

SOCIETE GENERALE INDIA

POLICY ON BANK DEPOSITS.

[GTPS/PCM/IND]

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Table of Contents

1. INTRODUCTION	3
1.1 OBJECTIVE AND SCOPE:	3
2. TYPES of DEPOSIT ACCOUNTS:	4
2.1.1 DEMAND DEPOSITS	4
2.1.2 SAVING DEPOSITS	4
2.1.3 TERM DEPOSITS	4
2.1.4 BULK DEPOSITS	4
2.1.5 CURRENT ACCOUNT	4
2.2 ACCOUNT OPENING AND OPERATION OF DEPOSIT ACCOUNTS	5
2.2.1 INTEREST PAYMENT	6
2.2.3 SECRECY OF CUSTOMER'S ACCOUNTS	7
2.2.4 AUTO RENEWAL OF TERM DEPOSIT	8
2.2.5 PREMATURE WITHDRAWAL OF TERM DEPOSIT	8
2.2.6 PREMATURE RENEWAL OF TERM DEPOSIT	8
2.2.7 RENEWAL OF OVERDUE TERM DEPOSITS	9
2.2.8 ADVANCES AGAINST DEPOSITS	10
2.2.9 INSURANCE COVER FOR DEPOSITS	10
2.2.10 STOP PAYMENT FACILITY	10
2.2.11 DORMANT ACCOUNTS	10
2.2.12 FROZEN ACCOUNTS	11
3. REDRESSAL OF COMPLAINT AND GRIEVANCES	11

1. INTRODUCTION

To create awareness among the public of their rights as bank depositors, all banks are required to put in place a deposit policy document containing the operational aspect of the deposit-products offered by them. Depositor's being the major stakeholders of the Banking system, their interests form the key area of the regulatory framework for banking in India and this has been enshrined in the Banking Regulation Act 1949. The Reserve Bank of India is empowered to issue directives/advise on interest rates on deposits and other aspects regarding conduct of deposit accounts from time to time. With the liberalization of the financial system and the deregulation of interest rates, banks are now free to formulate deposit products within the broad guidelines issued by RBI.

1.1 OBJECTIVE AND SCOPE:

This document outlines the guiding principles in respect of INR deposit products offered by the Indian branches of Societe Generale, (hereinafter called SG India). Recognizing the rights of depositors, the policy aims at dissemination of general information with regards to

- Acceptance of deposits from public
- Conduct and operations of various deposit accounts,
- Payment of interest on various deposit accounts,
- Closure of deposit accounts,
- For the benefit of customers.

The ultimate rights and obligations of the SG Branches in India and the deposition will be governed by the terms and conditions of the [Account Opening Documentation]. Detailed operational instruction on various deposit schemes and related services will be issued from time to time. As SG India functions mainly as a wholesale bank and does not undertake any Retail Banking operations currently in India, only limited deposit products including Savings Bank account are offered to clients. Acceptance of retail deposits are exceptional and at the sole discretion of SG India

2 TYPES of DEPOSIT ACCOUNTS:

While various deposit-products offered by SG India are assigned different names, they can be categorized broadly into the following types.

2.1.1 DEMAND DEPOSITS

Demand deposit means a deposit received which is withdrawable on demand: "Flexi fixed deposit": is a special kind of deposit. It's a combination of demand deposit and a flexi deposit. The depositor is able to enjoy both the liquidity of current A/Cs and the high return of fixed deposit

2.1.2 SAVING DEPOSITS

Saving Deposit means a form of demand deposit which is subject to restrictions as to the number of withdrawals as also the amounts of withdrawals permitted during any specified period;

2.1.3 TERM DEPOSITS

Term deposit means a deposit received for a fixed period withdrawable after the expiry of the fixed period and include deposits such as /Short Deposits/Fixed Deposits. Banks shall have the freedom to determine the maturity/tenor of the deposit subject to the condition that minimum tenor of the deposit offered shall be seven days. Bank shall at its discretion provide rates for tenors over one year.

2.1.4 BULK DEPOSITS

"Bulk Deposit" means term deposit for value as defined by RBI from time to time. Currently the same is for Rupees two crore and above as notified by RBI in RBI/2018-19/128 Circular - DBR.DIR.BC.No.27/13.03.00/2018-19 dated February 22, 2019. Deposit rates for this category of deposits shall not be published on the Bank's website. Bank shall at its discretion provide rates and accept bulk deposits.

2.1.5 CURRENT ACCOUNT

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.

2.2 ACCOUNT OPENING AND OPERATION OF DEPOSIT ACCOUNTS

SG India, before opening any deposit account will carry out due diligence as required under “Know Your Customer” (KYC) guidelines issued by RBI and or such other internal guidelines as stipulated by the SG Group Global Anti Money Laundering (AML) Policy & Procedures and operational instructions on Combating Terrorist Financing. An Account will be opened only after completion of the KYC and necessary account opening documents as prescribed in the local KYC AML Policy. The account opening forms and other materials would be provided to the prospective depositor by SG India. Along with the duly filled Account opening form, the additional documents like Board resolution, Certified True Copies of Proof of ID, address, PAN card/Form 60 for all the authorized representatives, signature card attested by existing bankers if any, credit facility declaration where applicable and other additional documents (where applicable) are obtained. The same will contain details of information to be furnished and document to be produced for verification and or for record. SG India would explain the procedural formalities and provide necessary clarifications sought by the prospective depositor when approached for opening a deposit account. For deposit products like Current Deposit Account, SG India will normally stipulate certain minimum balances to be maintained as a 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 SG India from time to time.

Basis RBI circular RBI/2022-23/27 DOR.CRE.REC.23/21.08.008/2022-23 dated 19th April, 2022, SG bank shall not open current accounts for customers who have availed credit facilities in the form of cash credit (CC)/ overdraft (OD) from the banking system. Additionally will also be guided by the subsequent clarifications as provided by RBI from time to time on this subject.

A statement of account will be provided by SG India to Savings Bank as well as Current Deposit Account Holders periodically.

Similarly, SG India may specify charges for issue of cheque books, additional statement of accounts, , etc. All such details, regarding terms and conditions for operation of the accounts and schedule of charges will be communicated while opening the account. Since SG India is not carrying out any Retail banking operations, Saving Bank Accounts can be opened only in exceptional cases at SG’s sole discretion, for eligible person/persons and certain organizations/agencies (as advised by Reserve Bank of India (RBI) from time to time).

Current Accounts and Term Deposits Accounts can be opened by Private and Public Limited Companies/ Specified Associates/ Societies/ Trust etc. subject to such relationship being in line with the business strategy of SG India at SG's sole discretion.

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 SG India and obtaining recent photograph of the person/s opening /operating the account are part of the due diligence process.

The regulatory guidelines require banks to categorize customers for the purpose of transaction monitoring. Inability or unwillingness of a prospective customer to provide necessary information/details could result in SG not opening an account. Inability of an existing customer to furnish details required by SG to fulfill statutory obligations could also result in closure of the account after due notice(s) is provided to the customer and after customer providing the letter clearly requesting for the closure of the account.

In addition to the due diligence requirements, under KYC norms, all banks are required by law to obtain Permanent Account (PAN) or General Index Register (GIR) Number or alternatively, declaration in Form No. 60 or 61 as specified under the Income Tax Act/Rules.

The term deposit account holders at the time of placing their deposits can give instructions with regards to closure of deposit account or renewal of deposit for further period on the date of maturity. In absence of such mandate, SG India will seek instructions from the depositor/s as to the disposal of the deposit by sending an intimation before 1 working day of the maturity date of term deposit. It is also agreed that SG will not insist for a Current Account for availing the Fixed deposit facility provided the KYC formalities are completed and the CIF is generated.

**other conditions will be based on RBI guidelines published from time to time*

2.2.1 INTEREST PAYMENT

i) Fixed Deposits-

- a. Deposits can be accepted for a period as prescribed by RBI from time to time.
- b. Interest is calculated at simple interest and paid on maturity of the deposit or earlier, in case of pre-mature withdrawal.(As covered in detail under section 2.2.5 - Premature Withdrawal of Term Deposits)

- c. No Interest outflow is allowed under this scheme till the maturity of the deposit.
- ii) **Re-investment Fixed Deposit:-**
 - a. Deposits can be accepted for a period acceptable to the bank.
 - b. Interest is accumulated on quarterly compounding basis.
 - c. Interest is calculated on quarterly compounded rests and is deemed as re-invested to the principal.
- iii) **Current Accounts:-**
 - a. As per RBI regulations, all current accounts (including EEFC accounts) shall be non-interest bearing.

Interest on the fixed deposits shall be calculated on the basis of 365 days to a year.

In compliance with RBI Directives, no interest is payable on pre-mature closure of term deposits within 7 days of placement. The interest on term deposits is calculated by SG India in accordance with the formulae and conventions advised by Indian Bank's Association. The rate of interest on deposits can be obtained from the branch. Changes, if any, with regards to the deposit schemes and other related services shall also be communicated upfront and shall be prominently displayed.

SG India 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 / Rules. SG India 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.

2.2.2 CUSTOMER INFORMATION

The customer information collected from the customers for the purpose of KYC and AML requirements shall not be used for cross selling of services or products by SG India, their subsidiaries and affiliates. If SG India proposes to use such information, it should be strictly with the consent of the account holder.

2.2.3 SECRECY OF CUSTOMER'S ACCOUNTS

SG India shall not disclose details/particulars of the customer's account to a third person or party without the expressed or implied consent from the customer. However, there are some exceptions, viz disclosure of

information under compulsion of law, where there is duty to public to disclose and where interest of SG India requires disclosure.

2.2.4 MATURITY OF TERM DEPOSIT

SG India allows the client at the time of placing the deposit or up to 1 working day before the maturity date, to decide on maturity instructions as one of the below:

1. Credit Principal and Interest to Current Account
2. Auto-Renewal for a defined tenor at existing rate on maturity date
3. Instructions to be given on date of Maturity.

Any closure request on such renewed term deposits shall be considered as premature withdrawal.

2.2.4.1 AUTO RENEWAL OF TERM DEPOSIT

SG India offers the option for automatic renewal of term deposit for the same tenure at the rate of interest prevailing on maturity. If a deposit is auto renewed, per the instructions of the customer while placing a deposit, and thereafter, if the customer wishes to prematurely close the term deposit or renew it for a period shorter than the remaining period of the contract, SG India will determine the penal interest as per internal policy to be levied.

2.2.5 PREMATURE WITHDRAWAL OF TERM DEPOSIT

SG India on request from the depositor, shall allow withdrawal of term deposit before completion of the period of the deposit agreed upon at the time of placing the deposit. SG India shall make depositors aware of the applicable penal rate along with the deposit rate at the time of placement. SG India shall permit the premature withdrawal of Term Deposit - While prematurely closing a deposit, interest on 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 or the contracted rate, whichever is lower. No interest is payable, where premature withdrawal of deposits takes place before completion of the minimum period prescribed. SG India will determine penal interest applicable as per the policy.

2.2.6 PREMATURE RENEWAL OF TERM DEPOSIT

In case the depositor desires to renew the deposit by seeking premature closure of an existing term deposit account, SG India will permit the renewal at the applicable rate on the date of renewal, provided the deposit

is renewed for a period longer than the balance period of the original deposit. While prematurely closing a deposit for the purpose of renewal, interest if any on the deposit for the minimum period it has remained with SG India will be paid at the rate applicable to the period for which the deposit remained with SG India and not at the contracted rate. SG India will charge penalty as per internal policy for such premature renewals.

2.2.7 RENEWAL OF OVERDUE TERM DEPOSITS

When a term deposit is renewed on maturity, a renewed deposit interest rate for the period specified by the depositor as applicable on the date of maturity would be applied. If request for renewal is received after the date of maturity, such overdue deposits will be renewed with effect from the date of maturity at interest rate applicable as on the due date, provided such request is received within 14 days from the date of maturity. SG India may require renewal for a minimum of 15 days if the number of days remaining till the new maturity of the deposit is less than 15 days based on the back dated renewal of the overdue deposit. In respect of overdue deposits renewed after 14 days from the date of maturity, interest if any for the overdue period will be paid at the prevailing rate for renewal tenure.

2.2.8 ISSUE OF TERM DEPOSIT RECEIPT

SG India issues term deposit receipt indicating therein full details, such as, date of issue, period of deposit, due date, applicable rate of interest, etc. These deposit receipts may be in the form of physical deposit receipts or in the form of e-receipts.

2.2.9 PAYMENT OF INTEREST ON TERM DEPOSIT MATURING ON SUNDAY/HOLIDAY/NON-BUSINESS WORKING DAY

In case of reinvestment deposits and recurring deposits, SG India shall pay interest for the intervening Sunday/holiday/non-business working day (as also Saturday in case of NRE deposits) on the maturity value. However, in the case of ordinary term deposits, the interest for the intervening Sunday/holiday/non-business working day (as also Saturday in case of NRE deposits) shall be paid on the original principal amount....

2.2.10 PAYMENT OF INTEREST ON OVERDUE TERM DEPOSITS

If a Term Deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower.

2.2.11 Rounding off of transactions

All transactions, including payment of interest on deposits/charging of interest on advances, will be rounded off to the nearest rupee i.e., fractions of fifty paise and above shall be rounded off to the next higher rupee and fractions of less than fifty paise shall be rounded down to the nearest rupee.

2.2.12 Policy on Penal Interest:

SG India reserves the right to levy at least 1% as penal interest by reducing the same from the applicable rate of interest.

2.2.13 ADVANCES AGAINST DEPOSITS

SG India may, at its sole discretion, consider requests for loan/overdraft facility against SG India term deposits only on execution of necessary security documents.

2.2.14 INSURANCE COVER FOR DEPOSITS

All bank deposits are covered under the insurance scheme offered by Deposit Insurance and Credit Guarantee Corporation of India (DICGC) subject to certain limits and conditions. The details of the insurance cover in force will be made available to the depositor. Further details of the insurance scheme is available on the DICGC website (<https://www.dicgc.org.in/>) as well as a detailed FAQ on RBI website (<https://m.rbi.org.in/scripts/FAQView.aspx?Id=64>)

2.2.15 STOP PAYMENT FACILITY

SG India will accept stop payment instruction from the depositors in respect of cheques issued by them. Charges, as specified, will be recovered.

2.2.16 DORMANT ACCOUNTS

Accounts which are not operated for a period of 2 years will be classified as a dormant account and those which are not operated for a period of one year, would be classified as an 'inoperative account'. The depositor will be informed of the account being tagged as dormant/inoperative in advance and charges, if any, which SG India will levy on /inoperative accounts. The depositor can request SG India to activate the account for operating it. However, before agreeing to do so, SG India will be entitled to carry out a full fledged KYC and AML compliance drill afresh. for dormant account cases. However SG India will not levy penalties on customers who don't maintain minimum balance in a inoperative account / Dormant account. There will not be any charges for activation of inoperative account.

2.2.17 FROZEN ACCOUNTS

Term deposit Accounts which are frozen or not allowed to operate at the orders of the enforcement authorities will be paid interest on obtention of request letter for renewal for a term as per the depositor's option, on maturity. In case the depositor does not exercise his option of choosing the term for renewal, it will be renewed for a term equal to original term. The renewal of the same requires to be informed to the Government authorities as well as customer and should include the rate of interest. In case of overdue deposits, procedure on interest payment on overdue deposits to be followed. In case of frozen saving accounts, SG will credit the interest on a regular basis. Similarly no operations to be allowed in Current Accounts which has been frozen.

3 REDRESSAL OF COMPLAINT AND GRIEVANCES

Depositors having any complaint/grievance with regard to services rendered by SG India have a right to approach authority (ies) designated by SG India for handling customer complaint/grievances. The details of the internal set up for redressal of complaints/grievance, please refer SG India Customer Grievance Redressal Policy on SG India website.. The branch officials shall provide all required information regarding procedure for lodging the complaint. In case the depositor does not get a response from SG India within one month from the date of complaint or if he is not satisfied with the response received from SG India, he has a right to approach Banking Ombudsman appointed by the Reserve Bank of India. This information and the address of the Banking Ombudsman are advised by SG India to all Customers.

4 TRANSFER OF ACCOUNTS TO RBI UNDER D.E.A. FUND

As per RBI Circular DBOD.No.DEAF Cell.BC.101/30.01.002/2013-14 dated March 21, 2014, DBOD.No.DEAF Cell.BC.114/30.01.002/2013-14, and Depositor Education and Awareness Fund Scheme, 2014, SG India shall transfer to the Depositor Education and Awareness Fund, the amounts becoming due in each calendar month (i.e. proceeds of the dormant accounts and balances remaining unclaimed for ten years or more) as specified in the Scheme and the interest accrued thereon on the last working day of the subsequent month.

In case of demand from a customer/ depositor whose unclaimed amount/deposit had been transferred to Fund, SG India shall repay the customer/depositor, along with interest if applicable, and lodge a claim for refund from the Fund for an equivalent amount paid to the customer/depositor.

The interest payable, if any, from the Fund on a claim shall accrue only from the date on which the balance in an account was transferred to the Fund to the date of payment to the customer/depositor.

No interest shall be payable in respect of amounts refunded from the Fund, in respect of which no interest was payable by SG India to its customer/depositor.

Customers may please refer to the list of unclaimed deposits and procedure for claiming the same on SG India website.