid to the senior citizen deposit shall be continued.

**Payment of interest on unclaimed Fixed (Term) deposit:**

In case fixed deposit (term deposit) matures and the proceeds remain unpaid, the amount left unclaimed with the bank will attract Savings Bank account rate of interest till date of payment.

**Payment of Interest on Accounts freezed by enforcement authorities:**

The following procedure shall be followed for payment of interest/ renewal in case of freezing of term deposit accounts by enforcement authorities:

1. A request letter shall be obtained from the customer on maturity. While obtaining such letter from the depositor for renewal, the customer must indicate the term for which the deposit is to be renewed. In case the depositor does not exercise his option of choosing the term for renewal, bank can renew the same for a term equal to the original term.
2. New deposit receipt shall not be issued. However, suitable note may be made regarding renewal in the deposit ledger.
3. Renewal of deposit shall be advised by registered post/speed post/courier to the concerned enforcement authority under advice to the depositor. In the advice to the depositor, the rate of interest at which the deposit is renewed shall also be mentioned.
4. If the overdue period does not exceed 14 days on the date of receipt of the request letter, renewal should be done from the date of maturity. If it exceeds 14 days, interest for the overdue period shall be paid and shall be kept in a separate interest free sub-account which should be released when the original fixed deposit is released.

5. With regard to the Savings bank account frozen by the enforcement authorities, interest shall be credited to the account on a regular basis.

**Payment of additional interest of 1% on deposits of bank's staff and their exclusive associations.**

Additional interest at the rate of 1% per annum over and above the rate of interest payable to the public shall be allowed to savings bank deposit or a term deposit account opened in the name of:

- a. A member or a retired member of the bank's staff, either singly or jointly with any member or members of his /her family; or
- b. An association or a fund, members of which are the members of the bank staff. However, bank employee's federation in which bank employees are not direct members are not eligible for additional interest.

In such cases, a declaration shall be obtained from the depositor concerned that the money is deposited or which may from time to time be deposited into such account/s belong to the depositor as stated in para (a) to (b) above.

**'A member of the bank's staff'** means, a person employed on a regular basis, whether full time or part time, and includes a person recruited on probation or on deputation and an employee taken over in pursuance of any schemes of amalgamation but does not include a person employed on casual basis.

In case of employees taken on deputation from another bank, the bank from which they are deputed may also allow additional interest in respect of the savings or term deposit account opened with it during the period of deputation.

In case of persons taken on deputation for a fixed duration or on a contract of fixed duration, the benefit will cease to accrue on the expiry of the term of deputation or contract, as the case may be.

**'A retired member of bank's staff'** means, an employee retiring whether on superannuation or otherwise as provided in the bank's subsidiary rules/service/staff regulation but does not include an employee **retired compulsorily or in consequence of disciplinary action.**

**'Family'** means and includes the spouse of the staff member/ retired staff member and the children, parents, brothers and sisters of the staff member/ retired staff member who are dependent on such staff member/ retired staff member, but does not include legally separated spouse.

### **Payment of Additional interest:**

Payment of Additional interest is subject to the following conditions:

- a. The additional interest is payable only so long as the person continues to be eligible for the same and in case of his ceasing to be so eligible, till the maturity of term deposit.
- b. In case of employees taken over pursuant scheme of amalgamation, the additional interest is allowed only if the interest at the contractual rate together with the additional interest does not exceed the rate, which could have been allowed to such employees were originally employed by the bank.
- c. Additional interest not exceeding 1% per annum over and above the regular rate of interest on deposits accepted/ renewed from the president, chief executive officer, secretary or any such other executive appointed shall be payable. However, they are eligible to get the above benefit only during the period of their tenure.
- d. In case of a deposit standing in the name of an HUF, additional interest either at the rate of 1% or higher rate of interest allowed to senior citizens shall not be paid even if the Karta of the HUF is a member of bank's staff/retired bank's staff or senior citizen, as the beneficial owner of the deposit is the HUF and not the Karta in his individual capacity.
- e. Retired staff, who are senior citizens, the benefit of higher interest rate as admissible to senior citizens shall be payable over and above the additional interest of one percent payable to them by virtue of their being retired members of the bank's staff.

### **Advance / Overdraft against term deposit:**

A margin of not less than 15% shall be maintained on any financial accommodation allowed against the security of term deposit. In case of a term deposit in the nature of recurring/re-investment deposits, principal and the interest accrued there on shall be taken into account for maintaining the above margin. If the deposit is in the Joint name or with repayment instruction 'Either or Survivor' or 'Former or Survivor', the consent of all the joint depositors/ both the depositors is necessary for availing advance. Interest on such advance shall be charged at 2% above the actual interest paid on the deposit and compounded every quarterly.

### **Repayment of Term/ Fixed deposits :**

When the deposit account is opened with the operating instructions 'Either or Survivor' or 'Former or Survivor' the deposit on maturity shall be re-payable on the discharge by one of the depositors in case of 'Either or Survivor' and on the discharge by former or survivor in case of 'Former or Survivor' deposit.

In case of the fixed or term deposit accounts opened with the operating instructions 'Either or Survivor', the signature of both the depositors need not be obtained for repayment of the amount of the deposit on maturity. However, the signature of both the depositors have to be obtained incase the deposit is to be paid before maturity. If the operating instruction is 'Either or Survivor' and one of the depositors expires before the maturity, no prepayment of the fixed/term deposit shall be allowed without the concurrence of the legal heirs of the deceased joint holder. This, however, will not stand in the way of making payment to the survivor on maturity or where the depositors, at the time of making deposit have specifically authorized the bank to make payment to the survivor before maturity in case of death of one of the joint depositors.

In case the mandate is 'Former or Survivor' the 'former' alone can operate/ withdraw the matured amount of the fixed/term deposit, when both the depositors are alive. However, the signature of the both the depositors need to be obtained in case of deposit is to be paid before maturity. If the 'former' expires before the maturity of the fixed/term deposit, the 'survivor' can withdraw the deposit on maturity. Premature withdrawal would however require the consent of both the parties when both of them are alive and that of the surviving depositor and the legal heirs of the deceased depositor in the case of death of one of the depositors.

If the joint depositors prefer to allow premature withdrawals of a fixed/term deposits also in accordance with the mandate of 'Either or Survivor' or 'Former or Survivor', as the case may be, the same may be allowed provided the depositors have given specific joint mandate for the said purpose.

**Addition or deletion of the name/s of Joint Account holders:**

At the request of all the joint account holders, the addition or deletion of name/s of joint account holders/s may be allowed if the circumstances so warrant or allow an individual depositor to add the name of another person as a joint account holder. However, in no case should the amount or duration of the original deposit undergo a change in any manner in case the deposit is a term deposit.

At the discretion and at the request of the all the joint account holders of a term deposit, the splitting of the joint deposit may be allowed in the name of each of the joint account holders only, provided that the period and the aggregate amount of the deposit do not undergo any change.

**Transferability**

The deposit account is not transferable from one person to another.



### **Opening of accounts in the name of minors with mother as guardian:**

Opening of savings bank account or fixed/term deposit account in the name of minors with mother as guardian is permitted. The said accounts shall not be allowed to be overdrawn and shall always remain in credit.

### **Nomination:**

The banking regulation Act 1949 as amended by banking laws (Amendment) act, 1983 has permitted nomination facility by introducing sections 45ZA to 45ZF for the following issues:

- 45ZA: To enable a banking company to make payment to the nominee of a deceased depositor, the amount standing to the credit of the depositor.
- 45ZC: To enable a banking company to return the articles left by a deceased person in the safe custody to his nominee, after making the inventory of articles.
- 45ZE: to enable a banking company to release the contents of a safety locker to the nominee of the hirer of such locker, in the event of the death of the hirer, after making an inventory of the contents of the safety locker.

Bank should generally insist that the person opening deposit account makes a nomination in order to avoid the inconvenience to the legal representatives in case of death of the depositor. In case the person opening the account declines to make nomination, the customer should be asked to give a specific letter to the effect that

he does not want to make a nomination. In case the person opening the account declines to give such letter also, the bank should record the fact on the account opening form and proceed with opening of the account, if otherwise eligible.

### **Acknowledgement of Nomination:**

The depositor should be given an acknowledgement, acknowledging the receipt of duly completed form of nomination, cancellation and or variation of nomination.

### **Register of Nomination:**

A register should be maintained to record the nomination, cancellation and or variation of the nomination.

### **Incorporation of the legend 'Nomination Registered' and name of the nominee:**

When the depositor has availed the nomination facility, the same shall be indicated on the passbook/deposit receipt by recording a legend 'nomination registered' so that in case of death of the account holder, his relatives can know that the nomination facility has been availed of by the deceased depositor.

Further, if the customers insist that the nominee's name should be recorded in the passbook/ term deposit, the same can be recorded.

**Nomination Facility - Sole proprietary concern:**

Bank can permit nomination facility in respect of deposit held in the name of a sole proprietary concern.

**Precautions to be taken while accepting nomination:**

- Nomination facility can be availed only by individuals including a sole proprietary concern.
- Nomination shall be made only in favour of individuals.
- There cannot be more than 1 nominee in respect of a deposit/ a joint deposit.
- Variation / cancellation of an existing nomination is permitted if requested by surviving depositor/s acting together.
- In case of joint deposit, the nominee's right arises only after the death of all the depositors.
- Wherever thumb impression is obtained, the same shall be attested by 2 witnesses.
- In case of lockers hired jointly, on the death of one of the joint hirer, the contents of the locker can be removed jointly by the nominee and the survivor/s after taking an inventory. In such a case, after such removal preceded by inventory, the nominee and the survivor/s may still keep the entire contents in the same locker, if they so desire, by entering into a fresh contract of hiring a locker. In case the locker was hired jointly with a survivorship clause with an instruction that access of the locker should be given over to 'Either or Survivor', or 'Anyone or Survivor', or 'Former or Survivor', or 'Latter or Survivor' or according to any other survivorship clause, the bank must comply with the mandate in the event of the death of one or more locker hirer and permit the survivor to access the locker after preparing an inventory. While preparing inventory, sealed/closed packets left in the lockers need not be opened. The inventory of the article left in the safe deposit locker shall be obtained in the following format:

**Form of Inventory of Contents of  
Safety Locker hired from Banking company  
(Section 45ZE(4) of the Banking Regulation Act, 1949)**

The following inventor of contents of Safety Locker No. \_\_\_\_\_ located in the Safe Deposit Vault of \_\_\_\_\_, \_\_\_\_\_ branch at \_\_\_\_\_.

\* hired by Shri/Smt. \_\_\_\_\_ deceased in his/her sole name.

\* hired by Shri/Smt. (i) \_\_\_\_\_ (deceased)  
(ii) \_\_\_\_\_ Jointly  
(iii) \_\_\_\_\_

Was taken on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

Sr.No.	Description of Articles in Safety Locker	Other identifying Particulars, if any

For the purpose of inventory, access to the locker was given to the Nominee/ and the surviving hirers

- Who produced the key to the locker
- By breaking open the locker under his/her/their instructions.

The above inventory was taken in the presence of:

1. Shri/Smt. \_\_\_\_\_ (Nominee) \_\_\_\_\_  
Address \_\_\_\_\_ (Signature)

Or

1. Shri/Smt. \_\_\_\_\_ (Nominee) \_\_\_\_\_  
Address \_\_\_\_\_ (Signature)

**And**

Shri/Smt. \_\_\_\_\_  
Address \_\_\_\_\_ (Signature)

Shri/Smt. \_\_\_\_\_ Survivors of  
Address \_\_\_\_\_ (Signature) joint heirs

2. Witness (es) with name, address and signature:

\* I Shri/Smt. \_\_\_\_\_ (Nominee)

\* We Shri/Smt. \_\_\_\_\_ (nominee), Shri/Smt.

\_\_\_\_\_ and Shri/Smt. \_\_\_\_\_ the survivor of the joint hires, hereby acknowledge the receipt of the contents of the safety locker comprised in and set out in the above inventory together with the copy of the said inventory.

Shri/Smt. \_\_\_\_\_(Nominee) Shri/Smt. \_\_\_\_\_  
Signature \_\_\_\_\_ Signature \_\_\_\_\_  
Date & place \_\_\_\_\_

Shri/Smt. \_\_\_\_\_(Nominee)  
Signature \_\_\_\_\_  
Date & Place \_\_\_\_\_

(\* Delete whichever is not applicable)

**Accounts with Survivor/ Nominee Clause:**

In case of deposit account, where the depositor had availed nomination facility or where the account was opened with the survivorship clause ('Either or Survivor', or 'Anyone or Survivor', or 'former or Survivor', or 'Latter or Survivor'), the payment of the balance in the deposit account to the survivor/s or nominee of a deceased depositor represent a valid discharge of the bank's liability provided:

1. Due care and caution has been taken in establishing the identity of the survivor/s or nominee and the fact of the death of account holder.
2. There is no order from the competent court restraining the bank from making payment from the account of the deceased.
3. It has been made clear to the survivor/s or nominee that he would be receiving the payment from the bank as a trustee of the legal heirs of the deceased depositor i.e., such payment to him shall not affect right or claim which any person may have against the survivor/s or nominee to whom the payment is made.
4. The payment to the survivor/s or nominee shall constitute a full discharge of the bank's liability and the bank should desist from insisting on production of succession certificate, letter of administration or probate etc., or insist on execution on a bond of indemnity or surety from the survivor/s or nominee irrespective of the amount standing to the credit of the deceased account holder.

**Treatment of flows in the name of deceased depositor:**

The survivor/s or nominee of a deposit account should furnish appropriate agreement or authorization with regard to treatment of pipeline flows in the name of deceased account holder. The survivor/s or nominee of a deposit account can authorize the bank to open an account under the name and style 'Estate of Sri/Smt....., the deceased' where all pipeline flows in the name of the deceased account holder are allowed to be credited, provided no withdrawals are made.

**OR**

The survivor/s or nominee of a deposit account can authorize the bank to return the pipeline flows to the remitter with the remark 'Account holder deceased' and to intimate the survivor/s or nominee of a deposit account accordingly.

**Substituting the name of the nominee or legal representative of a deceased depositor:**

On the death of a depositor, the name of the nominee or legal representative of a deceased depositor may be substituted.

**Settlement of claim in respect of missing persons:**

The settlement of claim in respect of missing persons is governed by the provisions of section 107/108 of the Indian Evidence Act, 1872. Sec. 107 deals with presumption of continuance and 108 deals with presumption of death. As per the provisions of sec.108, the presumption of the death can be raised only after a lapse of 7 years from the date of his/her being reported missing. As such, the nominee or the legal heir has to raise an express presumption of death of the depositor under sec. 108 of the Indian evidence act before a competent court. If the court presumes that he/she is dead, then the claim in respect of missing person can be settled on the basis of the same. The nominee or the legal representative shall furnish copy of the FIR, non-traceable report issued by the police authority and the letter of indemnity. The claim in respect of missing persons can be settled with the prior permission of the head office.

**Lien:**

The Bank has a paramount lien/right of set-off on the deposit account and it reserves to itself its right to appropriate the deposit amount towards any financial obligation of the depositor in any capacity to the Bank.

**Repayment of Term Deposit of Rs. 20,000/- and above:**

1. As per section 269T of the IT Act, any term deposit shall not be repaid otherwise than by an account payee cheque or account payee draft drawn in the name of the person who has made the deposit or for credit to an account in the name of the person who has made the deposit if ;
  - a. The amount of the deposit together with interest, if any, payable thereon or
  - b. The aggregate amount of deposit held by such person, with the branch (aggregate amount of deposit held by a person with the branch and not the bank as a whole) either in his own name or jointly with any other person, on the date of such repayment together with interest, if any, payable on such deposits is Rs. 20,000/- or more.

2. Payment of interest on deposits could be made in cash periodically. But, if on the maturity of the deposit, the aggregate amount of the principal together with the interest thereon is Rs. 20,000/- or more then the payment should be made as detailed under Para 1.
3. In respect of a deposit against which a loan is outstanding, loan transaction is to be ignored and payment shall be made as detailed under Para 1.
4. Section 271E of the IT act provides for levying penalty for breach of the provisions of Section 269 and permits the authorities to levy a fine equal to the amount of such deposit/s.

**Maximum period of term deposit:**

Maximum period for which bank can accept a term deposit shall be 120 months. However, this shall not be applicable for RFD deposits and deposit placed in terms of orders of competent courts.

**Proper introduction:**

1. A bank account shall not be normally opened without a meeting between the bank official and the customer.
2. The prospective account holder/s should be invariably insisted upon to furnish introduction from either any of the existing account holder or a respectable member of the local community known to the bank's staff.
3. The person giving introduction should be of some standing and in case of account holder, have an account with the bank for at least 6 months. This will enable the bank to monitor the introducer's account and to satisfy as to the transactions in the introducer's account are satisfactory.
4. Customers of good standing need to be educated regarding the implications of introducing an account without knowing the parties.
5. When an introducer does not personally call at the branch to introduce an account, the fact of having introduced a new account should be got confirmed from him in writing.
6. The bank should send a letter by post both to the customer and the introducer and seek their confirmation. Alternatively, a thanking letter to both the customer and the introducer will serve the purpose.

**Photographs:**

1. The bank should obtain recent photographs of the depositor / account holders who are authorized to operate the account at the time of opening of all types of accounts.
2. Only one set of photographs need to be obtained and separate photographs need not be obtained for each category of deposit. However, the application for different types of deposit accounts should be properly referenced.

3. The bank should also obtain photographs of 'Pardanashin' women.
4. Photographs of persons authorized to operate SB and Current account should be obtained. In case of other term deposits, photographs of all depositors in whose name the deposit receipt stands may be obtained except in case of deposits in the name of minor, where guardian's photograph need to be obtained.
5. Photograph need not be insisted upon by bank in case of term deposit for an amount up to and inclusive of Rs.10,000/-
6. Banks, local authorities, government departments are exempted from furnishing photographs.

**Accounts of Proprietary Concern:**

At the time of opening the account of proprietary concerns, the following documents may be called for and verified:

1. Identity and the address proof of the proprietor by verifying documents like Passport, PAN Card, Voter ID Card, Driving Licence, Aadhar Card.
2. Proof of the name, Address and Activity of the concern like registration Certificate, Certificate/Licence issued by Municipal Authorities under Shops and Establishment Act, Sales/IT Returns/Professional Tax Returns, CST/VAT Certificate, Certificate issued by Institute of Chartered Accountants, Cost Accountants, Company Secretary, Indian Medical Council, Food and Drug Control Authorities.

**Prohibition on crediting proceeds of an account payee cheque to a third party account:**

The Reserve Bank of India has prohibited the banks from crediting proceeds of 'Account Payee' cheque to the account of any person other than the payee named therein. However, with a view to mitigate the difficulties faced by the members of Cooperative Credit Societies in collection of 'Account payee' cheques, the banks are permitted to collect such cheques for an amount not exceeding Rs.50,000/- to the account of their customers who are Cooperative Credit Societies, if the payees of such cheques are the constituents of such Cooperative Credit Societies. While collecting such cheques, bank should have a clear representation in writing given by the concerned Cooperative Credit Societies to the effect that, upon realization, the proceeds of the cheque will be credited only to the account of the payee of the cheque who is a member of a cooperative Credit Society. This relaxation is subject to fulfillment of requirements of the provisions of negotiable instrument Act, 1881, including Sec.131 thereof. The said relaxation shall extend to drafts, pay orders and bankers cheque.

**Payment of Cheque, Drafts, Pay orders or Banker's cheque:**

With effect from 1<sup>st</sup> April, 2012, banks should not make payment of cheques/ drafts/pay orders/ banker's cheques bearing that date or any subsequent dates, if

they are presented beyond the period of 3 months from the date of such instruments.

**Remittances:**

Bank should ensure that, any remittance of funds by way of demand draft / pay order/ banker's cheque / mail transfer / telegraphic transfer / NEFT / RTGS or any other mode of remittance for value of Rs. 50,000/- and above is effected only by way of debit to the customer's account or against cheques and not against cash payment.

APEX BANK DEPOSIT POLICY