

**BANK'S POLICY ON BULK DEPOSITS – F.Y. 2019-2020 & ONWARDS**

**Acceptance / Maintenance of Term Deposits of ₹2.00 Crore and above**

**1. Definition of Bulk Deposit**

**1. Definition of Bulk Deposit:**

**As per RBI Guidelines, "Bulk Deposit" means "Single Rupee term deposits of Rupees two crore and above."**

Further, the deposits accepted from the depositor shall not be split into smaller amount with the purpose of issuing multiple deposit receipt to take the benefit of difference in rate of interest in the rate buckets offered by the bank.

Accordingly, **issuance /creation of single / multiple term deposit (i.e. fresh deposit/ inclusion of fresh amount on renewal of existing term deposit) in favor of same customer (having unique cust-id) where total amount equals to or exceeds ₹2.00 Crore in a single day irrespective of their date of maturity shall be treated as "Bulk Deposit".**

➤ **Differential interest rate on the Rupee Term Deposits shall be offered only on bulk deposits. (Ref: RBI Master Direction DBR. Dir. No. 84/13.03.00/2015-16 dated March 03, 2016) and such term deposits are opened in Finacle in separate Scheme Codes which are as under:**

**TD 308- FDR- DRI**

**TD 309- CDR- DRI**

**TD 318- FDR – Quarterly- DRI**

The rate of interest for the slab of **"Term Deposits of ₹ 2.00 Crore & above"** shall be displayed on our Bank's website and OBCWEB portal on daily basis.

**The bank shall maintain the bulk deposit interest rate card in their Core banking system to facilitate supervisory review."**

**2. Opening of Bulk Deposit**

Delegated Powers of Branches:

- Presently 115 branches have been designated to accept single deposit of above ₹10 crore
- Other than the above mentioned 115 designated branches, which accept deposits of above ₹10 crore, the other branches have also been authorized to accept amount of Fixed Deposit on the basis of branch's category as under:

<b>Category of the branch</b>	<b>Amt. of Fixed Deposit</b>
Rural	<b>Up to ₹2.00 Crore</b>

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Semi Urban	Up to ₹2.00 Crore
Urban	Up to ₹5.00 Crore
Metro	Up to ₹10.00 Crore

- Circle Head are authorized to allow the branches for accepting the deposits more than the limit fixed as mentioned above subject to maximum of ₹10.00 crore **at card rate**.
- Circle Head shall obtain prior permission from Treasury Deptt. at Head Office for accepting Bulk Deposits for amount exceeding **₹10.00 crore at card rate** subject to change, if any, as communicated by Treasury from time to time. **However, permission for offering differential rates of interest irrespective of amount shall be taken from Treasury.**
- The entire information regarding acceptance of bulk Deposits more than the limit fixed as mentioned above subject to maximum of ₹10.00 crore under respective Circle Office (CO) shall have to be reported by respective Circle Office to General Manager (Corporate Strategy & Planning).
- Thereafter, Corporate Strategy & Planning Vertical shall put the permission status of the Branches/ Circle Offices accepting bulk deposit above their threshold limit to ALCO on monthly basis.

### 3. Splitting up of Term deposit

The deposits accepted from the depositor shall not be split into smaller amount with the purpose of issuing multiple deposit receipt to take the benefit of difference in rate of interest in the rate buckets offered by the bank.

### 4. Shifting of Account from one CO/Branch to another CO/Branch

Liability account of ₹ 10.00 crore and above shall not be transferred from one Branch to another Branch without the prior permission of General Manager (Corporate Strategy & Planning).

### 5. Acceptance of Deposits per Customer

Taking into consideration the deposit mix of the Bank, per customer limit for acceptance of term deposits of ₹4000.00 crore has been fixed. However single deposit under overall limit of ₹ 4000.00 crore cannot exceed ₹2500.00 crore.

**MD&CEO / ED (as per their availability) shall be the Competent authority to allow deviation in regard to acceptance of bulk deposit above the prescribed limit subject to reporting the same to the Board in next meeting.**

The deposit received through court for issuance of single or multiple deposit aggregating above **₹2.00 Crore** will be provided retail deposit rate.

**6. Staff Account**

Additional rate benefits as offered to staff in Retail Term Deposit scheme (i.e. less than **two crore**) is not applicable in Bulk deposit i.e. term deposit of **₹ 2.00 Crore** and above.

**7. Higher Rate of Interest to Senior Citizens (including Ex-Staff)**

The Senior Citizens (A person having attained the age of 60 years) are not entitled for Higher and Fixed Interest Rate on Domestic Term Deposits as prescribed by Bank from time to time over and above normal Interest Rate applicable on Domestic Term Deposits above **₹ 1.00 Crore & above**.

**8. Flexi Deposit Scheme**

Flexi deposit accounts with term deposit of **₹ 2.00 Crore** and above will be governed by guidelines as applicable to bulk deposits.

**9. Premature withdrawal of Bulk Deposits (Term deposits of ₹ ₹ 2.00 Crore and above)**

- One day Notice Period shall be required for premature withdrawal of ₹ 10.00 Crore and above. Bank shall notify such depositors of its policy of one day notice period at the time of accepting such deposits. The branches are advised to affix the rubber stamp on the Term Deposit Receipt of ₹ 10.00 Cr. and above that “One day Notice Period shall be required for premature withdrawal of Term Deposit” The General Manager (Treasury) / DGM (Treasury)/ **AGM(Treasury) (In absence of GM/ DGM-Treasury)** shall be authorized to waive the notice period if required.
- 1% penalty to be levied on premature withdrawal of all Bulk Deposits (including NRE and NRO Deposits) of **Rs. 2.00 Crore** and above accepted/renewed w.e.f. 27<sup>th</sup> Feb'2019. **Branch shall notify the depositors about the penalty clause at the time of accepting bulk deposits or submitting bid/ quotation for accepting bulk deposits.** GM (Corporate Strategy & Planning) shall be authorized to waive off the penalty on case to case basis.

**Further, the applicable penalty clause shall also be printed on Term Deposit Receipt issued to the customer for their awareness.**

- The bank shall have the discretion to disallow premature withdrawal of Term Deposit of **₹ 2.00 Cr** and above of all depositors including individual and Hindu Undivided Families (HUF).

**The delegated power to permit/ allow pre-mature withdrawal of Term Deposit of ₹ 2.00 Cr and above shall be as under:**

<b>Amount of Term Deposit</b>	<b>Delegated Authority</b>
<b>Term Deposit of Rs. 2.00 Cr to less than 5.00 Cr. (Without waiver of premature penalty) (Including</b>	<b>Respective Circle Head</b>

<b>MCB &amp; Excluding LCB Branches)</b>	
<b>Term Deposit of Rs. 2.00 Cr to less than 5.00 Cr. (Without waiver of premature penalty) (For LCB Branches)</b>	<b>The Branch Incumbent of the respective Branch</b>
<b>Term Deposit of Rs. 5.00 Crore &amp; above</b>	<b>GM (Corporate Strategy &amp; Planning)</b>
<p><b>However, the delegated power with regard to permission of premature closure of Bulk Deposit of Rs.2 Crore &amp; Above, <u>kept under Bank's lien as margin/ collateral or primary security</u> shall be vested with Circle Head of the respective Circle Office.</b></p> <p><b>Further, in respect of term deposits kept as margin/collateral or primary security with MCB/LCB, the delegated power with regard to permission of premature closure of Bulk Deposit of Rs.2 Crore &amp; Above shall be vested with the Incumbent of respective MCB/LCB.</b></p>	

- The entire information regarding the permission for premature withdrawal shall be recorded by the Corporate Strategy & Planning Vertical, which has to be reported to ALCO at monthly intervals.
- In case of premature withdrawal of deposit, interest will be paid at the rate as per the Card Rate on the date of original contract or date of payment, whichever is less, for the period the deposit remained with the bank with applicable penalty as per Bank's Policy. **This guideline shall also be applicable on the Bulk Deposits accepted at Differential Rates of Interest (DRI). Branch shall notify the depositors about this condition at the time of accepting bulk deposits or submitting bid/ quotation for accepting bulk deposits.**

**9. Loan against Bank's own Bulk Deposit**

Loan against Bank's own Deposit has been included in Loan Policy and Credit Risk Management Policy of the Bank issued by Risk Management Deptt.

**10. Guidelines on Bulk Deposit – Precautions to be taken**

<b>SN</b>	<b>In Case of</b>	<b>Action to be Taken</b>
1.	Fresh Term Deposit	All Fixed Deposits shall be examined to ensure KYC and other Compliance.
2.	Existing Term Deposits	All Fixed Deposits shall be examined to ensure KYC and other Compliance.

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3.	Loan against Fixed Deposit	The Fixed Deposits against which loans/ overdrafts have already been sanctioned to the beneficiary of the account shall be reviewed at the branch level to ensure meticulous compliance of the guidelines on loan against Bank's own Deposit.
4.	Third Party Borrowers Loan against Term Deposits (Fresh and Existing)	The KYC of third Party shall be verified and the status of the same shall be got confirmed from the organization, corporate, individual in whose name the FDR has been issued. Disbursement of loans shall be routed through the account in the name of Loanee only.
5.	Concurrent Auditors	Wherever the Concurrent Auditors are appointed, they shall also review the accounts of <b>₹2.00 Crore</b> & above.

### 11. Follow up Action

- ❖ In case of opening of Fixed Deposits (**₹2.00 Crore** & above) and any transaction in the said Fixed Deposit, a confirmatory letter in the form of a 'Thank You' note shall be sent by the branch to the beneficiary through post as well as email and SMS wherever email id and mobile number is available giving necessary details.
- ❖ In case of fixed deposits of **₹2.00 Crore** & above the opening of a fixed deposit shall be followed by a personal visit (same day or very next day) by the Branch Incumbent/Officer of the branch, to the office/residence of the beneficiary. FDR Receipt shall be handed over to the beneficiary personally at the time of visit.
- ❖ Capturing mobile number of the depositor in case of all Fixed Deposit of **₹2.00 Crore** & above shall be mandatory. In all new fixed deposit accounts & also in the existing accounts where mobile no. is already captured in the account, the SMS alert will go to the depositors irrespective of the amount of deposit as soon as some credit facility is granted against their deposit & lien is marked.
- ❖ Alerts shall be generated for transactions of ₹ **₹2.00 Crore** & above in Fixed Deposit accounts for monitoring by Circle Head at Circle Office.
- ❖ Staff is advised to ensure strict compliance of the above guidelines and staff accountability for any lapse on the part of staff in complying with the laid down guidelines shall be fixed as per Staff Accountability Policy of the Bank.
- ❖ The statutory/concurrent auditors shall also monitor the above aspects more closely.

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