



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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**Reserve Bank of India (Rural Co-operative Banks – Responsible Business  
Conduct) Directions, 2025**

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In exercise of the powers conferred by Sections 21, 35A, 45ZC(3), 45ZE(4) and 56 of Banking Regulation Act, 1949 and all other provisions / laws enabling the Reserve Bank of India (hereinafter called 'the Reserve Bank) in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Directions hereinafter specified.

## **Chapter I – Preliminary**

### **A. Short Title and Commencement**

1. These Directions shall be called the Reserve Bank of India (Rural Co-operative Banks - Responsible Business Conduct) Directions, 2025.
2. These Directions shall become effective from the date of issue, unless indicated otherwise.

### **B. Applicability**

3. These Directions shall be applicable to Rural Co-operative Banks (hereinafter collectively referred to as 'RCBs' and individually as an 'RCB') operating in India.

*In this context, Rural Co-operative Banks shall mean State Co-operative Banks and Central Co-operative Bank, as defined in the National Bank for Agriculture and Rural Development Act, 1981.*

### **C. Definitions**

4. In these Directions, unless the context states otherwise, the terms herein shall bear the meaning assigned to them below:
  - (1) **'Accounts with survivorship clause'** mean joint deposit accounts styled as 'either or survivor', or 'anyone or survivor', or 'former or survivor' or 'latter or survivor' or any other such clause.
  - (2) **'Apostille'** means a certificate that authenticates the origin of a public document (e.g., a birth, marriage or death certificate, a judgment, an extract of a register or a notarial attestation). Apostilles can only be issued for documents issued in one country party to the Hague Apostille Convention and that are to be used in another country which is also a party to the Convention. In India, such attestations are done by Ministry of External Affairs.



- (3) **Annual Percentage Rate (APR)** means the annual cost of credit to the borrower which includes interest rate and all other charges associated with the credit facility.
- (4) **Bank induced transaction** means a transaction in the account initiated by an RCB as per its extant policy such as charges, fees, interest payments, penalties, taxes.

*Note: Illustrative list of bank induced transactions is as under:*

- (i) All types of charges levied by an RCB including taxes deducted.*
  - (ii) Interest paid on savings bank account balances.*
- (5) **Bank Rate** means the rate published by Reserve Bank in terms of Section 49 of the Reserve Bank of India Act, 1934.
- (6) **Consumer Credit** refers to the loans given to individuals, which consists of
- (i) loans for consumer durables,*
  - (ii) credit card receivables,*
  - (iii) auto loans (other than loans for commercial use),*
  - (iv) personal loans secured by gold, gold jewellery, immovable property, term deposits (including FCNR(B)), shares and bonds, etc., (other than for business / commercial purposes),*
  - (v) personal loans to professionals (excluding loans for business purposes), and*
  - (vi) loans given for other consumptions purposes (e.g., social ceremonies, etc.).*
  - (vii) However, it excludes (a) education loans, (b) loans given for creation / enhancement of immovable assets (e.g., housing, etc.), (c) loans given for investment in financial assets (shares, debentures, etc.), and (d) consumption loans given to farmers under KCC.*
- (7) **Current Account** shall have the same meaning as defined in the [Reserve Bank of India \(Rural Co-operative Banks – Interest Rate on Deposits\) Directions, 2025](#)



(8) **Customer** shall mean a user or a potential user of bank services, and may include:

- (i) a person or entity that maintains an account and / or has a business relationship with an RCB;*
- (ii) one on whose behalf the account is maintained (i.e. the beneficial owner);*
- (iii) beneficiaries of transactions conducted by professional intermediaries, such as Stockbrokers, Chartered Accountants, Solicitors, etc., as permitted under the law, and*
- (iv) any person or entity connected with a financial transaction which can pose significant reputational or other risks to an RCB, say, a wire transfer or issue of a high value demand draft as a single transaction.*

(9) **Customer induced transaction** means a transaction in an account which is in the nature of:

- (i) a financial transaction initiated by or done at the behest of the account holder by the RCB / third party or;*
- (ii) a non-financial transaction, or;*
- (iii) KYC updation done in face-to-face physical mode or through digital channels such as internet banking or mobile banking application of the RCB.*

*Note: Illustrative list of financial transactions is as under:*

- (a) ATM/ Cash withdrawal/deposit*
- (b) RTGS / NEFT/ IMPS / UPI / AePS / ABPS Transactions*
- (c) Internet Banking Transactions*
- (d) Debit Card Transactions*
- (e) Transfer of funds from / to the linked CBDC (e-Rupee) account*
- (f) Cheque Clearing*
- (g) Remittance of funds by way of demand drafts*
- (h) Cash withdrawal by third party through cheque*



- (i) *Standing Instructions issued by the customer*
  - (j) *NACH Debit / Credits*
  - (k) *Term Deposit Interest / proceeds*
  - (l) *Dividend on shares / Interest on Debentures or any other investment proceeds*
  - (m) *Direct Benefit Transfer (DBT) credits*
  - (n) *Refunds such as related to e-commerce payments, Income Tax Returns, etc.*
  - (o) *National Electronic Toll Collection (NETC) debits*
- (10) **Equated Periodic Instalment (EPI)** means an equated or fixed amount of repayment, consisting of both the principal and interest component, to be paid by a borrower towards repayment of a loan at periodic intervals for a fixed number of such intervals; and which result in complete amortisation of the loan. EPIs at monthly intervals are called EMIs.
- (11) **Equivalent e-document** shall have the same meaning as defined [Reserve Bank of India \(Rural Co-operative Banks – Know Your Customer\) Directions, 2025](#).
- (12) **Eligible collateral** shall have the same meaning as defined in the [Reserve Bank of India \(Rural Co-operative Banks – Credit Facilities\) Directions, 2025](#).
- (13) **Jewellery** shall have the same meaning as defined in the [Reserve Bank of India \(Rural Co-operative Banks – Credit Facilities\) Directions, 2025](#).
- (14) **Financial transaction** means a monetary transaction in the savings / current account of a customer with the RCB, either by way of a credit or debit transaction.
- (15) **Inoperative Account** means a savings / current account where there are no 'customer induced transactions' for a period of over two years.
- (16) **Key Facts** of a loan agreement between an RCB / a group of regulated entities and a borrower are legally significant and deterministic facts that satisfy basic information required to assist the borrower in taking an informed financial decision.



- (17) **Key Facts Statement (KFS)** means a statement of key facts of a loan agreement, in simple and easier to understand language, provided to the borrower in a standardised format.
- (18) **Loan to Value (LTV) ratio** shall have the same meaning as defined in the [Reserve Bank of India \(Rural Co-operative Banks – Credit Facilities\) Directions, 2025](#).
- (19) **Microfinance loan** shall have the same meaning as defined in the [Reserve Bank of India \(Rural Cooperative Banks – Credit Facilities\) Directions, 2025](#).
- (20) **Non-financial transaction** means an enquiry or request for any product / service initiated by the account holder through any ATM or internet banking or mobile banking application of the RCB or through Third Party Application Providers, which requires two-factor authentication (2FA) and leaves a trail for audit purposes or successful log-in to the internet banking / mobile banking application. Illustratively, this includes transactions such as change in transaction limit, request for issue of cheque book / credit card / debit card, nomination facility, balance enquiry, etc.
- (21) **Officially Valid Document** shall have the same meaning as defined in [Reserve Bank of India \(Rural Co-operative Banks – Know Your Customer\) Directions, 2025](#).
- (22) **Ornaments** shall have the same meaning as defined in the [Reserve Bank of India \(Rural Co-operative Banks – Credit Facilities\) Directions, 2025](#).
- (23) **Personal Loans**, as referred in Sections C & E of Chapter VIII, shall have the same meaning as defined in [XBRL Returns – Harmonization of Banking Statistics dated January 04, 2018](#), as amended from time to time.
- (24) **Savings Deposit** shall have the same meaning as defined in the [Reserve Bank of India \(Rural Co-operative Banks – Interest Rate on Deposits\) Directions, 2025](#).
- (25) **Term Deposit** shall have the same meaning as defined in the [Reserve Bank of India \(Rural Co-operative Banks – Interest Rate on Deposits\) Directions, 2025](#).



- (26) **Unclaimed Deposit** means the credit balance in any deposit account maintained with RCBs, which have not been operated upon for ten years or more, or any amount remaining unclaimed for ten years or more as mentioned in paragraph 3(iii) of the “[Depositor Education and Awareness” \(DEA\) Fund Scheme, 2014](#).
- (27) **Unclaimed Deposit Reference Number (UDRN)** means a unique number generated through Core Banking Solution (CBS) and assigned to each unclaimed account / deposit transferred to DEA Fund of RBI. The number shall be such that the account holder or the RCB branch where account is maintained, cannot be identified by any third party.





## **Chapter II – Institutional Framework**

### **A. Role of Board**

5. An RCB shall put in place approved policies and review mechanisms to ensure sound business conduct and enhanced customer service.

#### **A.1 Policies**

6. An illustrative list of such policies to be approved by the Board or a Committee(s) to which powers have been delegated are given below. The specific aspects to be covered in these policies are detailed in the relevant paragraphs of these Directions.
  - (1) Policy for general management of branches - focusing on issues pertaining to infrastructure facilities and systems for better customer service
  - (2) Comprehensive Deposit Policy covering operational aspects related to deposits including, inter alia, issues like charges to be levied and operation of accounts of deceased depositors along with nomination rules
  - (3) Cheque Collection Policy
  - (4) Policy for dealing with frequent dishonour of cheques
  - (5) Customer Compensation Policy including, inter alia, for erroneous / unauthorised transactions and interest for delay in services
  - (6) Policy on Basic Savings Bank Deposit Account (BSBDA)
  - (7) Policy on service charges for various types of services offered
  - (8) Levy of penal charges on non-maintenance of minimum balance in savings accounts.
  - (9) Policy on settlement of claims
  - (10) Comprehensive Policy and SOP on safe deposit locker / safe article custody facility



- (11) Customer Relations Policy covering customer protection and customer liability in case of reporting delays beyond seven days in unauthorised electronic banking transactions
- (12) Policy on reset of interest rate in floating rate personal loans including option to borrowers for switch between fixed and floating interest rates
- (13) Branch Insurance Policy
- (14) Policy regarding the conduct of employees and system for their recruitment, training and monitoring
- (15) Fair Practice Code for lending to microfinance borrowers.

## **A.2 Reviews to be carried out by the Board or Committee to which powers have been delegated**

- 7. An illustrative list of reviews to be carried out by the Board or Committee to which powers have been delegated are given below. The specific aspects to be covered in these reviews are detailed in the relevant paragraphs in these Directions.
  - (1) Review of customer service / customer care aspects every six months.
  - (2) Customer liability cases in unauthorised electronic banking transactions.
  - (3) Review of unclaimed gold and silver collateral at half-yearly intervals.

## **B. Customer Service: Institutional Framework**

### **B.1 Need for Board's involvement**

- 8. Matters relating to customer service shall be deliberated by the Board to ensure that the instructions are implemented meaningfully. Commitment to hassle-free service to the customer at large and the common person in particular shall be the major responsibility of the Board.

### **B.2 Board approved policies on Customer Service**

- 9. Customer service shall be projected as a priority objective of banks along with profit, growth and fulfilment of social obligations. An RCB shall have a Board approved policy for the following:



### **B.2.1 Comprehensive Deposit Policy**

10. An RCB shall formulate a transparent and comprehensive policy setting out the rights of the depositors in general and small depositors in particular. The policy shall cover all aspects of operations of deposit accounts, charges leviable and other related issues to facilitate interaction of depositors at branch levels. Such a policy shall also be explicit regarding secrecy and confidentiality of the customers. Providing other facilities by "tying-up" with placement of deposits is clearly a restrictive practice.

### **B.2.2 Cheque Collection Policy**

11. An RCB shall formulate a comprehensive and transparent policy taking into account their technological capabilities, systems and processes adopted for clearing arrangements and other internal arrangements for collection through correspondents. The policy *inter alia* shall cover the following three aspects:
  - (1) Immediate Credit for Local / Outstation cheques
  - (2) Time frame for Collection of Local / Outstation Instruments
  - (3) Interest payment for delayed collection

### **B.2.3 Customer Compensation Policy**

12. An RCB shall have a Board approved Customer Compensation Policy which shall at a minimum, incorporate the following aspects:
  - (1) Erroneous Debits arising on fraudulent or other transactions,
  - (2) Payment of interest for delays in collection,
  - (3) Payment of interest for delay in issue of duplicate draft, and
  - (4) Other unauthorised actions of an RCB leading to a financial loss to customer

### **B.3 Giving publicity to the policies**

13. An RCB shall ensure that wide publicity is given to the above policies formulated by it by placing them prominently on the website as well as displaying them on the notice board of its branches. The RCB shall also take necessary steps to



keep the customers duly informed of the changes in the policies formulated by it from time to time. The customers shall be clearly apprised of the assurances of the RCB on the services provided, at the time of establishment of the initial relationship, be it as a depositor, borrower or otherwise.

#### **B.4 Customer Service Committee of the Board**

14. An RCB shall constitute a Customer Service Committee of the Board and include experts and representatives of customers as invitees to enable the RCB to formulate policies and assess the compliance thereof internally.

##### **B.4.3 Role of the Customer Service Committee**

15. Customer Service Committee of the Board, illustratively, shall address the following:
  - (1) Formulation of a Comprehensive Deposit Policy
  - (2) Issues such as the treatment of death of a depositor for operations of his / her account
  - (3) Product approval process with a view to suitability and appropriateness
  - (4) Annual survey of depositor satisfaction
  - (5) Triennial audit of such services.
16. The Committee shall also examine any other issues having a bearing on the quality of customer service rendered.

##### **B.4.4 Board Meeting to Review and Deliberate on Customer Service**

17. A detailed memorandum reviewing customer service / customer care aspects of an RCB shall be placed once in every six months to the Board of Directors. Prompt corrective action shall be initiated wherever service quality / skill gaps are noticed.

#### **B.5 Standing Committee on Customer Service**

18. An RCB shall have a Standing Committee on Customer Service, cutting across various departments, which shall serve as the micro level executive committee



driving the implementation process and providing relevant feedback. The Customer Service Committee of the Board shall oversee and review / modify the initiatives. These two Committees shall be mutually reinforcing with one feeding into the other.

19. The constitution and functions of the Standing Committee shall be on the lines indicated below:

- (1) The Standing Committee shall be chaired by the Chairman or MD or CEO and include non-officials as its members to enable an independent feedback on the quality of customer service rendered by the RCB.
- (2) The Standing Committee shall be entrusted not only with the task of ensuring timely and effective compliance of the Reserve Bank's instructions on customer service, but also that of receiving the necessary feedback to determine that the actions taken by various departments of the RCB are in tune with the spirit and intent of such instructions.
- (3) The Standing Committee shall, on an ongoing basis, review the practices and procedures prevalent in the RCB and take necessary corrective action.
- (4) The Standing Committee shall submit a brief report periodically to the Customer Service Committee of the Board on its performance during its tenure indicating, inter alia, the areas reviewed, procedures / practices identified and simplified / introduced.
- (5) The Standing Committee shall act as the bridge between the various departments of the RCB and the Board / Customer Service Committee of the Board.

#### **B.6 Branch Level Customer Service Committees**

20. An RCB shall establish Customer Service Committees at branch level, which shall also include its customers. Senior citizens, an important constituent in banks, shall be included therein.

21. The Branch Level Customer Service Committee shall meet at least once a month to study complaints/ suggestions, cases of delay, difficulties faced / reported by



customers / members of the Committee, and evolve ways and means of improving customer service.

22. The Branch Level Committees shall submit quarterly reports giving inputs / suggestions to the Standing Committee on Customer Service, thus enabling the Standing Committee to examine them and provide relevant feedback to the Customer Service Committee of the Board for necessary policy / procedural action.



## **Chapter III – Customer Service in Branches**

### **A. Customer Service - Policy for general management of the branches**

23. An RCB shall orient its systems and procedures towards providing better customer service and shall periodically assess these systems and their impact on customer service. An RCB shall have a Board approved policy for general management of the branches, which shall include the following aspects:
- (1) Providing infrastructure facilities by branches by bestowing particular attention to providing adequate space, proper furniture, drinking water facilities, with specific emphasis on pensioners, senior citizens, disabled persons, etc.
  - (2) Providing entirely separate enquiry counters at large / bigger branches in addition to a regular reception counter.
  - (3) Displaying indicator boards at all the counters in English, Hindi as well as in the concerned regional language. Business posters at semi-urban and rural branches of the RCB shall also be in the concerned regional languages.
  - (4) Deployment of roving officials to ensure employees are responsive to customers and assist customers in putting in their transactions.
  - (5) Providing customers with booklets consisting of all details of service and facilities available at an RCB in Hindi, English and the concerned regional languages.
  - (6) Use of Hindi and regional languages in transacting business by the RCB with customers, including communications to customers.
  - (7) Reviewing and improving upon the existing security system in branches so as to instil confidence amongst the employees and the public.
  - (8) Wearing on person an identification badge displaying photo and name thereon by the employees.
  - (9) Periodic change of desk and entrustment of elementary supervisory jobs.
  - (10) Suitable training of staff to inculcate customer service orientation.



- (11) Visit by senior officials from Controlling Offices and Head Office to branches at periodical intervals for on-the-spot study of the quality of service rendered by the branches.
- (12) Rewarding the best branches from customer service point of view by annual awards / running shield.
- (13) Customer service audit, Customer surveys.
- (14) Holding Customer relation programmes and periodical meetings to interact with different cross sections of customers for identifying action points to upgrade the customer service with customers.
- (15) Clearly establishing a new product and services approval process which shall require approval by the Board, especially on issues which compromise the rights of the common person.
- (16) Appointing Quality Assurance Officers who will ensure that the intent of policy is translated into the content and its eventual translation into proper procedures.

## **B. Service at the counters**

### **B.1 Banking hours / working days of bank branches**

- 24. An RCB shall normally function for public transactions at least for four hours on weekdays and two hours on Saturdays in the larger interest of public and trading community. Extension counters, Satellite Offices, one-man offices or other special class of branches may remain open for such shorter hours as may be considered necessary.

### **B.2 Changes in banking hours**

- 25. No particular banking hours have been prescribed by law and an RCB may fix, after due notice to its customers, whatever business hours are convenient to it i.e., to work in double shifts, to observe weekly holiday on a day other than Sunday or to function on Sundays in addition to the normal working days, subject to observing normal working hours for public transactions referred to in paragraph 24 above.





26. An RCB shall give sufficient notice to the public / its customers of its intention of closing any of its branches / offices on a day other than a public holiday. An RCB shall note to avoid infringement of any other relevant local laws such as Shops and Establishment Act, etc.
27. The provisions, if any, regarding an RCB's obligations to its staff under Industrial Awards / Settlements, shall be complied with. Clearing House authority of the place shall also be consulted in this regard.
28. An RCB shall keep rural branches open on weekly market day. The RCB shall have the flexibility to fix the business hours (i.e. number of hours, as well as timings) and the weekly holidays in its rural branches to suit local requirements. This shall, however, be done subject to the instructions given above.

### **B.3 Commencement / Extension of working hours**

29. The employees of an RCB are expected to be at their seats at the commencement of the business hours and attend to all the customers who are in the branch prior to the close of business hours. In practice, however, in many branches of RCBs, employees take their own time to open the counters and also do not attend to customers who are in the queue at the close of business hours. Some RCBs with a view to ensuring that the service to customers is made available exactly at the commencement of business hours fix the working hours of the staff 15 minutes before the start of business hours. This arrangement can be made by all the RCBs at their branches in rural, semi-urban and urban centres.
30. An RCB shall devise appropriate procedures to ensure that no counter remains unattended during the business hours and uninterrupted service is rendered to the customers by making adequate relief arrangements as may be necessary.

### **B.4 Extended business hours for non-cash banking transactions**

31. An RCB shall extend business hours for banking transactions other than cash, up till one hour before close of the working hours.



32. The following non-cash transactions should be undertaken by bank during the extended business hours i.e. up to one hour before the close of working hours:

**(1) Non-voucher generating transactions**

- (i) Issue of pass books / statements of accounts
- (ii) Issue of cheque books
- (iii) Delivery of term deposit receipts / drafts
- (iv) Acceptance of clearing cheques
- (v) Acceptance of bills for collection
- (vi) Acceptance of share application form

**(2) Voucher generating transactions**

- (i) Issue of term deposit receipts
- (ii) Acceptance of cheque for locker rent due
- (iii) Acceptance of individual cheques for transfer credit.
- (iv) Issue of travellers' cheques
- (v) Issue of gift cheques

33. Further, the non-cash transactions to be done during the extended business hours shall be notified adequately for information of the customers.
34. It is necessary that the transactions conducted during extended hours of business are merged with the main accounts of the branch where it is decided to provide the aforesaid facilities. It is desirable that this facility should be restricted to limited transactions such as acceptance of deposits.
35. An RCB shall give to its constituents due notice about the functions to be undertaken during the extended working hours, through local newspapers, as also by displaying a notice on the Notice Board at the branch(es) concerned. It shall also be ensured that the requirements of Shops and Establishments Act and other local laws are complied with and that the obligations under the Industrial Award / Settlement are adhered to.
36. The change in business hours may be intimated to the local clearing house, wherever necessary.



### **C. Customer Service - General**

37. An RCB shall make available to the customers brochures / pamphlets in regional language / Hindi / English giving details of various schemes available and terms and conditions thereof. Such brochures may also contain, among others, do's and don'ts for smooth handling of day-to-day banking transactions, e.g, updation of passbooks preferably in the leaner weeks of the month, say, third / fourth week, advantages of maintaining joint accounts and nomination, keeping the term deposit receipts in safe custody with the RCB with instructions for disposal of maturity, etc.
38. A customer shall be made aware not only of the various schemes and services offered by an RCB, but also about the formalities, procedures, legal requirements and limitations in the matter of providing services by the RCB, through a proper mix of advertisements, literature, interface, seminars, etc. The RCB shall involve its employees in all customer education programmes.
39. An RCB shall keep its systems and procedures in trim, by a continuous process of introduction of new procedures that may be required and by doing away with unwanted ones.
40. An RCB may subject itself to an audit approach towards their customer service points at grassroot levels and also at policy prescription and macro levels in the matter of extension of customer service.

### **D. Transfer of account from one branch to another**

41. Instructions of a customer for transfer of his / her account to another branch shall be carried out immediately on receipt of, and in accordance with, his / her instructions. It shall be ensured that along with the balance of the account, the relative account opening form, specimen signatures, standing instructions, etc., or the master sheets wherever obtained, are also simultaneously transferred, under an advice to the customer.
42. The account transfer form with the enclosures shall be handed over to the customer in a sealed cover if he / she so desires for delivery at the transferee



branch. However, the transferee branch shall also be separately supplied with a copy of the account transfer letter.

43. When a branch receives an enquiry from a customer regarding the receipt of his / her account on transfer from another branch, it shall take up the matter with the transferor branch by electronic means in case it has not received the balance of the account and / or other related papers even after a reasonable transit time.

#### **E. Switching banks by customers**

44. An RCB shall ensure that depositors dissatisfied with customer service have the facility to switch banks and thwarting depositors from such switches shall invite serious adverse action.



## **Chapter IV – Customer Guidance and Protection**

### **A. Guidance to Customers and Disclosure of Information**

#### **A.1 Assistance/guidance to customers**

45. An RCB shall have “Enquiry” or “May I Help You” counters either exclusively or combined with other duties, located near the entry point of the banking hall, at all branches (excluding very small branches).

#### **A.2 Display of time norms**

46. An RCB shall display the time norms for specialised business transactions predominantly in the banking hall.

#### **A.3 Display of information by RCBs– Comprehensive Notice Board**

47. An RCB shall adhere to the following instructions on display of information.

##### **A.3.1 Notice Boards**

48. The minimum size of the Notice Board may be 2 feet by 2 feet as Board of such a size would facilitate comfortable viewing from a distance of 3 to 5 meters. An RCB shall have a Comprehensive Notice Board to display information at its branches as per the format given in **Annex I**.
49. While displaying the information in the notice board, an RCB shall adhere to the following principles:
- (1) The notice board shall be updated on a periodical basis. It shall indicate the date up to which it was updated (incorporated in the display board).
  - (2) Though the RCB shall have discretion on pattern, colour and design of the board, the display shall be kept simple and readable.
  - (3) The notice board shall be in bilingual in Hindi speaking states and trilingual in other states.
  - (4) The notice board shall specifically indicate wherever recent changes have been done.



*Explanation:* If there is a recent change in the SSI loan products offered by an RCB, the information on the SSI loan products may be displayed as 'We offer SSI loans/products (changed on .....)'.

- (5) The notice board shall also indicate a list of items on which detailed information is available in booklet form.
50. In addition to the above Board, an RCB shall also display details such as 'Name of the RCB / branch, Working Days, Working Hours and Weekly Off-days' outside the branch premises.

### **A.3.2 Booklets/Brochures**

51. The detailed information as indicated in Paragraph (D) of **Annex I** may be made available in various booklets / brochures as decided by an RCB. These booklets / brochures may be kept in a separate file / folder in the form of 'replaceable pages' so as to facilitate copying and updation. In this connection, bank may also adhere to the following broad guidelines:
  - (1) The file / folder may be kept at the customer lobby in the branch or at the 'May I Help You' counter or at a place that is frequented by most of the customers.
  - (2) The language requirements (i.e. bilingual in Hindi speaking states and trilingual in other states) may be taken into account.
  - (3) It may be ensured while printing the booklets that the font size is minimum Arial 10 so that the customers are able to easily read the same.
  - (4) Copies of booklets may be made available to the customers on request.

### **A.3.3 Website**

52. An RCB shall make available the detailed information indicated in Paragraph (D) of **Annex I** on its website. It shall be ensured that the customers are able to easily access the relevant information from the Home Page of the RCB's website. The RCB shall adhere to the broad guidelines relating to dating of material, legibility, etc., while placing the same on its websites.



53. An RCB shall display latest updated information relating to interest rates and service charges as per the format given in **Annex II** on its website. The same shall be easily accessible from the Home Page of its website. The RCB is, however, free to modify the format to suit its requirements, without impairing the basic structure or curtailing the scope of disclosures.
54. Some of the details, which could be at the minimum, be made available for public viewing through website of an RCB are listed below:

**(1) Policy / Guidelines**

- (i) Citizen's Charter
- (ii) Deposit Policy
- (iii) Deceased Depositors Policy along with Nomination Rules
- (iv) Cheque Collection Policy
- (v) Code for Collection of Dues and Repossession of Security

**(2) Opening of Accounts**

- (i) Account Opening Forms
- (ii) Terms and Conditions
- (iii) Service Charges for various types of services – Should cover typical common services including courier charges – What services are available without any charges.
- (iv) Interest rates on Deposits
- (v) Minimum balances – along with corresponding facilities offered.

**(3) Loans and Advances**

- (i) Application forms relating to loans and advances
- (ii) Copy of blank agreement to be executed by the borrower
- (iii) Terms and Conditions
- (iv) Processing fee and other charges
- (v) Interest rates on Loans and Advances



#### **(4) Branches**

- (i) Details of branches along with addresses and telephone numbers (with search engine for queries relating to branch location)
- (ii) Details of ATMs along with addresses

#### **A.4 Printed material in trilingual form**

55. In order to ensure that banking facilities percolate to the vast sections of the population, an RCB shall make available all printed material used by retail customers including account opening forms, pay-in-slips, passbooks, etc., in trilingual form i.e., English, Hindi and the concerned Regional Language.

### **B. Erroneous Debits arising on fraudulent or other transactions**

#### **B.1 Vigilance by banks**

56. An RCB shall adhere to the instructions and procedures for opening and operating deposit accounts to safeguard against unscrupulous persons opening accounts mainly to use them as conduit for fraudulently encashing payment instruments. However, in view of receipt of continuous complaints of fraudulent encashment by unscrupulous persons opening deposit accounts in the name/s similar to already established entities, resulting in erroneous and unauthorised debit of drawers' accounts, an RCB shall remain vigilant to prevent such lapses and issue necessary instructions to the branches / staff.

#### **B.2 Compensating the customer**

57. In cases of such erroneous debits on account of fraudulent or other transactions, RCBs also do not restore funds promptly to customers even in bona-fide cases but defer action till completion of either departmental action or police interrogation. Therefore, an RCB is advised that:
- (1) In case of any fraud, if the branch is convinced that an irregularity / fraud has been committed by its staff towards any constituent, the branch shall at once acknowledge its liability and pay the just claim,
  - (2) In cases where the RCB is at fault, it shall compensate customers without demur, and





- (3) In cases where neither the RCB is at fault nor the customer is at fault but the fault lies elsewhere in the system, then also the RCB shall compensate the customers (up to a limit) as part of a Board approved customer relations policy.

### **C. Limiting Liability of Customers in Unauthorised Electronic Banking Transactions**

#### **C.1 Strengthening of systems and procedures**

58. Broadly, electronic banking transactions can be divided into two categories:
  - (1) Remote / online payment transactions (transactions that do not require physical payment instruments to be presented at the point of transactions e.g. internet banking, mobile banking, card not present (CNP) transactions), Pre-paid Payment Instruments (PPI), and
  - (2) Face-to-face / proximity payment transactions (transactions which require the physical payment instrument such as a card or mobile phone to be present at the point of transaction e.g. ATM, POS, etc.).
59. The systems and procedures in RCBs shall be designed to make customers feel safe about carrying out electronic banking transactions. To achieve this, an RCB shall put in place:
  - (1) appropriate systems and procedures to ensure safety and security of electronic banking transactions carried out by customers;
  - (2) robust and dynamic fraud detection and prevention mechanism;
  - (3) mechanism to assess the risks (for example, gaps in the RCB's existing systems) resulting from unauthorised transactions and measure the liabilities arising out of such events;
  - (4) appropriate measures to mitigate the risks and protect themselves against the liabilities arising therefrom; and
  - (5) a system of continually and repeatedly advising customers on how to protect themselves from electronic banking and payments related fraud.



## **C.2 Reporting of unauthorised transactions by customers to banks**

60. An RCB shall ask its customers to mandatorily register for SMS alerts and wherever available, register for e-mail alerts, for electronic banking transactions. The SMS alerts shall mandatorily be sent to the customers, while email alerts may be sent, wherever registered. The customers shall be advised to notify their bank of any unauthorised electronic banking transaction at the earliest after the occurrence of such transaction and informed that the longer the time taken to notify the RCB, the higher will be the risk of loss to the RCB / customer. To facilitate this, the RCB shall provide customers with 24x7 access through multiple channels (at a minimum, via website, phone banking, SMS, e-mail, IVR, a dedicated toll-free helpline, reporting to home branch, etc.) for reporting unauthorised transactions that have taken place and / or loss or theft of payment instrument such as card, etc. The RCB shall also enable customers to instantly respond by "Reply" to the SMS and e-mail alerts and the customers shall not be required to search for a web page or an e-mail address to notify the objection, if any. As an alternative, the RCB shall provide an alternate number in the transaction alert SMS itself, to which the customer can immediately send a reply. Further, a direct link for lodging the complaints, with specific option to report unauthorised electronic transactions shall be provided by RCBs on home page of their website. The loss / fraud reporting system shall also ensure that immediate response (including auto response) is sent to the customers acknowledging the complaint along with the registered complaint number. The communication systems used by banks to send alerts and receive their responses thereto shall record the time and date of delivery of the message and receipt of customer's response, if any, to them. This shall be important in determining the extent of a customer's liability. The RCB shall not offer facility of electronic transactions, other than ATM cash withdrawals, to customers who do not provide mobile numbers to it. On receipt of report of an unauthorised transaction from the customer, the RCB shall take immediate steps to prevent further unauthorised transactions in the account.



### **C.3 Limited Liability of a Customer**

#### **C.3.1 Zero Liability of a Customer**

61. A customer's entitlement to zero liability shall arise where the unauthorised transaction occurs in the following events:

- (1) Contributory fraud / negligence / deficiency on the part of the RCB (irrespective of whether the transaction is reported by the customer or not).
- (2) Third party breach where the deficiency lies neither with the RCB nor with the customer but lies elsewhere in the system, and the customer notifies the RCB within three working days of receiving the communication from the RCB regarding the unauthorised transaction.

#### **C.3.2 Limited Liability of a Customer**

62. A customer shall be liable for the loss occurring due to unauthorised transactions in the following cases:

- (1) In cases where the loss is due to negligence by a customer, such as where he / she has shared the payment credentials, the customer will bear the entire loss until he / she reports the unauthorised transaction to the RCB. Any loss occurring after the reporting of the unauthorised transaction shall be borne by the RCB.
- (2) In cases where the responsibility for the unauthorised electronic banking transaction lies neither with the RCB nor with the customer, but lies elsewhere in the system and the customer notifies the RCB of such a transaction within four to seven working days of receiving a communication of the transaction, the per transaction liability of the customer shall be limited to the transaction value or the amount mentioned in Table 1, whichever is lower.

**Table 1**

#### **Maximum Liability of a Customer under paragraph 62(2)**

<b>Type of Account</b>	<b>Maximum liability (₹)</b>
• BSBD Accounts	5,000
• All other SB accounts • Pre-paid Payment Instruments and Gift Cards	10,000



<ul style="list-style-type: none"> <li>• Current / Cash Credit / Overdraft Accounts of MSMEs</li> <li>• Current Accounts / Cash Credit / Overdraft Accounts of Individuals with annual average balance (during 365 days preceding the incidence of fraud)/ limit up to ₹25 lakh</li> <li>• Credit cards with limit up to ₹5 lakh</li> </ul>	
<ul style="list-style-type: none"> <li>• All other Current / Cash Credit / Overdraft Accounts</li> <li>• Credit cards with limit above ₹5 lakh</li> </ul>	25,000

63. Further, if the delay in reporting is beyond **seven working days**, the customer liability shall be determined as per the RCB's Board approved policy. The RCB shall provide the details of its policy regarding customers' liability formulated in pursuance of these directions at the time of opening the accounts. The RCB shall also display its approved policy in public domain for wider dissemination. The existing customers shall also be individually informed about the RCB's policy.
64. Overall liability of the customer in third party breaches, as detailed in paragraphs 61(2) and 62(2) above, where the deficiency lies neither with the RCB nor with the customer but lies elsewhere in the system, is summarised in Table 2:

**Table 2**

**Summary of Customer's Liability**

<b>Time taken to report the fraudulent transaction from the date of receiving the communication</b>	<b>Customer's liability (₹)</b>
Within 3 working days	Zero liability
Within 4 to 7 working days	The transaction value or the amount mentioned in Table 1, whichever is lower
Beyond 7 working days	As per RCB's Board approved policy

65. The number of working days mentioned in Table 2 shall be counted as per the working schedule of the home branch of the customer excluding the date of receiving the communication.

**C.3.3 Reversal Timeline for Zero Liability/ Limited Liability of customer**

66. On being notified by the customer, an RCB shall credit (shadow reversal) the amount involved in the unauthorised electronic transaction to the customer's account within 10 working days from the date of such notification by the customer (without waiting for settlement of insurance claim, if any). The credit shall be value dated to be as of the date of the unauthorised transaction. The RCB may



also at its discretion decide to waive off any customer liability in case of unauthorised electronic banking transactions even in cases of customer negligence. The credit shall be value dated to be as of the date of the unauthorised transaction.

67. Further, an RCB shall ensure that:

- (1) a complaint is resolved and liability of the customer, if any, established and the customer is compensated as per provisions of paragraphs 61 to 66 above, within such time as may be specified in the RCB's Board approved policy, but not exceeding 90 days from the date of receipt of the complaint;
- (2) where it is unable to resolve the complaint or determine the customer liability, if any, within 90 days, the compensation as prescribed in paragraphs 61 to 66 above is paid immediately to the customer; and
- (3) in case of debit card / bank account, the customer does not suffer loss of interest, and in case of credit card, the customer does not bear any additional burden of interest.

#### **C.3.4 Board Approved Policy for Customer Protection**

68. An RCB shall formulate / revise their customer relations policy with approval of their Boards, which shall clearly define the rights and obligations of customers in case of unauthorized transactions in specified scenarios, i.e., debits to customer accounts owing to customer negligence / bank negligence / banking system frauds / third party breaches, etc. The policy shall also include mechanism of creating customer awareness on the risks and responsibilities involved in electronic banking transactions, and customer liability in case of unauthorized electronic banking transactions, procedure for reporting unauthorized electronic banking transactions and acknowledgement of complaints. It should also provide for a robust grievance redressal structure as per extant instructions, escalation matrix, clear timelines for resolution of customer complaints, and compensation keeping in view the instructions contained in paragraph 67 above. The instructions contained in this section shall be incorporated in the policy, and the policy shall be prominently displayed at branches.



#### **C.4 Burden of Proof**

69. The burden of proving customer liability in case of unauthorised electronic banking transactions shall lie on the RCB.

#### **C.5 Reporting and Monitoring Requirements**

70. An RCB shall put in place a suitable mechanism and structure for the reporting of the customer liability cases to the Board or one of its Committees. The reporting shall, inter alia, include volume / number of cases and the aggregate value involved and distribution across various categories of cases viz., card present transactions, card not present transactions, internet banking, mobile banking, ATM transactions, etc. The Board in each RCB shall periodically review the unauthorised electronic banking transactions reported by customers or otherwise, as also the action taken thereon, the functioning of the grievance redress mechanism and take appropriate measures to improve the systems and procedures. All such transactions shall be reviewed by the RCB's internal auditors.

#### **D. Levy of Service Charges**

##### **D.1 Fixing of service charges by banks**

71. An RCB shall work out the service charges for various types of services like charges for cheque collection etc., with prior approval of its Board of Directors. These charges shall be reasonable and not out of line with the average cost of providing these services. The RCB shall also take care to ensure that customers with low volume of activities are not penalised.

##### **D.2 Ensuring Reasonableness of Bank Charges**

72. An RCB shall adopt / follow the principles outlined below for ensuring reasonableness in fixing and communicating service charges.
73. **Identification of Basic Banking Services:** An RCB shall identify basic banking services based on the following broad parameters:

##### **(1) Nature of transactions**



- (a) Banking services that are ordinarily availed by individuals in the middle and lower segments, shall be the first parameter. These will comprise services related to deposit / loan accounts, remittance services and collection services.
- (b) When the above transactions occur in different delivery channels, for the purpose of pricing, they may be treated on a separate footing.

## (2) Value of transactions

- (a) Low value of transactions with customers / public up to the ceiling as given below shall be the second parameter:
- Remittances up to ₹10,000 in each instance
  - Collections below ₹10,000 in each instance
- (Foreign exchange transactions valued up to \$500/-)

- (3) Based on the above-mentioned two parameters, an illustrative list of services is given below. The list of services identified is only an indicative one and the RCB may, at its discretion, include within the category of basic services such additional services as it may consider appropriate.

**Table 3**

Sr. No.	Type of service
<b>(A) Service relating to deposit accounts</b>	
1	Cheque book facility
2	Issue of Pass Book (or Statement)/Issue of Balance Certificate
3	Issue of duplicate pass book or statement
4	ATM Cards
5	Debit cards (electronic cheque)
6	Stop payment
7	Balance enquiry
8	Account closure
9	Cheque Return – Inward (cheque received for payment)
10	Signature verification
<b>(B) Relating to Loan Accounts</b>	
11	No dues certificate
<b>(C) Remittance Facilities (including through other banks) (Rupee or foreign exchange)</b>	
12	Demand Draft – Issue
13	Demand Draft – Cancellation



14	Demand Draft – Revalidation
15	Demand Draft – Duplicate Issuance
16	Payment Order – Issue
17	Payment Order – Cancellation
18	Payment Order – Revalidation
19	Payment Order – Duplicate Issuance
20	Telegraphic Transfer – Issue
21	Telegraphic Transfer – Cancellation
22	Telegraphic Transfer – Duplicate Issuance
23	Payment by Electronic Clearing Services (ECS)
24	Transfer by National Electronic Fund Transfer (NEFT) and Electronic Funds Transfer (EFT)
<b>(D) Collection facilities</b>	
25	Collection of Local cheques
26	Collection of Outstation cheques
27	Cheque Return-Outward (cheque deposited for collection)

74. **Offering basic banking services outside the scope of bundled products:** An RCB shall make available the basic banking services at reasonable prices / charges and towards this, basic services shall be delivered outside the scope of bundled products.
75. **Principles for ensuring reasonableness in fixing and communicating service charges:**
- (1) For basic services to individuals, an RCB shall levy charges at the rates that are lower than the rates applied when the same services are given to non-individuals.
  - (2) For basic services rendered to special category of individuals (such as individuals in rural areas, pensioners and senior citizens), an RCB shall levy charges on more liberal terms than the terms on which the charges are levied to other individuals.
  - (3) For the basic services rendered to individuals, an RCB shall levy charges only if the charges are just and supported by reason.





- (4) For the basic services to individuals, an RCB shall levy services charges ad-valorem only to cover any incremental cost and subject to a cap.
  - (5) An RCB shall provide to the individual customers upfront and in a timely manner, complete information on the charges applicable to all basic services.
  - (6) An RCB shall provide advance information to the individual customers about the proposed changes in the service charges.
  - (7) An RCB shall collect for services given to individuals only such charges which have been notified to the customer.
  - (8) An RCB shall inform the customers in an appropriate manner recovery of service charges from the account or the transaction.
  - (9) An RCB shall without fail inform the customers in all cases when a transaction initiated by the RCB itself results in or is likely to lead to a shortfall in the minimum balance required to be maintained.
76. **Disclosure and Notification of Service Charges:** It is imperative that the customers are made aware of the service charges upfront and the changes in service charges are implemented only with prior notice to the customers. The following instructions shall be followed in this regard:

**(1) Disclosure of Service Charges:**

- (i) An RCB shall communicate the service charges to new customers at the time of beginning of the relationship.
- (ii) Service charges shall be displayed in the notice board at the branch so as to disseminate information to the customers / public, in addition to display on the website, as per extant instructions of the Reserve Bank
- (iii) The RCB shall also put in place appropriate methods for communicating the service charges to customers of different profiles.

**(2) Notifying the changes effected in service charges:**



- (i) An RCB shall take steps to ensure that any change in the service charges are effected only with prior notification to the customers of at least 30 days.
- (ii) The RCB shall provide an option to the customer to accept the change and if not accepted, to exit from the relationship with the bank within the above 30 days without any cost.
- (iii) The RCB may consider the option of advertising the changes in service charges in newspapers apart from including the information regarding the changes in any communication sent to the customer.
- (iv) The RCB shall prominently display in the notice board as well as the website all the changes in service charges effected in the preceding 30 days.

77. **Financial Education:** An RCB shall disclose full-fledged information on its products and their implications to the customers so that the customers can make an informed judgment about their choice of products.

### **D.3 Intersol charges**

78. An RCB shall follow a uniform, fair and transparent pricing policy and not discriminate between its customers at home branch and non-home branches. A service provided free at home branch shall be available free at non-home branches also. There shall be no discrimination as regards intersol charges (being the charges levied by an RCB to cover the cost of extending services to customers by using the CBS / Internet / Intranet platform) between similar transactions done by customers at home branch and those done at non-home branches. Further, an RCB shall not include cash handling charges under intersol charges.

### **D.4 Charges for Sending SMS Alerts**

79. An RCB shall leverage the technology available with it and the telecom service provider(s) to ensure that charges levied by bank for sending SMS alerts to customers are levied on all customers on actual usage basis.



## **Chapter V – Financial Inclusion and Accessibility**

### **A. Financial Inclusion**

#### **A.1 Access to Banking Services – Basic Savings Bank Deposit Account**

80. The Basic Savings Bank Deposit (BSBD) Account is designed as a savings account to offer certain minimum facilities, free of charge, to the holders of such accounts. An RCB shall offer the following basic minimum facilities under the BSBD Account, free of charge, without any requirement of minimum balance.
- (1) The deposit of cash at bank branch as well as ATMs / CDMs
  - (2) Receipt / credit of money through any electronic channel or by means of deposit / collection of cheques drawn by Central / State Government agencies and departments
  - (3) No limit on number and value of deposits that can be made in a month
  - (4) Minimum of four withdrawals in a month, including ATM withdrawals
  - (5) ATM Card or ATM-cum-Debit Card.
81. The BSBD Account shall be considered a normal banking service available to all.
82. An RCB is free to provide additional value-added services, including issue of cheque book, beyond the above minimum facilities, which may / may not be priced (in non-discriminatory manner) subject to disclosure.
83. The availment of such additional services shall be at the option of the customers. However, while offering such additional services, an RCB shall not require the customer to maintain a minimum balance. Offering such additional services will not make it a non-BSBD Account, so long as the prescribed minimum services are provided free of charge.
84. The holders of BSBD Account shall not be eligible for opening any other savings bank deposit account in that bank. Customers having any other existing savings bank deposit account in that RCB shall be required to close it within 30 days from



the date of opening a BSBD Account. Further, before opening a BSBD account, an RCB shall take a declaration from the customer that he / she is not having a BSBD account in any other bank.

85. The BSBD Account shall be subject to RBI instructions on KYC/AML for opening of bank accounts issued vide [Reserve Bank of India \(Rural Cooperative Banks – Know Your Customer\) Directions, 2025](#).
86. The instructions issued on free transactions available for normal savings bank account in own bank / other bank ATMs vide circulars [DPSS.CO.PD.No.316/02.10.002/2014-2015 dated August 14, 2014](#) and [DPSS.CO.PD.No.659/02.10.002/2014-2015 dated October 10, 2014](#) are not applicable to BSBD accounts. The minimum free withdrawals available to the BSBD Account holders can be made at all ATMs (own bank / other bank ATMs).
87. An RCB shall have a Board approved policy / operational instructions in this regard.

## **B. Providing Banking Facilities to Persons with Disabilities**

### **B.1 Need for Bank Branches / ATMs to be made accessible to persons with disabilities**

88. An RCB shall take necessary steps to provide all existing ATMs / future ATMs with ramps so that wheelchair users / persons with disabilities can easily access them. Care shall also be taken to make arrangements in such a way that the height of the ATMs does not create an impediment in their use by wheelchair users. However, in cases where it is impracticable to provide such ramp facilities, whether permanently fixed to earth or otherwise, this requirement may be dispensed with, for reasons recorded and displayed in branches or ATMs concerned.
89. An RCB shall also take appropriate steps, including providing of ramps at the entrance of the branches, wherever feasible, so that the persons with disabilities / wheelchair users can enter bank branches and conduct business without difficulty. An RCB shall report the progress made in this regard periodically to



their respective Customer Service Committee of the Board and ensure compliance.

## **B.2 Providing Banking Facilities to Visually Impaired Persons**

90. An RCB shall ensure that all the banking facilities such as cheque book facility including third party cheques, ATM facility, Net banking facility, locker facility, retail loans, credit cards etc., are invariably offered to the visually challenged without any discrimination. They shall also be assisted in withdrawal of cash.
91. An RCB shall also advise its branches to render all possible assistance to the visually challenged for availing the various banking facilities.
92. An RCB shall ensure that all its ATMs are Talking ATMs equipped with Braille keypads.
93. Magnifying glasses shall also be provided in all bank branches for the use of persons with low vision, wherever they require for carrying out banking transactions with ease. The branches shall display at a prominent place notice about the availability of magnifying glasses and other facilities available for persons with disabilities.

## **B.3 Operation of Bank Accounts by Old / Sick / Incapacitated Customers**

94. An RCB shall extend the following facilities to account holders who are old/ sick/ incapacitated and who are not willing to open and operate joint accounts.
95. The cases of old / sick / incapacitated account holders fall into the following categories:
  - (1) An account holder who is too ill to sign a cheque / cannot be physically present in the RCB to withdraw money from his / her bank account but can put his / her thumb impression on the cheque / withdrawal form;
  - (2) An account holder who is not only unable to be physically present in the RCB but is also not even able to put his / her thumb impression on the cheque / withdrawal form due to certain physical incapacity.



96. With a view to enabling the old / sick / incapacitated account holders to operate their bank accounts, an RCB shall follow the procedure as under:

- (1) Wherever thumb or toe impression of the old / sick / incapacitated account holder is obtained, it shall be identified by two independent witnesses known to the RCB, one of whom shall be a responsible official of the RCB.
- (2) Where the customer cannot even put his / her thumb impression and also would not be able to be physically present in the RCB, a mark can be obtained on the cheque / withdrawal form which shall be identified by two independent witnesses, one of whom shall be a responsible official of the RCB.
- (3) The customer shall also be asked to indicate to the RCB as to who would withdraw the amount from the RCB on the basis of cheque / withdrawal form as obtained above and that person shall be identified by two independent witnesses. The person who would be actually drawing the money from the RCB shall be asked to furnish his/ her signature to the RCB.

#### **B.4 Opinion of Indian Banks' Association (IBA) in case of a person who cannot sign due to loss of both hands**

97. Opinion obtained by the Indian Bank's Association from their consultant on the question of opening of a bank account of a person who has lost both his / her hands and cannot sign the cheque / withdrawal form is given below:

*"In terms of the General Clauses Act, the term "Sign" with its grammatical variations and cognate expressions, shall with reference to a person who is unable to write his name, include "mark" with its grammatical variations and cognate expressions. The Supreme Court has held in AIR 1950 – Supreme Court, 265 that there must be physical contact between the person who is to sign and the signature can be by means of a mark. This mark can be placed by the person in any manner. It could be the toe impression, as suggested. It can be by means of mark which anybody can put on behalf of the person who has to sign, the mark being put by an instrument which has had a physical contact with the person who has to sign".*



**B.5 Compliance with Hon’ble Supreme Court Order dated April 30, 2025 in the matter of Pragya Prasun and Ors. vs Union of India and Ors. (W.P.(C) 289 of 2024) and Amar Jain vs Union of India and Ors. (W.P.(C) 49 of 2025)**

98. Attention of an RCB is drawn to the [Order of the Hon’ble Supreme Court dated April 30, 2025](#) in the matter of Pragya Prasun and Ors. vs. Union of India and Ors. (W.P.(C) 289 of 2024) and Amar Jain vs. Union of India and Ors. (W.P.(C) 49 of 2025). An RCB shall undertake appropriate measures to ensure compliance with the above Supreme Court Order, as applicable.

**B.6 Legal Guardianship Certificate issued under National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental retardation and Multiple Disabilities Act, 1999**

99. The following instructions shall be applicable for the purpose of opening / operating bank accounts of the above persons:
- (1) The National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 provides a law relating to certain specified disabilities. Clause (j) of Section 2 of that Act defines a “person with disability” to mean a person suffering from any of the conditions relating to autism, cerebral palsy, mental retardation or a combination of any two or more of such conditions and includes a person suffering from severe multiple disabilities. This Act empowers a Local Level Committee to appoint a guardian, to a person with disabilities, who shall have the care of the person and property of the disabled person.
  - (2) An RCB shall take note of the legal position stated above and may rely on and be guided by the orders / certificates issued by the competent authority, under the respective Acts, appointing guardians / managers for the purposes of opening / operating bank accounts. In case of doubt, care may be taken to obtain proper legal advice. Further, the extant instructions are not intended to mandate banks to insist on appointment of a guardian as a matter of routine from every person “who is in need of treatment by reason of any mental disorder”. An RCB shall not insist on guardianship certificate from all mentally ill persons and seek appointment of a guardian only in such cases where they are convinced on their



own or based on documentary evidence available, that the concerned person is mentally ill and is not able to enter into a valid and legally binding contract.

100. An RCB shall ensure that its branches give proper guidance to its customers so that the guardians / managers of the disabled persons do not face any difficulties in this regard.

**B.7 Display of Information regarding Local Level Committees set up under the National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999**

101. An RCB shall ensure that its branches display in a conspicuous place the following information in the local language and English / Hindi (or both):
- (1) essential details about the facilities under the enactment;
  - (2) the fact that the parties can approach the Local Level Committees, for the purpose of issuance of the certificate and that the certificate issued under the Act is acceptable; and
  - (3) the details of the Local Level Committees in that area.

**C. Rights of Transgender Persons - Changes in Bank Forms / Applications etc.**

102. An RCBs shall include 'third gender' in all forms / applications etc. prescribed by the Reserve Bank or the RCB itself, wherein any gender classification is envisaged.





## **Chapter VI – Payment and Remittance Services**

### **A. Demand Drafts**

#### **A.1 Issue of Demand Drafts**

103. An RCB shall ensure that demand drafts of ₹20,000 and above are issued invariably with account payee crossing.
104. Necessary changes in system and procedures to speed up issue and payment of drafts shall be taken.
105. Measures seeking to bring down the incidence of frauds perpetrated through bank drafts shall be built into the draft form itself.
106. All superscriptions about validity of the demand draft shall be provided at the top of the draft form. A draft shall be uniformly valid for a period of three months and procedure for revalidation after three months shall be simplified.
107. An RCB shall ensure that drafts of small amounts are issued by its branches against cash to all customers irrespective of the fact whether they are having accounts with the RCB or not. Staff at the RCB branch counter shall not refuse to accept small denomination notes from the customers (or non-customers) for issuance of the drafts.

#### **A.2 Encashment of drafts**

108. An RCB shall ensure that drafts drawn on its branches are paid immediately. Payment of draft shall not be refused for the only reason that relative advice has not been received.

#### **A.3 Issue of Duplicate Demand Draft**

109. Duplicate draft, in lieu of lost draft, up to and including ₹5,000 may be issued to the purchaser on the basis of adequate indemnity and without insistence on seeking non-payment advice from drawee office.
110. An RCB shall issue duplicate demand draft to the customer within a fortnight from the receipt of such request. Further, for the delay beyond this stipulated period, bank shall pay interest at the rate applicable for term deposit of corresponding



maturity in order to compensate the customer for such delay. The period of fortnight prescribed would be applicable only in cases where the request for duplicate demand draft is made by the purchaser or the beneficiary and would not be applicable in the case of third-party endorsements.

111. The above instructions would be applicable only in cases where the request for duplicate demand draft is made by the purchaser or the beneficiary and would not be applicable in the case of draft endorsed to third parties.

## **B. Cheque Collection Policy**

112. The cheque collection policy should be integrated with the deposit policy formulated by the RCB in line with the model deposit policy of IBA or Association of which it is a member.
113. The policy should clearly lay down the liability of an RCB by way of interest payments due to delays for non-compliance with the standards set by the RCB itself.
114. Compensation by way of interest payment, where necessary, should be made without any claim from the customer.
115. Adequate care may be taken to ensure that the interests of the small depositors are fully protected.
116. The policy should be placed before the Board of the RCB and the Board's specific approval should be obtained on the reasonableness of the policy and the compliance with the spirit of our instructions.

## **C. Issue and Acceptance of Cheques**

### **C.1 Writing the cheques in any language**

117. All cheque forms shall be printed in Hindi and English. The customer may, however, write cheques in Hindi, English or in the concerned regional language.

### **C.2 Dispatching the cheque book by courier**

118. The procedure of disallowing depositors to collect the cheque book at the branch and insisting on dispatching the cheque book by courier after forcibly obtaining a



declaration from the depositor that a dispatch by the courier is at depositor's risk is an unfair practice. An RCB should refrain from obtaining such undertakings from depositors and ensure that cheque books are delivered over the counters on request to the depositors or his authorised representative.

### **C.3 Acceptance of cheques bearing a date as per National Calendar (Saka Samvat) for payment**

119. Government of India has accepted Saka Samvat as National Calendar with effect from March 22, 1957 and all Government statutory orders, notifications, Acts of Parliament, etc. bear both the dates i.e., Saka Samvat as well as Gregorian Calendar. An instrument written in Hindi having date as per Saka Samvat calendar is a valid instrument. Accordingly, cheques bearing date in Hindi as per the National Calendar (Saka Samvat) shall be accepted by bank for payment, if otherwise in order. An RCB can ascertain the Gregorian calendar date corresponding to the National Saka calendar in order to avoid payment of stale cheques.

## **D. Collection of Instruments**

### **D.1 Cheque Drop Box Facility**

120. Both the drop box facility and the facility for acknowledgement of the cheques at regular collection counters shall be available to the customers and no branch shall refuse to give an acknowledgement if the customer tenders the cheques at the counters.
121. An RCB shall ensure that customers are not compelled to drop the cheques in the drop-box. Further, the RCB shall invariably display on the cheque drop-box itself that *"Customers can also tender the cheques at the counter and obtain acknowledgment on the pay-in-slips"*. The above message is required to be displayed in English, Hindi and the concerned regional language of the State.
122. An RCB shall make fool proof arrangements to account for the number of instruments each time the box is opened so that there are no disputes and the customer's interests are not compromised.



## **D.2 Cheques drawn in the name of Karta**

123. While RCBs shall not collect account payee cheques for any person other than the payee constituents, it is clarified that an RCB collecting instruments drawn in the name of 'Karta' to the account of the HUF is not prohibited. However, an RCB shall, take a mandate from the accountholder at the time of opening an account in the name of HUF, that the cheques drawn in favour of the Karta can also be collected in the account and vice-versa. Further, an RCB may also take such other precautions as they deem fit to ensure that the cheques drawn in favour of 'Karta' really pertain to the account of HUF before crediting the same to the HUF account.

## **D.3 Purchase of Local Cheques, Drafts, etc., during Suspension of Clearing**

124. Whenever clearing is suspended and it is apprehended that the suspension may be prolonged, bank may temporarily accommodate its constituents, both borrowers and depositors, to the extent possible by purchasing the local cheques, drafts, etc., deposited in their accounts for collection, special consideration being shown in respect of cheques drawn by Government departments/companies of good standing and repute, as also demand drafts drawn on local banks. While extending this facility, bank would no doubt take into consideration such factors as creditworthiness, integrity, past dealings and occupation of the constituents, so as to guard themselves against any possibility of such instruments being dishonoured subsequently.

## **D.4 Dishonour of Cheques – Procedure thereof**

### **D.4.1 Procedure for return/despatch of dishonoured cheques**

125. An RCB shall ensure that dishonoured instruments are returned / dispatched to the customer promptly without delay, in any case within 24 hours.
126. In relation to cheques presented direct to the paying bank for settlement of transaction by way of transfer between two accounts with that bank, it should return such dishonoured cheques to payees/ holders immediately.
127. In case of dishonor / return of cheques, the paying bank should clearly indicate the return reason code on the return memo / objection slip which should also



bear the signature / initial of an RCB officials as prescribed in Rule 6 of the Uniform Regulations and Rules for Bankers' Clearing Houses (URRBCH).

#### **D.4.2 Framing appropriate procedure for dealing with dishonoured cheques**

128. An RCB shall have a Board approved policy for dealing with frequent dishonour of cheques of value of less than ₹1 crore. The policy shall also deal with matters relating to frequent dishonour of ECS mandates.
129. The policy shall also cover the inherent preventive measures and checks to prevent any scope for collusion of the staff of the RCB or any other person, with the drawer of the cheque for causing delay in or withholding the communication of the fact of dishonour of the cheque to the payee/ holder or the return of such dishonoured cheque to him. The RCB shall also lay down requisite internal guidelines for its officers and staff and advise them to adhere to such guidelines and ensure strict compliance thereof to achieve aforesaid object of effective communication and delivery of dishonoured cheque to the payee.

#### **D.4.3 Information on dishonoured cheques**

130. Data in respect of each dishonoured cheque for amount of ₹1 crore and above shall be made part of bank's MIS on constituents and concerned branches shall report such data to their respective controlling office / Head Office.
131. Data in respect of cheques drawn in favour of stock exchanges and dishonoured shall be consolidated separately by bank irrespective of the value of such cheques as a part of their MIS relating to broker entities and be reported to its respective Head Offices / Central Offices.
132. An RCB shall place before its Audit / Management Committee, every quarter, consolidated data in respect of the matters referred in paragraphs 130 and 131 above.

#### **D.4.4 Dealing with incidents of frequent dishonour of cheques of ₹1 crore and above**

133. An RCB shall introduce a condition for operation of accounts with cheque facility that in the event of dishonour of a cheque valuing ₹1 crore and above drawn on



a particular account of the drawer on four occasions during the financial year for want of sufficient funds in the account, no fresh cheque book would be issued. Also, an RCB may consider closing current account at its discretion. However, in respect of advances accounts such as cash credit account, overdraft account, the need for continuance or otherwise of these credit facilities and the cheque facility relating to these accounts shall be reviewed by appropriate authority higher than the sanctioning authority.

134. For the purposes of introduction of the condition mentioned at paragraph 133 above in relation to operation of the existing accounts, an RCB shall, at the time of issuing new cheque book, issue a letter advising the constituents of the new condition.
135. If a cheque is dishonoured for a third time on a particular account of the drawer during the financial year, an RCB shall issue a cautionary advice to the concerned constituent drawing his attention to aforesaid condition and consequential stoppage of cheque facility in the event of cheque being dishonoured on fourth occasion on the same account during the financial year. Similar cautionary advice shall be issued if the bank intends to close the account.

#### **D.4.5 General**

136. For the purpose of adducing evidence to prove the fact of dishonour of cheque on behalf of a complainant (i.e., payee / holder of a dishonoured cheque) in any proceeding relating to dishonoured cheque before a court, consumer forum or any other competent authority, the RCB shall extend full co-operation, and shall furnish him/her documentary proof of fact of dishonour of cheques.

#### **D.5 Bills for collection**

137. Bills for collection including bill discounting required to be collected through another bank at the realising centre should be forwarded directly by the forwarding office to the realising office.



## **Chapter VII - Deposit Accounts and other Liabilities**

### **A.1 Opening / Operation of Deposit Accounts**

138. An RCB shall be guided by Reserve Bank's instructions on KYC / AML for opening and operation of accounts as prescribed in the Reserve Bank of India (Rural Co-operative Banks – Know Your Customer) Directions, 2025.
139. A bank shall be guided by Reserve Bank's instructions on interest rates on deposit accounts and related matters as prescribed in the Reserve Bank of India (Rural Co-operative Banks – Interest Rate on Deposits) Directions, 2025.

### **A.2 Minimum balance in savings bank accounts**

140. An RCB shall, at the time of opening the accounts, inform its customers in a transparent manner, the requirement of maintaining minimum balance and details of charges, if any, due to non-maintenance of the same. An RCB shall inform, at least one month in advance, the existing account holders of any change in the prescribed minimum balance and the charges that may be levied if the prescribed minimum balance is not maintained. An RCB is not permitted to levy penal charges for non-maintenance of minimum balances in any inoperative account.
141. Levy of charges for non-maintenance of minimum balance in savings bank account shall be subject to the following additional instructions:
- (1) In the event of a default in maintenance of minimum balance / average minimum balance as agreed to between the RCB and customer, the RCB shall notify the customer clearly by SMS / email / letter etc. that in the event of the minimum balance not being restored in the account within a month from the date of notice, penal charges shall be applicable.
  - (2) In case the minimum balance is not restored within a reasonable period, which shall not be less than one month from the date of notice of shortfall, penal charges shall be recovered under intimation to the account holder.
  - (3) The policy on penal charges to be so levied shall be decided with the approval of the Board of the RCB.



- (4) The penal charges shall be directly proportionate to the extent of shortfall observed. In other words, the charges shall be a fixed percentage levied on the amount of difference between the actual balance maintained and the minimum balance as agreed upon at the time of opening of account. A suitable slab structure for recovery of charges shall be finalized.
- (5) It shall be ensured that such penal charges are reasonable and not out of line with the average cost of providing the services.
- (6) It shall be ensured that the balance in the savings account does not turn into negative balance solely on account of levy of charges for non-maintenance of minimum balance.

### **A.3 Treatment of Accounts opened for Credit of Scholarship Amounts under Government Schemes**

142. An RCB shall also ensure that accounts of all student beneficiaries under the various Central / State Government Scholarship Schemes are free from restrictions of 'minimum balance' and 'total credit limit'.

### **A.4 Statement of account / Passbook**

#### **A.4.1 Issuance of Passbook to Savings Bank Account holder (Individual)**

143. An RCB shall invariably offer passbook facility to all its savings bank account holders (individuals), and in case the RCB offers the facility of sending statement of account and the customer chooses to get statement of account, the RCB shall issue a monthly statement of account.
144. The cost of providing such passbook or statements shall not be charged to the customer.

#### **A.4.2 Details to be mentioned in Passbook / Statement of Account**

145. An RCB shall mention the complete address / telephone number of the branch on the passbook / statement of account as a customer service measure.





#### A.4.3 Recording of Details of Transactions in Passbook / Statement of Account

146. An RCB shall avoid inscrutable entries in passbook / statement of account and ensure that brief, intelligible particulars are invariably entered in passbook / statement of account.
147. An RCB shall at a minimum provide the relevant details in respect of entries in the accounts as illustrated (the list is indicative and not exhaustive) below:

**Table 4**

	<b>Debit entries</b>	
a.	Payment to third parties	(i) Name of the payee (ii) Mode – Transfer, clearing, inter-branch, RTGS/ NEFT, cash, cheque (number) (iii) Name of the transferee bank, if the payment is made through clearing/ inter-branch transaction/ RTGS/ NEFT
b.	Payment to 'self'	(i) Indicate "Self" as payee (ii) Name of the ATM/ branch if the payment is made by ATM/ another branch
c.	Issuance of drafts/ pay orders/ any other payment instrument	(i) Name of the payee (in brief/ acronym) (ii) Name of the drawee bank/ branch/ service branch
d.	Bank charges	(i) Nature of the charges – fee/ commission/ penalty etc. (ii) Reasons for the charges, in brief – e.g. return of cheque (number), commission/ fee on draft issued/ remittance (draft number), cheque collection charge (number), issuance of cheque book, SMS alerts, ATM fees, additional cash withdrawals, etc.
e.	Reversal of wrong credits	(i) Date of the original credit entry reversed (ii) Reasons for reversal, in brief
f.	Recovery of instalments of a loan/ interest on loan	(i) Loan account number (ii) Name of the Loan account holder
g.	Creation of term deposit/ recurring deposit	(i) Term Deposit/ Recurring Deposit Account/ Receipt number (ii) Name of the Term Deposit/ Recurring Deposit Account holder
h.	Transactions at POS	(i) Transaction date, time and identification number (ii) Location of the POS
i.	Any other	(i) Provide adequate details on the same lines as mentioned above.

*Note: In case of single debit in account with multiple credits, the payee name/ account number/ branch/ bank shall not be recorded. However, the fact of "multiple payees" will be indicated.*



<b>II. Credit Entries</b>		
a.	Cash deposit	(i) Indicate that it is a “cash deposit” (ii) Name of the depositor – self/ third party
b.	Receipt from third parties	(i) Name of the remitter/ transferor (ii) Mode – Transfer, inter-branch, RTGS/ NEFT, cash, etc. (iii) Name of the transferor bank, if the payment is received through inter-branch transaction, RTGS/ NEFT
c.	Proceeds of clearing/ collection/ draft etc. paid	(i) Name of the draft issuing bank (ii) Date and number of the cheque/ draft
d.	Reversal of wrong debits (including charges)	(i) Date of the original debit entry reversed (ii) Reasons for reversal, in brief
e.	Interest on deposits	(i) Mention if it is interest paid on the Savings Account/ Term Deposit (ii) Mention the respective Fixed Deposit Account/ Receipt Number if it is interest paid on Fixed Deposit(s)
f.	Maturity proceeds of term deposit/ recurring deposit	(i) Name of the Term Deposit/ Recurring Deposit holder (ii) Term Deposit/ Recurring Deposit account/ receipt number (iii) Date of maturity
g.	Loan proceeds	(i) Loan account number
h.	Any other	(i) Provide adequate details

148. An RCB shall also incorporate information about ‘deposit insurance cover’ along with the limit of coverage, subject to change from time to time, upfront in the passbook.

#### **A.4.4 Updating passbooks**

149. Customers shall be made conscious of the need on their part to get the passbooks updated regularly and employees shall be exhorted to attach importance to this area. A printed slip requesting the depositor to tender their passbooks periodically shall be given, especially in cases where a passbook is tendered for posting after a long interval of time or after very large number of transactions.
150. Paper tokens, indicating the date of receipt of the passbook and also the date when it is to be collected, shall be issued in cases where the passbooks are held back for updation.



#### **A.4.5 Maintenance of savings bank passbooks: Precautions**

151. An RCB shall exercise the following precautions to obviate fraudulent withdrawals from the relative accounts due to negligence in taking adequate care of the custody of savings bank passbooks:

- (1) Branches shall accept the passbooks and return them against tokens.
- (2) Passbooks retained at the branches overnight shall be held under lock and key in the custody of named responsible officials.

#### **A.4.6 Providing monthly statement of account**

152. An RCB shall ensure to adhere to monthly periodicity while sending statement of account. Further, an RCB shall advise its Inspecting Officers to carry out sample check at the time of internal inspection of branches to verify whether the statements are being dispatched in time.

#### **A.5 Term Deposit Account**

153. An RCB shall adhere to the following instructions relating to operations in term deposit accounts:

- (1) The RCB shall issue term deposit receipt indicating therein full details, such as, date of issue, period of deposit, due date, applicable rate of interest, etc.
- (2) Term deposits shall be freely transferable from one office of bank to another.
- (3) Change in interest rate on deposits shall be made known to customers as well as bank branches expeditiously.
- (4) The RCB shall ensure that various term deposit schemes are made known to the customers through proper publicity and advice.
- (5) The RCB shall provide assistance / guidance to customers in the area of investment of funds in the various deposit schemes vis-a-vis the requirement of the customers.



#### **A.5.1 Addition or deletion of the name/s of joint account holders**

154. The RCB may, at the request of all the joint account holders, allow the 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. However, in no case shall the amount or duration of the original deposit undergo a change in any manner in case the deposit is a term deposit.
155. The RCB may, at its discretion, and at the request of all the joint account holders of a deposit receipt, allow the splitting up of the joint deposit, 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.

#### **A.5.2 Disposal of Deposits**

156. Advance instructions from depositors for disposal of deposits on maturity shall be obtained in the application form itself. Wherever such instructions are not obtained, the RCB shall ensure to send intimation of impending due date of maturity well in advance to their depositors as a rule in order to extend better customer service.

#### **A.5.3 Renewal of Overdue Deposits**

157. All aspects concerning renewal of overdue deposits shall be laid down in a transparent policy. The policy shall be non-discretionary and non-discriminatory. The terms and conditions of renewal including interest rates shall be notified to the customer at the time of acceptance of deposit.

#### **A.5.4 Repayment of Term Deposits**

158. The signatures of both the depositors need not be obtained for payment of maturity proceeds of term deposit accounts that are opened with operating instructions 'Either or Survivor'. However, the signatures of both the depositors may have to be obtained, in case 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 pre-payment of the term deposit may be allowed without the concurrence of the legal heirs of the deceased joint holder. This, however, would not stand in the way of making payment to the survivor on maturity.



159. In case the mandate is 'Former or Survivor', the 'Former' alone can operate / withdraw the matured amount of the term deposit, when both the depositors are alive. However, the signature of both the depositors may have to be obtained, in case the deposit is to be paid before maturity. If the former expires before the maturity of the 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 in case of death of one of the depositors.
160. If the joint depositors prefer to allow premature withdrawals of term deposits also in accordance with the mandate of 'Either or Survivor' or 'Former or Survivor', as the case may be, it would be open to the RCB to do so, provided it has taken a specific joint mandate from the depositors for the said purpose. In other words, in case of term deposits with "Either or Survivor" or "Former or Survivor" mandate, the RCB is permitted to allow premature withdrawal of the deposit by the surviving joint depositor on the death of the other, only if, there is a joint mandate from the joint depositors to this effect.
161. When a term deposit account is opened in the joint names of two depositors on 'Either or Survivor' basis and the said joint depositors already have a savings bank account in their names jointly on 'Either or Survivor' instructions, on maturity of the term deposit, proceeds of the matured term deposit can be credited to the joint savings bank account already opened in the RCB. A separate savings bank account need not be opened in the name of the first depositor for crediting the proceeds of the term deposit.

#### **A.5.5 Deduction of Tax Deducted at Source**

162. An RCB is not required to deduct TDS from depositors who submit declaration in Form 15-G/15-H under Income Tax Rules, 1962. The RCB shall give an acknowledgment at the time of receipt of such declaration.
163. An RCB shall provide TDS Certificate in Form 16A, to its customers in respect of whom they have deducted tax at source. An RCB shall put in place systems that will enable them to provide Form 16A to the customers well within the timeframe prescribed under the Income Tax Rules.



#### **A.5.6 Renewal of Term Deposits frozen by law enforcement authorities**

164. In cases where a term deposit account(s) of a depositor is frozen by an RCB on the order of law enforcement authorities, the RCB shall obtain a request letter from the depositor on maturity for renewal of the deposit. The depositor shall be given an option to choose the term for renewal of the deposit. In case the depositor does not exercise the option of choosing the term for renewal, the RCB shall renew the deposit for a term equal to the original term.

#### **A.6 Acceptance of cash over the counter**

165. An RCB shall refrain from incorporating clauses in the terms and conditions which restrict deposit of cash over the counters and ensure that its branches invariably accept cash over the counters from all its customers who desire to do so. In this connection, an RCB shall comply with the Know Your Customer requirements for customers and walk-in customers as contained in [Reserve Bank of India \(Rural Co-operative Banks – Know Your Customer\) Directions, 2025](#).

#### **A.7 Opening of Bank Accounts in the Names of Minors**

166. Minors of any age may be allowed to open and operate savings and term deposit accounts through his/ her natural or legal guardian. They may also be allowed to open such accounts with mother as guardian, in terms of instructions issued on December 29, 1976, whose contents are reproduced below:

*It has been brought to our notice that considerable difficulty is being experienced by women customers in opening bank accounts in the names of minors, with mothers as their guardians. Presumably, RCBs are reluctant to accept the mother as a guardian of a minor, while father is alive in view of section 6 of the Hindu Minority and Guardianship Act, 1956, which stipulates that the father alone should be deemed to be the guardian in such case. To overcome this legal difficulty and to enable An RCBs to open freely such accounts in the name of minors under the guardianship of their mothers, it has been suggested in some quarters that the above provisions should be suitably amended. While it is true that an amendment of the above Act may overcome the difficulty in the case of Hindus, it will not solve the problem for other communities as minors belonging*



*to Muslim, Christian, Parsi Communities would still be left out unless the laws governing these communities are also likewise amended.*

*The legal and practical aspects of the above problem were, therefore, examined by us in consultation with the Government of India and we are advised that if the idea underlining the demand for allowing mothers to be treated as guardians relates only to the opening of fixed and savings bank accounts, there would seem to be no difficulty in meeting the requirements as, notwithstanding the legal provisions, such accounts could be opened by banks provided they take adequate safeguards in allowing operations in the accounts by ensuring that the minors' accounts opened with mothers as guardians are not allowed to be overdrawn and that they always remain in credit. In this way, the minors' capacity to enter into contract would not be a subject matter of dispute. If this precaution is taken, an RCBs' interests would be adequately protected. We shall therefore, be glad if you will kindly apprise all your branches of the position as stated above and instruct them to allow minors' accounts (fixed and savings only) with mothers as guardians to be opened, whenever such requests are received by them, subject to the safeguards mentioned above.*

167. Minors above such an age limit not less than 10 years and up to such amount and such terms as may be fixed by an RCB keeping in view its risk management policy, may be allowed to open and operate savings / term deposit accounts independently, if they so desire, and such terms shall be duly conveyed to the account holder.
168. On attaining the age of majority, fresh operating instructions and specimen signature of the account holder shall be obtained and kept on record. Moreover, if the account is operated by the guardian, the balance shall be got confirmed. An RCB shall take advance action, including communicating these requirements to minor account holders attaining the age of majority, to ensure fulfilment of these requirements.
169. An RCB is free to offer additional banking facilities like internet banking, ATM / debit cards, cheque book facility, etc., to the minor account holders basis their risk management policy, product suitability and customer appropriateness.



170. An RCB shall ensure that accounts of minors, whether operated independently or through a guardian, are not allowed to be overdrawn and that these always remain in credit balance.
171. An RCB shall perform customer due diligence for opening of deposit accounts of minors and undertake ongoing due diligence, as per the provisions of Reserve Bank of India ([Rural Co-operative Banks – Know Your Customer](#)) Directions, 2025.

## **B. Unclaimed Deposits / Inoperative Accounts**

### **B.1 Review of Accounts**

172. An RCB shall undertake at least an annual review in respect of accounts, where there is no customer induced transactions for more than a year. In cases where there is no explicit mandate to renew the term deposit, an RCB shall review such accounts if the customers have not withdrawn the proceeds after maturity or transferred these to their savings/current account in order to prevent such deposits from becoming unclaimed. An RCB shall inform the account/deposit holders in writing through letters or email or SMS (if the email and mobile number are registered with the RCB) that there has been no operation in their accounts/deposits in the last one year, as the case may be. The alert messages shall invariably mention that the account would become 'inoperative' if no operations are carried out during the next one year and, the account holder would be required to submit KYC documents afresh for reactivating the account in such case.
173. If the letters are returned undelivered or no response is received through registered email, an RCB shall immediately undertake an enquiry to find out the whereabouts of account holder or his/her nominee/legal heirs in case the account holder is deceased.
174. In case any response is received from the account holder giving the reasons for not operating the account, an RCB shall continue to classify the account as operative for one more year and the account holder shall be advised to operate the account within a period of one year (herein after referred to as 'extended period'). In case the account holder still fails to operate the account within the





extended period, the RCB shall classify the said account as inoperative account after the expiry of the extended period.

175. For the purpose of classifying an account as 'inoperative', only customer induced transactions and not bank induced transactions shall be considered. There may be instances where the customer has given a mandate like Standing Instructions (SI)/ auto-renewal instructions and there are no other operations in the Savings /Current account or the Term Deposit. These transactions shall also be treated as customer induced transactions.
176. The classification of an account as inoperative shall be for a particular account of the customer and not with reference to the customer. In case a customer is maintaining multiple accounts/deposits with a bank, all such accounts / deposits shall be assessed individually for the purpose of classifying them as inoperative account / unclaimed deposit, as the case may be.
177. In case the account holder is not carrying out transaction and the account is inoperative due to shifting of primary account to another bank, the account holder may be requested to provide the details of the new bank account with authorisation to enable the RCB to transfer the balance from the existing bank account.

## **B.2 Treatment of accounts opened for credit of scholarship amount and credit of Direct Benefit Transfer under Government Schemes**

178. RCBs open zero balance accounts for beneficiaries of Central / State government schemes and for students who receive scholarship. Central and State governments have been expressing difficulty in crediting cheques / Direct Benefit Transfer / Electronic Benefit Transfer / scholarship amount in these accounts as they are also classified as inoperative due to non-operation for two years. An RCB shall, based on the purpose of opening of the account, segregate the aforementioned accounts in its CBS, so that the stipulation of 'inoperative' account is not applicable to these accounts due to their non-operation for a period of more than two years. To avoid the risk of fraud, etc., in such accounts, while allowing operations in these accounts, the RCB shall exercise due diligence as per the extant instructions.



### **B.3 Segregation and Audit of Inoperative Accounts/ Unclaimed Deposits**

179. The segregation of inoperative accounts is required to be done to reduce the risk of frauds. The transactions in inoperative accounts, which have been reactivated, shall be monitored regularly, for at least six months, at higher levels (i.e., by controlling authorities of the concerned branch) without the knowledge and notice of the customers and the dealing staff.
180. An RCB shall ensure that amounts lying in inoperative accounts / unclaimed deposits and reactivated inoperative accounts/ unclaimed deposits, are subjected to concurrent audit.

### **B.4 Tracing of Customers of Inoperative Accounts/ Unclaimed Deposits**

181. An RCB shall contact the holder(s) of the inoperative account/ unclaimed deposit through letters, email or SMS (if the email and mobile number are registered with the RCB). The email / SMS shall be sent on a quarterly basis.
182. In case the whereabouts of the holder(s) of the minimum balance account/ unclaimed deposit are not traceable, the RCB shall contact the introducer, if any, who had introduced the account holder to the RCB at the time of opening of the account. The RCB shall also contact the nominee, if registered, for tracing the customer.
183. An RCB shall undertake special drives periodically to find out the whereabouts of the customers, their nominees or legal heirs in respect of inoperative accounts / unclaimed deposits.

### **B.5 Activation of Inoperative Accounts**

184. An RCB shall make available the facility of updation of KYC for activation of inoperative accounts / unclaimed deposits at all branches (including non-home branches). Further, the RCB shall endeavour to provide the facility of updation of KYC in such accounts and deposits through Video-Customer Identification Process (V-CIP). The V-CIP related instructions under [Reserve Bank of India \(Rural Co-operative Banks – Know Your Customer\) Directions, 2025](#) shall be adhered to by the RCB. Additionally, the services of an authorised Business Correspondent of the RCB may be utilized for activation of inoperative accounts



as prescribed in these Directions and through V-CIP if requested by the account holder, subject to the facility of V-CIP being provided by the RCB.

185. An RCB shall activate the inoperative accounts/ unclaimed deposits, including those which are under freeze by orders of various agencies like Courts, Tribunals, Law Enforcement Agencies, only after adhering to the KYC instructions provided in the [Reserve Bank of India \(Rural Co-operative Banks – Know Your Customer\) Directions, 2025](#) such as Customer Due Diligence (CDD), customer identification, risk categorisation, etc.
186. An RCB shall ensure that activation of inoperative account / unclaimed deposits in CBS necessarily requires second level of authorisation by another officer at the same or higher level (i.e., through maker and checker). System logs shall invariably be maintained in case of any activity in or activation of inoperative accounts/unclaimed deposits for concurrent audit purpose. The preservation period of such system logs shall be as per the internal guidelines of an RCB.
187. An RCB shall automatically intimate the inoperative account/ unclaimed deposit holders through SMS and registered email stating that on the basis of the KYC documents submitted by them, the inoperative status of the account has been removed. The intimation shall also mention the remedial measures available to them to report unauthorised access, if any. This would alert the account/ unclaimed deposit holder against any possible fraudulent activity in his/her inoperative account. The RCB shall have in place adequate operational safeguards to ensure that the claimants in case of inoperative accounts/ unclaimed deposits are genuine. The RCB shall process requests for activation of inoperative account/ unclaimed deposits within three working days from the receipt of the complete application.

## **B.6 Payment of Interest**

188. Interest on savings accounts shall be credited on a regular basis irrespective of the fact that the account is in operation or not.



### **B.7 Levy of Charges**

189. An RCB shall not levy penal charges for non-maintenance of minimum balances in any account that is classified as an inoperative account.
190. No charges shall be levied for activation of inoperative accounts.

### **B.8 Display of Unclaimed Deposits and Search Facility**

191. An RCB shall host the details of unclaimed deposits {only name, address (without pin code) and Unclaimed Deposit Reference Number (UDRN)}, which have been transferred to DEA Fund of RBI on their respective websites, which shall be updated regularly, at least on a monthly basis. An RCB, which does not have its own website shall make available the above list of unclaimed deposits in their respective branches. The database hosted on the website shall provide a search option to enable the public to search for their unclaimed deposits using name in combination with the address of the account holder/ entity. Upon a successful search, details of unclaimed deposits shall be displayed in a format comprising account holder's name(s), his/her address (without pincode) and UDRN only. In case such accounts are not in the name of individuals, the search input and result should include names of individuals authorised to operate the accounts. However, the account number, its type, outstanding balance and the name of the branch shall not be disclosed on the RCB's website.

### **B.9 Fraud Risk Management in Inoperative Accounts**

192. An RCB shall not allow any debit transaction in an inoperative account unless there is a customer induced activation as per the procedure mentioned in paragraphs 184 to 187 above. Further, an RCB shall also consider imposing a cooling-off period on reactivation, with restrictions on the number and amount of transactions, as may be applicable for newly opened accounts with the RCB.
193. An RCB shall ensure that there is no unauthorised access to customer data pertaining to the inoperative accounts. The RCB shall also ensure that adequate steps are taken to prevent data theft and related misuse for fraudulent purposes.



## **B.10 Customer Awareness**

194. An RCB shall provide on their website as well as at their branches, the information on the process for activation of the inoperative account/ unclaimed deposits and claiming the balances therein. Necessary claim forms and documents may be made available for the benefit of customers.
195. An RCB shall conduct public awareness and financial literacy campaigns regularly to educate the members of public about the activation of inoperative accounts / unclaimed deposits and the prescribed procedure to claim amounts lying therein by a depositor or his/her nominee / legal heir in case of deceased depositor.

## **C. Safe Deposit Locker / Safe Custody Article Facility**

### **C.1 Board approved policies and SOPs**

196. An RCB shall put in place a comprehensive revised Board approved policy and SOPs on safe deposit locker facility / safe custody article as per the instructions mentioned herein.

### **C.2 Allotment of Lockers**

#### **C.2.1 Customer Due Diligence (CDD) for Lockers**

197. The existing customers of a bank who have made an application for locker facility and who are fully compliant with the CDD criteria under the [Reserve Bank of India \(Rural Co-operative Banks – Know Your Customer\) Directions, 2025](#) may be given the facilities of safe deposit lockers / safe custody article subject to on-going compliance.
198. Customers who are not having any other banking relationship with the RCB may be given the facilities of safe deposit locker / safe custody article after complying with the CDD criteria under the [Reserve Bank of India \(Rural Co-operative Banks – Know Your Customer\) Directions, 2025](#) and subject to on-going compliance. The due diligence shall be carried out for all the customers in whatever rights and capacities they may be hiring the locker.



199. An RCB shall incorporate a clause in the locker agreement that the locker-hirer/s shall not keep anything illegal or any hazardous substance in the Safe Deposit locker. If an RCB suspects the deposit of any illegal or hazardous substance by any customer in the safe deposit locker, the RCB shall have the right to take appropriate action against such customer as it deems fit and proper in the circumstances.
200. An RCB shall obtain recent passport size photographs of locker-hirer(s) and individual(s) authorised by locker hirer(s) to operate the locker and preserve in the records pertaining to locker-hirer being maintained in the RCB's branch.

### **C.2.2 Locker Allotment**

201. In order to facilitate customers making informed choices, an RCB shall maintain a branch wise list of vacant lockers as well as a waitlist in Core Banking System (CBS) or any other computerised system compliant with Cyber Security Framework issued by RBI, for the purpose of allotment of lockers and ensure transparency in allotment of lockers. An RCB shall acknowledge the receipt of all applications for allotment of locker and provide a waitlist number to the customers, if the lockers are not available for allotment.

### **C.2.3 Model Locker Agreement**

202. An RCB shall have a Board approved agreement for safe deposit lockers. For this purpose, an RCB may adopt the model locker agreement framed by IBA. The agreement shall be in conformity with these instructions and the directions of the Hon'ble Supreme Court in the matter of ['Amitabha Dasgupta vs United Bank of India' \(Judgment dated February 19, 2021 in CA No. 3966 of 2010\)](#). An RCB shall ensure that any unfair terms or conditions are not incorporated in their locker agreements. Further, the terms of the contract shall not be more onerous than required in ordinary course of business to safeguard the interests of the RCB.
203. At the time of allotment of the locker to a customer, an RCB shall enter into an agreement with the customer to whom the locker facility is provided, on a paper duly stamped. A copy of the locker agreement in duplicate signed by both the parties shall be furnished to the locker-hirer to know his / her rights and



responsibilities. Original Agreement shall be retained with the RCB's branch where the locker is situated.

204. There may be instances, where the agreements already executed by an RCB with its locker-hirer(s) are at variance with the IBA Model Agreement. In such cases, all the provisions contained in this section, in particular paragraphs 236 to 238 below on compensation policy / liability of RCBs, shall continue to apply to them even if not explicitly stated in the agreements already executed. Further, in such cases, the RCB shall have the option to execute fresh agreements or revise them through supplementary agreements. The cost of stamp paper in such cases shall be borne by the RCB.
205. RCBs were advised to facilitate execution of the fresh / supplementary stamped agreements with all their existing customers on or before December 31, 2023 by taking measures such as arranging stamp papers, franking, electronic execution of agreement, e-stamping, etc. and provide a copy of the executed agreement to the customer.

#### **C.2.4 Locker Rent**

206. An RCB may face potential situations where the locker-hirer neither operates the locker nor pays the rent. To ensure prompt payment of locker rent, an RCB is allowed to obtain a term deposit, at the time of allotment, which would cover three years' rent and the charges for breaking open the locker in case of such eventuality. An RCB, however, shall not insist on such term deposits from the existing locker holders or those who have satisfactory operative account. The packaging of allotment of locker facility with placement of term deposits beyond what is specifically permitted above will be considered as a restrictive practice.
207. If locker rent is collected in advance, in the event of surrender of a locker by a customer, the proportionate amount of advance rent collected shall be refunded to the customer.
208. If there is any event such as merger / closure / shifting of branch warranting physical relocation of the lockers, an RCB shall give public notice in two newspapers (including one local daily in vernacular language) in this regard and



the customers shall be intimated at least two months in advance along with options for them to change or close the facility. In case of unplanned shifting due to natural calamities or any other such emergency situation, the RCB shall make efforts to intimate its customers suitably at the earliest.

### **C.3 Infrastructure and Security Standards**

#### **C.3.1 Security of the Strong Room / Vault**

209. An RCB shall take necessary steps to ensure that the area in which the locker facility is housed is properly secured to prevent criminal break-ins. The risks of accessibility of an allotted locker from any side without involvement of the locker-hirer concerned may be assessed and kept on record. The RCB shall have a single defined point of entry and exit to the locker room / vault. The place where the lockers are housed must be secured enough to protect against hazard of rain / flood water entering and damaging the lockers in contingent situations. The fire hazard risks of the area should also be assessed and minimized. The RCB, as per its policy, shall conduct necessary engineering / safety verification regularly to identify the risks and carry out necessary rectification.
210. The area housing the lockers shall remain adequately guarded at all times. An RCB shall install Access Control system, if required as per its risk assessment, which would restrict any unauthorised entry and create digital record of access to locker room with time log. As per its internal security policy, bank may cover the entry and exit of the strong room and the common areas of operation under CCTV camera and preserve its recording for a period of not less than 180 days. In case any customer has complained to an RCB that his/her locker is opened without his/her knowledge and authority, or any theft or security breach is noticed/observed, the RCB shall preserve the CCTV recording till the police investigation is completed and the dispute is settled.
211. The security procedures shall be well documented and the staff concerned shall be properly trained in the procedure. The internal auditors shall verify and report the compliance to ensure that the procedures are strictly adhered to.





### **C.3.2 Locker Standards**

212. All the new mechanical lockers to be installed by an RCB shall conform to basic standards / benchmarks for safety and security as prescribed by Bureau of Indian Standards (BIS) or any other enhanced industry standards applicable in this regard.
213. In case the lockers are being operated through an electronic system, an RCB shall take reasonable steps to ensure that the system is protected against hacking or any breach of security. The customers' personal data, including their biometric data, shall not be shared with third parties without their consent. Further, an RCB shall ensure that the electronically operated lockers are compliant with the Cyber Security Framework prescribed by the Reserve Bank. The system shall be capable of maintaining unalterable log of locker activities. An RCB shall comply with the relevant statutory / regulatory instructions / requirements applicable for IT / data protection. Further, an RCB shall also devise a standard operating procedure for issue of new password in lieu of lost passwords to customers in a safe and secure manner in case of electronically operated lockers.
214. An RCB shall ensure that identification Code of the RCB / branch is embossed on all the locker keys with a view to facilitating identification of lockers / locker ownership by law enforcement agencies in case of need. Further, the custodian of the locker shall, regularly/periodically, check the keys maintained in the branch to ensure that they are in proper condition. An RCB shall permit the locker-hirer to operate the locker only with the key provided by the RCB, although there is no restriction in allowing the customer to use an additional padlock of her / his own if there are such provisions in lockers.

### **C.4 Locker Operations**

#### **C.4.1 Regular Operations by Customers**

215. The locker hirer and/or the persons duly authorised by him/ her only shall be permitted to operate the locker after proper verification of their identity and recording of the authorization by the officials concerned of the RCB. An RCB shall maintain a record of all individuals, including the locker-hirers, who have



accessed the lockers and the date and time (both check-in and check-out time) on which they have opened and closed the locker and obtain their signature. The ingress and egress register for access to Vault Room by locker-hirers or any other individual including the RCBs' staff shall be maintained to record the movement of individuals in the Vault Room area with their signatures at appropriate place in the records.

216. An RCB's officer authorising the locker-hirer to access the locker, after unlocking the first key / password shall not remain present when the locker is opened by the locker-hirer. An RCB shall ensure that there is adequate privacy to the locker-hirers in the operations when customers access the lockers at the same time.
217. An RCB shall send an email and SMS alert to the registered email address and mobile number of the customer before the end of the day as a positive confirmation intimating the date and time of the locker operation and the redressal mechanism available in case of unauthorized locker access.

#### **C.4.2 Internal Controls by RCBs**

218. There shall be a system of inter change of locks whenever the locker is surrendered by the hirer. The keys of vacant lockers shall be kept in sealed envelopes. The duplicate master keys shall be deposited with another branch of the RCB. There shall be proper record of joint custody of master keys. An RCB shall conduct surprise periodic verification of surrendered/vacant lockers and their keys by an officer of the RCB who is not connected with their custody and proper record shall be maintained as a proof of such verification.
219. An RCB shall ensure that the Locker Register and the Locker Key Register are maintained in CBS or any other computerized system compliant with the Cyber Security Framework issued by the Reserve Bank. The Locker Register shall be updated in case of any change in the allotment with complete audit trails.
220. An RCB's custodian shall check whether the lockers are properly closed post locker operation. If the same is not done, the lockers must be immediately closed, and the locker-hirer shall be promptly intimated through e-mail, if registered or through SMS, if mobile number is registered or through letter so that they may



verify any resulting discrepancy in the contents of the locker. An RCB's custodian shall record the fact of not closing the locker properly in the register and its closure by the RCB with the date and time. Further, the custodian of the locker room shall carry out a physical check of the locker room at the end of the day to ensure that lockers are properly closed, and that no person is inadvertently trapped in the locker room after banking hours.

### **C.5 Closure and Discharge of locker items**

221. This part refers to the breaking open of the locker in a manner other than through the normal access by the customer using her/his original key or password under any one of the following circumstances:
- (1) if the hirer loses the key and requests for breaking open the locker at her /his cost; or
  - (2) if the Government enforcement agencies have approached the RCB with orders from the Court or appropriate competent authority to seize lockers and requested for access to the lockers; or
  - (3) if the RCB is of the view that there is a need to take back the locker as the locker hirer is not co-operating or not complying with the terms and conditions of the agreement.
222. An RCB shall have a clear Board approved policy together with a SOP for breaking open the lockers for all possible situations keeping in view the relevant legal and contractual provisions.

### **C.6 Discharge of locker contents at the request of customer**

223. If the key of the locker supplied by the RCB is lost by the locker-hirer, the customer (locker hirer) shall notify the RCB immediately. An undertaking may also be obtained from the customer that the key lost, if found in future, will be handed over to the RCB. All charges for opening the locker, changing the lock and replacing the lost key may be recovered from the hirer. The charges applicable for replacement of lost keys / issue of new password shall be communicated to the locker hirer.



224. The opening of the locker has to be carried out by the RCB or its authorised technician only after proper identification of the hirer, proper recording of the fact of loss and written authorisation by the customer for breaking open the locker.
225. The operation shall be done in the presence of the customer/s and an authorised official of the RCB. It has to be ensured that the adjoining lockers are not impacted by any such operations and the contents of the lockers are not exposed to any individual other than the locker-hirer during the break-up or restoration process.

#### **C.6.1 Attachment and recovery of contents in a Locker and the Articles in the safe custody of an RCB by any Law Enforcement Authority**

226. In case of attachment and recovery of the contents in a locker of a customer or the articles left by a customer for safe custody of an RCB by any Authority acting either under the orders of a Court or any other competent authority vested with the power to pass such orders, the RCB shall co-operate in execution and implementation of the orders.
227. An RCB shall verify and satisfy itself about the orders and the connected documents received for attachment and recovery of the contents in a locker or articles in the safe custody of the RCB. The customer (locker-hirer) shall be informed by letter as well as by email / SMS to the registered email address / mobile phone number that the Government Authorities have approached for attachment and recovery or seizure of the locker or articles deposited for safe custody. An inventory of the contents of locker and articles seized and recovered by the Authority shall be prepared in the presence of such Government Authorities, two independent witnesses and an officer of the RCB and shall be signed by all. A copy of the inventory may be forwarded to the customer to the address available in the RCB's records or handed over to the customer against acknowledgement.
228. An RCB shall also record a video of the break-open process and the inventory assessment, wherever legally permissible, and preserve the video to produce as evidence in case of any dispute or Court or fraud case in future.



### **C.7 Discharge of locker contents by RCBs due to non-payment of locker rent**

229. An RCB shall have the discretion to break open any locker following due procedure if the rent has not been paid by the customer for three years in a row. The RCB shall ensure to notify the existing locker-hirer prior to any changes in the allotment and give him / her reasonable opportunity to withdraw the articles deposited by him / her. A clause may be incorporated in the locker agreement to this effect.
230. Before breaking open the locker, an RCB shall give due notice to the locker-hirer through a letter and through email and SMS alert to the registered email address and mobile phone number. If the letter is returned undelivered or the locker-hirer is not traceable, the RCB shall issue public notice in two newspaper dailies (one in English and another in local language) giving reasonable time to the locker-hirer or to any other person/s who has interest in the contents of locker to respond.
231. The locker shall be broken open in the presence of an officer of the RCB and two independent witnesses. In case of electronically operated lockers (including Smart Vaults), the use of 'Vault Administrator' password for opening of locker shall be assigned to a senior official and complete audit trail of access shall be preserved. Further, the RCB shall also record a video of the break open process together with inventory assessment and its safe keep and preserve the same so as to provide evidence in case of any dispute or Court case in future. The RCB shall also ensure that the details of breaking open of locker is documented in CBS or any other computerised systems compliant with the Cyber Security Framework issued by RBI, apart from locker register.
232. After breaking open of locker, the contents shall be kept in sealed envelope with detailed inventory inside fireproof safe in a tamper-proof way until customer claims it. A record of access to the fireproof safe shall invariably be maintained. While returning the contents of the locker, an RCB shall obtain acknowledgement of the customer on the inventory list to avoid any dispute in future.
233. An RCB shall ensure that the inventory prepared after breaking open of the locker is as per **Annex III** (effective till March 31, 2026) or **Annex X** (effective on or after



April 1, 2026 or if implemented earlier by the RCB) or as near thereto as circumstances require. Further, an RCB shall not open sealed / closed packets left with them for safe custody or found in locker while releasing them to the nominee(s) and surviving locker hirers / depositor of safe custody article, unless required by law.

#### **C.7.1 Discharge of locker contents if the locker remains inoperative for a long period of time**

234. If the locker remains inoperative for a period of seven years and the locker-hirer cannot be located, even if rent is being paid regularly, an RCB shall be at liberty to transfer the contents of the locker to their nominees / legal heir or dispose of the articles in a transparent manner, as the case may be. Before breaking open the locker, the RCB shall follow the procedure as prescribed in paragraphs 230 to 233 above. The RCB shall ensure that the procedure to be followed by them for disposal of the articles left unclaimed for a reasonably long period of time as mentioned above is incorporated in its locker agreement.
235. An RCB shall ensure that appropriate terms are inserted in the locker agreement executed with the customer specifying the position in case the locker is not in operation for long period. A clause may also be incorporated in the locker agreement to discharge the RCB from liability in case the locker is not in operation and the locker is opened by the RCB and contents are released as per law and as per the instructions issued by the Reserve Bank and the terms and conditions prescribed in the agreement.

### **C.8 Compensation Policy / Liability**

#### **C.8.1 Liability of an RCB**

236. An RCB shall put in place a detailed Board approved policy outlining the responsibility owed by them for any loss or damage to the contents of the lockers due to its negligence as bank owe a separate duty of care to exercise due diligence in maintaining and operating its locker or safety deposit systems. The duty of care includes ensuring proper functioning of the locker system, guarding against unauthorised access to the lockers and providing appropriate safeguards against theft and robbery. Further, the RCB shall adhere to the [Master Directions](#)



[on Fraud Risk Management](#) for reporting requirements about the instances of robberies, dacoities, thefts and burglaries.

### **C.8.2 Liability of RCB arising from natural calamities like earthquake, flood, thunderstorm, lightning etc. or due to sole negligence of the customer**

237. An RCB shall not be liable for any damage and / or loss of contents of locker arising from natural calamities or acts of God like earthquake, floods, lightning and thunderstorm or any act that is attributable to the sole fault or negligence of the customer. The RCB shall, however, exercise appropriate care to its locker systems to protect its premises from such catastrophes.

### **C.8.3 Liability of RCB arising from events like fire, theft, burglary, dacoity, robbery, building collapse or in case of fraud committed by the employees of the RCB**

238. It is the responsibility of an RCB to take all steps for the safety and security of the premises in which the safe deposit vaults are housed. It has the responsibility to ensure that incidents like fire, theft/ burglary/ robbery, dacoity, building collapse do not occur in the RCB's premises due to its own shortcomings, negligence and by any act of omission/commission. As the RCB cannot claim that they bear no liability towards its customers for loss of contents of the locker, in instances where loss of contents of locker are due to incidents mentioned above or attributable to fraud committed by its employee(s), the RCB's liability shall be for an amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker.

## **C.9 Risk Management, Transparency and Customer Guidance**

### **C.9.1 Branch Insurance Policy**

239. An RCB, with the approval of its Board, shall have a branch insurance policy to minimize the loss due to incidents like robbery, fire, natural calamities, loss during shifting / merger of branch, etc., affecting contents of lockers.

### **C.9.2 Insurance of locker contents by the customer**

240. An RCB shall clarify in its locker agreement that as it does not keep a record of the contents of the locker or of any articles removed therefrom or placed therein



by the customer, they would not be under any liability to insure the contents of the locker against any risk whatsoever. The RCB shall under no circumstances offer, directly or indirectly, any insurance product to its locker hirers for insurance of locker contents.

### **C.9.3 Customer guidance and publicity**

241. An RCB shall display the model locker agreement with all the Terms & Conditions and the SOPs on various aspects on its website and / or at branches (if official website is not available) where locker facility is being provided by them for public viewing. The RCB shall ensure that the customers are made aware of its terms and conditions to avail those facilities.
242. An RCB shall display updated information on all kinds of charges for safe deposit lockers and safe custody articles on its website.
243. An RCB shall place on its website, the instructions together with the policies / procedures put in place for giving access of the locker / safe custody article to the nominee(s) / survivor(s) / legal heir(s) of the deceased locker hirer / safe custody article. Further, a printed copy of the same shall also be given to the nominee(s) / survivor(s) / legal heir(s).

### **D. Nomination Facility in Deposit Accounts, Safe Deposit Lockers and Articles kept in Safe Custody**

244. The Government of India has notified the [Banking Laws \(Amendment\) Act, 2025](#) which inter-alia has amended the Sections 45ZA, 45ZC and 45ZE of The Banking Regulation Act, 1949 (the Act). [The Banking Companies \(Nomination\) Rules, 2025](#) (the Rules) have also been notified which along with amended provisions of the Act came into force from November 1, 2025. Accordingly, these directions are issued to banks to implement the nomination facility and shall be read with sections 45ZA to 45ZG and section 56 of the Banking Regulation Act, 1949 and the Nomination Rules framed thereunder.





### **D.1 Nomination Facility**

245. An RCB shall offer nomination facility in deposit accounts in accordance with the provisions of sections 45ZA, 45ZB and 45ZG of the Act (read with section 56 of the Act) and the Rules.
246. An RCB shall be guided by the provisions of sections 45ZC to 45ZG of the Act (read with section 56 of the Act) and the Rules in the matter of nomination in safe deposit lockers and articles kept in safe custody.

*Explanation:* For the purpose of these Directions, it is clarified that if an individual is keeping an account for his/ her proprietorship business, it will be deemed as that individual's account and the nomination facility shall be offered in such accounts.

### **D.2 Option to the customers not to make a nomination**

247. At the time of account opening, an RCB shall explicitly inform the prospective customer of the availability and purpose of the nomination facility and offer him / her the option to avail the same. The RCB shall also clearly explain to the prospective customer the advantages of the nomination facility, including but not limited to simplification of the claim process in the event of the account holder's demise and facilitation of smooth and prompt transfer of funds to the nominee without legal complications.
248. If the prospective customer chooses not to avail the nomination facility despite being fully informed, the RCB shall proceed to open the deposit account without imposing any restrictions, if otherwise found eligible, after obtaining a written declaration from the individual confirming that he / she does not require the nomination facility at the time of account opening. If he / she refuses to provide the written declaration, the RCB shall record the fact of refusal to submit written confirmation in the account opening records.
249. Under no circumstances shall a prospective customer be denied or delayed in opening an account solely on the ground of refusal to make a nomination, provided all other requirements for account opening are satisfactorily met.



### **D.3 Incidental Matters**

250. In case of simultaneous nomination, if any nominee dies prior to receiving the deposit from an RCB, the nomination in respect of such nominee alone shall become ineffective. Accordingly, an RCB shall settle the claims of the amount of deposit made in favour of such nominee in accordance with provisions applicable for accounts without nominee clause as contained in paragraphs 267 to 274 of these Directions.
251. An RCB cannot claim a valid discharge under the provisions of the Act if payments are made to individuals based on nomination made under any other law for specified purposes.
252. An RCB shall have in place appropriate systems and procedures to register in its books the registration, cancellation and variation of the nomination, as per the request of the customers.
253. An RCB shall devise proper systems for acknowledging the receipt of the duly completed forms of registration, cancellation and/ or variation of the nomination.
254. An RCB shall verify and ensure that the nomination(s) made by its customers are in accordance with relevant provisions of the Act and the Rules before providing acknowledgement to them.
255. Such acknowledgement shall be given to the customers within three working days of receiving the forms of registration, cancellation and/ or variation of nomination, irrespective of whether the same is asked for by the customers.
256. Where a nomination request is found not to be in conformity with the provisions of the Act or the Rules and is consequently rejected, an RCB shall inform the customer in writing, clearly indicating the reasons for such rejection, within three working days of the receipt of the request form.



#### **D.4 Details of nomination and name of nominee in Passbook/ Statement of Account and Term Deposit Receipt (TDR)**

257. An RCB shall record the status regarding registration of nomination on the face of the passbook / Statement of Account and TDR, with the legend "Nomination Registered".
258. The RCB shall also indicate the name of the Nominee(s) in the Passbook/ Statement of Accounts and TDR in such cases.

#### **D.5 Customer guidance and publicity of benefits of nomination**

259. An RCB shall give wide publicity and provide guidance to deposit account holders, locker hirers and depositors of articles in safe custody on the benefits of the nomination facility. This may include printing compatible messages on cheque book, passbook and other literature reaching the customers as well as launching periodical awareness drives.
260. An RCB shall ensure that the form for opening deposit accounts, hiring safe deposit lockers and depositing articles in safe custody contains space for getting the details of nomination, which also serves the purpose of educating the customers about availability of such facility.

#### **E. Settlement of Claims in respect of Deceased Customers**

261. The current instructions in respect of settlement of claims are provided in **Annex IV**, which shall continue to be applicable till an RCB implements the revised directions provided in this section. The revised instructions shall be implemented as expeditiously as possible but not later than **March 31, 2026**. The existing instructions in **Annex IV** shall cease to be applicable once the revised directions are implemented by the RCB.
262. The directions given in this section shall not be applicable in case of Government savings schemes administered by banks such as Senior Citizen Savings Scheme (SCSS), Public Provident Fund (PPF), etc. Settlement of claims in such cases shall be as per the provisions of the respective schemes.



263. For the limited purpose of directions given in this section, unless the context otherwise requires, the following definitions shall apply:

- (1) 'Customer' refers to a person who may be a depositor or a locker hirer or has placed articles in safe custody with a bank.
- (2) 'Depositor' refers to an individual(s) who has any type of deposit account with a bank such as Savings account, Current account, Term Deposit account, etc.
- (3) 'Threshold limit' means ₹5 lakh or such higher limit as may be fixed by an RCB.

## **E.1 Settlement of Claims in Deposit Accounts of Deceased Depositor**

### **E.1.1 Deposit Accounts with Nominee / Survivorship clause**

264. A deposit account where a depositor had made nomination in terms of the provisions of The Banking Regulation Act, 1949 or where the account was opened with survivorship clause, the payment of the outstanding balance upon the death of the depositor(s) to the nominee(s) / survivor(s) shall be considered a valid discharge of an RCB's liability, provided:

- (1) The RCB has exercised due care and caution in establishing the identity of the nominee(s)/ survivor(s) and the deceased status of the account holder(s) by obtaining appropriate documentary evidence (physical or equivalent e-document);
- (2) There is no order from the competent court in the knowledge of the RCB, as on the date of settlement/ payment, restraining the nominee(s)/ survivor(s) from receiving or the RCB from making the payment from the account of the deceased depositor(s); and
- (3) It has been made clear in writing to the nominee(s)/ survivor(s) that they would be receiving the payment from the RCB as a trustee of the legal heirs of the deceased depositor(s), i.e., such payment to them shall not affect the right or claim which any person may have against the nominee(s)/ survivor(s) to the extent of the payment made to them.



265. In the case of a joint deposit account with or without survivorship clause, the nominee's right arises only after the death of all the depositors.
266. Payment made to the nominee(s) / survivor(s), subject to the foregoing conditions, shall constitute a full and valid discharge of the RCB's liability. Therefore, in such cases, while making payment to the nominee(s) / survivor(s) of the deceased depositor(s), the RCB shall not insist on production of legal documents such as Succession Certificate, Letter of Administration, Probate of Will, etc., or seek any bond of indemnity / surety from the nominee(s) / survivor(s) / third-party, irrespective of the amount standing to the credit of the deceased account holder(s). The RCB shall require submission of the following documents in such cases:
- (1) Claim form, as given in **Annex V**, duly signed by the nominee(s)/ survivor(s);
  - (2) Death certificate of the deceased depositor(s); and
  - (3) Officially Valid Document of the nominee / survivor towards verifying her / his identity and address.

### **E.1.2 Deposit Accounts without Nominee / Survivorship clause**

#### **E.1.2.1 Simplified Procedure**

267. Keeping in view the imperative need to avoid inconvenience and undue hardship to the legal heir(s) / claimant(s), an RCB shall follow a simplified procedure for settlement of claims in respect of deposit accounts where the aggregate amount payable, including accrued interest, as on the date of the application is less than the threshold limit, provided
- (1) a deceased depositor(s) had not made any nomination or in case of a joint account, the account was without nominee / survivorship clause,
  - (2) there is no Will left behind by the deceased depositor(s),
  - (3) there is no contesting claim, and
  - (4) there is no order from a competent court in the knowledge of the RCB, restraining the claimant(s) from receiving nor the RCB from making the payment.



#### **E.1.2.1.1 Claim amount up to the threshold limit**

268. An RCB shall settle the claim up to the threshold limit based on

- (1) Claim form, as given in **Annex VI** duly filled in and signed by the claimant(s) other than those who have signed the letter of disclaimer/ no objection;
- (2) Death certificate of the deceased depositor(s);
- (3) Officially Valid Document of the claimant(s) towards verifying his/ her identity and address;
- (4) Bond of indemnity, as given in **Annex VII**, signed by the claimant(s);
- (5) Letter of disclaimer/ no objection, as given in **Annex IX**, from non-claimant legal heir(s), if applicable; and
- (6) Legal Heir Certificate issued by a competent authority;

OR

Declaration, as given in **Annex IX**, regarding the legal heir(s) of the deceased depositor(s) by an independent person who is well known to the family of the deceased, is not a party to the claim and is acceptable to an RCB.

269. No bond of surety from a third-party shall be obtained in case of claims up to the threshold limit.

#### **E.1.2.1.2 Claim amount above the threshold limit**

270. In cases where claim amount is above the threshold limit, an RCB shall settle the claim based on

- (1) Succession Certificate and documents mentioned at paragraph 268 (1) to (3) above;

OR

- (2) Legal Heir Certificate issued by a competent authority; or Affidavit, as given in Annex IX, sworn before a Notary Public/ Judge/ Judicial Magistrate regarding the legal heir(s) of the deceased depositor, by an independent person who is well



known to the family of the deceased, is not a party to the claim and is acceptable to the RCB.

In such cases, an RCB shall call for the documents at paragraph 268 (1) to (5) above. The RCB may also call for a bond of surety, as given in **Annex VII**, from third-party individuals (which may include non-claimant legal heir(s)) who are acceptable to the RCB and good for the claim amount.

#### **E.1.2.2 Settlement of Claims not falling under the Simplified Procedure**

##### **E.1.2.2.1 Claims involving ‘Will’ without any dispute**

271. An RCB shall settle claims involving ‘Will’ left behind by a deceased depositor on the basis of Probate of Will/ Letter of Administration, as applicable, in addition to documents mentioned at paragraphs 268 (1) to (3) above. In cases where a person other than a legal heir is named as a beneficiary in the Will, applicable documents shall also be obtained from her/ him.
272. However, an RCB is free to exercise discretion and act as per ‘Will’ of the deceased without requiring production of the probate of such Will, provided the same is not inconsistent with applicable laws, there is no dispute regarding the Will amongst the legal heir(s) and/ or beneficiaries named in the Will and the RCB is otherwise satisfied as to the genuineness of the Will. In such cases, an RCB shall additionally call for the documents mentioned at paragraphs 268 (4) and (5) above.

##### **E.1.2.2.2 Cases involving contesting claims / dispute**

273. In case of contesting claims or dispute amongst the legal heir(s) and / or the beneficiaries named in the Will of the deceased depositor, an RCB shall settle claims on the basis of Probate of Will or Letter of Administration or Succession Certificate or Court order/ decree, as applicable, and the documents mentioned at paragraphs 268 (1) to (3) above. Further, where there is an order from a Court restraining an RCB from making the payment, the claim shall not be entertained during the period the order is in force. The settlement of claim shall be considered based on subsequent Court order to that effect.



274. No bond of surety shall be insisted from a third party in cases falling under either E.1.2.2.1 or E.1.2.2.2 above.

### **E.1.3 Treatment of credits in the name of a deceased depositor post settlement**

275. Post settlement of the deposit account(s), in case any credit is received in the name of a deceased depositor, an RCB shall return the same to the remitter with the remark 'Account holder deceased' and intimate the nominee(s)/ survivor(s)/ legal heir(s).

### **E.1.4 Premature Termination of term deposit accounts**

276. A bank shall incorporate a clause in the account opening form itself to the effect that in the event of death of the depositor, premature termination of term deposits would be allowed without any penal charge, even if the deposit is within the lock-in-period.
277. Premature termination of term deposits opened jointly, with or without survivorship clause, shall require the consent of the surviving depositors and the legal heir(s) of the deceased joint holder, in case of death of one of the depositors. However, in case of joint accounts with survivorship clause, if a specific mandate is furnished by all the depositors jointly to an RCB, either at the time of placing the term deposit or anytime subsequently during the tenure of the deposit, then premature withdrawal option shall be allowed to the survivors on the death of any of the depositors, without seeking the concurrence of the legal heir(s) of the deceased joint deposit holder.

### **E.1.5 Settlement of Claims in respect of missing persons**

278. The nominee(s) / legal heir(s) of a missing person shall be required to get an order from the competent court under the provisions of Sections 110 or 111 of the Bharatiya Sakshya Adhinyam, 2023. The claim in respect of such missing person shall be settled as per the procedure applicable for settlement of claims in respect of a deceased customer. In such cases, a copy of the court order declaring the civil death of the account holder shall be obtained in lieu of the death certificate. However, to avoid inconvenience and undue hardship to the common person where the aggregate amount payable, including accrued





interest, as on the date of the application is less than ₹1 lakh or such higher amount as may be fixed by an RCB, a copy of the First Information Report (FIR) and non-traceable report issued by police authorities shall be obtained in lieu of death certificate or an order from a competent court declaring the civil death of the account holder for settling the claim.

## **E.2 Settlement of Claims in Safe Deposit Locker and Articles in Safe Custody by Deceased Customer**

### **E.2.1 Claims with Nominee(s) / Survivorship Clause**

279. If a sole locker hirer nominates an individual(s) to receive the contents in the locker in case of her/ his death, a bank shall give access of the locker to such nominee(s) with liberty to remove the contents of the locker.
280. In case the locker was hired jointly with the instructions to operate it under joint signatures, and the locker hirers nominate any other individual(s), in the event of death of any of the locker hirers, an RCB shall give access of the locker and the liberty to remove the contents jointly to the nominee(s) and the survivor(s).
281. In case the locker was hired jointly with survivorship clause and the hirers instructed that the access of the locker should be given to "either or survivor", "anyone or survivor" or "former or survivor" or according to any other survivorship clause permissible under the provisions of The Banking Regulation Act, 1949, an RCB shall follow the mandate in the event of death of one or more of the joint locker hirers.
282. In case of a minor nominee, an RCB shall ensure that, the contents of locker, when sought to be removed on behalf of the minor nominee, are handed over to the guardian whose details have been provided in the nomination form. If the details of the guardian have not been provided in the nomination form, the RCB shall hand over the contents of the locker to a person who is, in law, competent to receive the contents of safe deposit locker on behalf of such minor.
283. The following documents shall be obtained by a bank for processing the claim in cases falling under paragraphs 279 and 280 above:



- (1) Claim form, as given in **Annex V**, duly signed by the nominee(s)/ survivor(s);
- (2) Death certificate of the safe deposit locker hirer(s); and
- (3) Officially Valid Document of the nominee/ survivor towards verifying her/ his identity and address.

284. An RCB shall, however, ensure the following before giving access to the contents to the nominee(s)/ survivor(s):

- (1) Exercise due care and caution in establishing the identity of the nominee(s)/ survivor(s) and deceased status of the locker hirer(s) by obtaining appropriate documentary evidence (physical or equivalent e-document);
- (2) There is no order or direction as on date from a Court/ Forum in the knowledge of the RCB, restraining the nominee(s)/ survivor(s) from having access or the RCB from giving access to the locker of the deceased hirer(s) and liberty to remove the contents of such locker; and
- (3) Make it clear to the nominee(s)/ survivor(s) that access and liberty to remove the contents of the locker is given to them only as a trustee of the legal heir(s) of the deceased locker hirer(s), i.e., such access and liberty to remove the contents given to them shall not affect the right or claim which any person may have against the nominee(s)/ survivor(s) to whom the access is given.

285. After receipt of the documents mentioned at paragraph 283 above and being satisfied to the genuineness of the claim, an RCB shall correspond with the nominee(s) / survivor(s) in writing and fix a date and time for making an inventory of the contents of the safe deposit locker. The same shall be undertaken in the presence of the nominee(s) and/or survivor(s) and/ or their authorised representatives, two independent witnesses (should not be employee or ex-employee of the RCB), the safe deposit vault custodian and another employee of the RCB not associated with locker operations, and recorded as per the inventory form given in **Annex X**. An RCB shall then hand over the possession of the contents of the locker to the nominee(s)/ survivor(s)/ the person competent to receive the contents on behalf of the minor, as the case may be, and obtain



an acknowledgment, as given in **Annex X**, that all the contents in the locker of the deceased hirer(s) have been removed and the locker is empty, and they have no objection to allotment of the locker to any other locker hirer as per norms of the RCB.

286. Production of legal documents, viz., Succession Certificate, Letter of Administration, Probate of Will, etc., or Bond of indemnity from the nominee(s)/ survivor(s) shall not be required unless there is any discrepancy in nomination.
287. Procedure, as prescribed in paragraphs 279 to 286 above, shall be followed mutatis mutandis for return of articles kept by the deceased customer in the safe custody of an RCB. However, inventory form given in **Annex XI** shall be used in such cases.

### **E.2.2 Cases without Nominee / Survivorship clause**

#### **E.2.2.1 Settlement of claims falling under the simplified procedure**

288. Keeping in view the imperative need to avoid inconvenience and undue hardship to the legal heir(s)/ claimant(s), a bank shall adopt a simplified procedure for settlement of claims in safe deposit lockers provided there is no dispute amongst the legal heir(s)/ claimant(s) and
- (1) the deceased locker hirer(s) had not made any nomination, or
  - (2) the joint hirers had not given any mandate that the access may be given to one or more of the survivors by a clear survivorship clause, or
  - (3) there is no 'Will' left behind by the deceased locker hirer.
289. In cases falling under the simplified procedure, an RCB shall obtain the following documents to settle the claim without obtaining any legal documents such as Succession Certificate, Letter of Administration, Court order, etc.
- (1) Claim form, as given in **Annex VI**, duly filled and signed by the claimant legal heir(s);
  - (2) Death certificate of the safe deposit locker hirer(s);



- (3) Officially Valid Document of the claimant(s) towards verifying her/ his identity and address;
- (4) Letter of disclaimer/ no objection, as given in **Annex IX**, from non-claimant legal heir(s), if applicable; and
- (5) Legal Heir Certificate issued by a competent authority or Affidavit, as given in **Annex IX**, sworn before a Notary Public/ Judge/ Judicial Magistrate regarding the legal heir(s) of the deceased locker hirer(s) by an independent person who is well known to the family of the deceased, is not a party to the claim and is acceptable to the RCB.

### **E.2.2.2 Settlement of Claims not falling under the Simplified Procedure**

#### **E.2.2.2.1 Claims involving 'Will' without any dispute**

290. An RCB shall settle claims involving 'Will' left behind by a deceased safe deposit locker hirer on the basis of Probate of Will/ Letter of Administration, as applicable, in addition to documents mentioned at paragraphs 289(1) to (3) above. In cases where a person other than a legal heir is named as a beneficiary in the Will, applicable documents shall also be obtained from her/ him.
291. However, an RCB may exercise discretion and act as per 'Will' of the deceased without requiring production of the probate of such Will, provided the same is not inconsistent with applicable laws, there is no dispute regarding the Will amongst the legal heir(s) and/ or beneficiaries named in the Will and the RCB is otherwise satisfied as to the genuineness of the Will. In such cases, an RCB shall additionally call for the documents mentioned at paragraphs 289 (4) and (5) above.

#### **E.2.2.2.2 Cases involving contesting claims/ dispute**

292. Cases involving dispute amongst the legal heir(s) and/ or beneficiaries named in the Will, as applicable, shall be settled based on Probate of Will or Succession Certificate or Letter of Administration or Court order/ decree, as the case may be, and the documents mentioned at paragraphs 289 (1) to (3) above.



### **E.2.3 Procedure for taking inventory of contents of safe deposit locker**

293. After receipt of the required documents in claims falling under categories at E.2.2.1 and E.2.2.2 above and being satisfied to the genuineness of the claim, an RCB shall correspond with the claimant(s) in writing and fix a date and time for making an inventory of the contents of the safe deposit locker, as given in form prescribed in **Annex X** in the presence of all claimant(s) or their duly authorised representatives, two independent witnesses (should not be employee or ex-employee of the RCB), the safe deposit vault custodian and another employee of the RCB not associated with locker operations. Valuation of the contents of the safe deposit locker shall be carried out by an independent valuer and recorded in the Bond of Indemnity as given in [Annex XII](#). The claimant(s) or their duly authorised representative(s) may remove the contents of the locker subsequent to submission of the Bond of Indemnity. Bond of Indemnity shall not be required to be given in cases of claims settled on the basis of legal documents such as Probate of Will or Succession Certificate or Letter of Administration or Court order/ decree, etc.
294. Procedure, as prescribed in paragraphs 288 to 293 above, shall be followed mutatis mutandis for return of articles kept by the deceased customer in the safe custody of an RCB. However, inventory form given in **Annex XI** shall be used in such cases.

### **E.3 Standardisation of procedure for submission of claims**

295. An RCB shall use the standardised forms for receiving the claims and other documents as per the formats provided in **Annex V** to **Annex XII** below.
296. The standardised forms and other documents required for settlement of claims with respect to the deposit accounts/ safe deposit locker/ articles in safe custody kept by a deceased customer shall be made available in all the branches as well as on the RCB's website for the convenience of the claimant(s). Further, the RCB shall also display on its website, the list of documents to be submitted by a claimant and the procedure to be followed for settlement of claims in various scenarios.



297. A claimant shall be allowed to lodge the claim at any of the branches against acknowledgment. In case all required documents for processing of the claim have been submitted by the claimant, an RCB shall also issue a confirmation in this regard. However, in case of any pending or incomplete/ incorrect documents, the RCB shall intimate the claimant about the list of such documents while acknowledging the receipt of claim. On subsequent submission of all the required documents, the RCB shall issue a confirmation to the claimant that all required documents have been received for processing of the claim.
298. An RCB may provide the facility for online lodgement of such claims. Upon a claimant uploading the claim form along with the required documents, the RCB shall send acknowledgement / confirmation through appropriate channels and also make available the provision for online tracking of the status of the claim. In such cases, if an RCB requires the claimant to produce original documents for submission / verification, the same shall be allowed to be done at any of its branches.

#### **E.4 Time limit for settlement of claims**

299. An RCB shall settle a claim in respect of deposit accounts of a deceased customer within a period not exceeding 15 calendar days from the date of receipt of all the required documents associated with the claim.
300. In case of safe deposit locker / articles in safe custody, an RCB shall, within 15 calendar days of receipt of all the required documents, process the claim and communicate with the claimant(s) for fixing the date for making inventory of the locker / articles in safe custody.

#### **E.5 Compensation for delay in settlement of claims**

301. If any deposit related claim is not settled within the timeframe stipulated at paragraph 299 above, then an RCB shall communicate the reasons for such delay to the claimant(s). Further, in cases of delay attributable to the RCB, compensation shall be paid by the RCB in the form of interest, at a rate not less than the prevailing Bank Rate + 4% per annum, on the settlement amount due for the period of delay. The reference date for reckoning the amount due and the



prevailing Bank Rate shall be the date of receipt of all required documents from the claimant.

302. For claims related to safe deposit locker/ articles in safe custody, an RCB shall be required to pay compensation to the claimant(s) at the rate of ₹5,000 for each day of delay, in cases where it doesn't adhere to the timeline prescribed in paragraph 300 above.

#### **E.6 Settlement of claims in respect of deposit accounts of a sole proprietary concern**

303. Nomination facility is also available in respect of deposits held in the name of a sole proprietary concern. Accordingly, the RCB shall follow the procedure for settlement of claims in respect of such accounts as has been prescribed above for the accounts with/ without nominee/ survivorship clause, as applicable.

#### **E.7 Modes for Certification of 'proof of death' document issued outside India**

304. In cases involving death of a customer outside India, 'proof of death' document is issued by an authority outside the country. In such cases, an RCB shall accept the original certified copy of the document issued for 'proof of death', certified in the country of its issuance in any one of the following modes:
- (1) authorised officials of overseas branches of Scheduled Commercial Banks registered in India; or
  - (2) branches of overseas banks with whom Indian banks have correspondent banking relationships; or
  - (3) a Court Magistrate or Judge or Notary Public; or
  - (4) consularised by Indian Embassy/ Consulate General in the country of issuance; or
  - (5) apostilled.



## **E.8 Customer Guidance and Publicity**

305. An RCB shall continue to spread awareness among its customers about the benefits of the nomination facility/ survivorship clause and give wide publicity to these facilities along with the procedure for settlement of claims.





## Chapter VIII – Responsible Lending Conduct

### A. Disclosures to borrowers

306. An RCB shall transparently disclose to the borrower all information about fees / charges payable for processing the loan application, the amount of fees refundable if loan amount is not sanctioned / disbursed, pre-payment options and charges, if any, penalty for delayed repayments if any, conversion charges for switching loan from fixed to floating rates or vice versa, existence of any interest reset clause and any other matter which affects the interest of the borrower. Such information shall also be displayed on the website of the RCB, if any, for all categories of loan products.
307. In other words, banks must disclose '**all in cost**' inclusive of all such charges involved in processing / sanction of loan application in a transparent manner to enable the customer to compare the rates / charges with other sources of finance. It should also be ensured that such charges / fees are non-discriminatory.
308. Besides, in case of all categories of loans irrespective of any threshold limits, an RCB shall also convey in writing, within stipulated time, the main reasons which, in the opinion of the RCB, have led to rejection of the loan applications.

### B. Key Facts Statement (KFS) for Loans & Advances

309. The following instructions shall be applicable in cases of all retail and MSME term loan products extended by an RCB. Credit card receivables are exempted from the provisions given below:
- (1) An RCB shall provide a KFS to all prospective borrowers to help them take an informed view before executing the loan contract, as per the standardised format given in the **Annex XIII**. The KFS shall be written in a language understood by such borrowers. Contents of KFS shall be explained to the borrower and an acknowledgement shall be obtained that they have understood the same.
  - (2) The KFS shall be provided with a unique proposal number and shall have a validity period of at least three working days for loans having tenor of seven days



or more, and a validity period of one working day for loans having tenor of less than seven days.

*Explanation:* Validity period refers to the period available to the borrower, after being provided the KFS by the RCB, to agree to the terms of the loan. An RCB shall be bound by the terms of the loan indicated in the KFS, if agreed to by the borrower during the validity period.

- (3) The KFS shall also include a computation sheet of annual percentage rate (APR), and the amortisation schedule of the loan over the loan tenor. APR will include all charges which are levied by the RCB. Illustrative examples of calculation of APR and disclosure of repayment schedule for a hypothetical loan are given below:

(i) Illustration for computation of APR for Retail and MSME loans

Sr. No.	Parameter	Details
1	Sanctioned Loan amount (in ₹) (SI no. 2 of the KFS template – Part 1 of Annex XIII)	20,000
2	Loan Term (in years/ months/ days) (SI No.4 of the KFS template – Part 1 of Annex XIII)	
a)	No. of instalments for payment of principal, in case of non-equated periodic loans	-
b)	Type of EPI Amount of each EPI (in ₹) and nos. of EPIs (e.g., no. of EMIs in case of monthly instalments) (SI No. 5 of the KFS template – Part 1 of Annex XIII)	Monthly 970 24
c)	No. of instalments for payment of capitalised interest, if any	-
d)	Commencement of repayments, post sanction (SI No. 5 of the KFS template – Part 1 of Annex XIII)	30 days
3	Interest rate type (fixed or floating or hybrid) (SI No. 6 of the KFS template – Part 1 of Annex XIII)	Fixed
4	Rate of Interest (SI No. 6 of the KFS template – Part 1 of Annex XIII)	15 %
5	Total Interest Amount to be charged during the entire tenor of the loan as per the rate prevailing on sanction date (in ₹)	3,274
6	Fee/ Charges payable (in ₹) <i>Note: Where such charges cannot be determined prior to sanction, the RCB may indicate an upper ceiling</i>	400
A	Payable to the RCB (SI No.8A of the KFS template-Part 1 of Annex XIII)	240



B	Payable to third-party routed through the RCB (SI No.8B of the KFS template – Part 1 of Annex XIII)	160
7	Net disbursed amount (1-6) (in ₹)	19,600
8	Total amount to be paid by the borrower (sum of 1 and 5) (in ₹)	23,274*
9	Annual Percentage rate- Effective annualized interest rate (in percentage) (SI No.9 of the KFS template-Part 1 of Annex XIII) <i>Note: Computed on net disbursed amount using IRR approach and reducing balance method</i>	17.07%
10	Schedule of disbursement as per terms and conditions	Detailed schedule to be provided
11	Due date of payment of instalment and interest	DDMMYYYY

\* The difference in repayment amount calculated from the total of instalments given under the detailed repayment schedule i.e., ₹23,280 (=970\*24) vis-à-vis the amount of ₹23,274 (₹20,000 (loan amount) + ₹3,274 (Interest charges) mentioned under (8) is due to rounding off the instalment amount of ₹969.73 to ₹970 under the detailed repayment schedule.

(ii) Illustrative Repayment Schedule under Equated Periodic Instalment for the above-mentioned hypothetical loan

Instalment No.	Outstanding Principal (in ₹)	Principal (in ₹)	Interest (in ₹)	Instalment (in ₹)
1	20,000	720	250	970
2	19,280	729	241	970
3	18,552	738	232	970
4	17,814	747	223	970
5	17,067	756	213	970
6	16,310	766	204	970
7	15,544	775	194	970
8	14,769	785	185	970
9	13,984	795	175	970
10	13,189	805	165	970
11	12,384	815	155	970
12	11,569	825	145	970
13	10,744	835	134	970
14	9,909	846	124	970
15	9,063	856	113	970
16	8,206	867	103	970
17	7,339	878	92	970
18	6,461	889	81	970
19	5,572	900	70	970
20	4,672	911	58	970
21	3,761	923	47	970
22	2,838	934	35	970
23	1,904	946	24	970
24	958	958	12	970



- (1) Charges recovered from the borrowers by an RCB on behalf of third-party service providers on actual basis, such as insurance charges, legal charges etc., shall also form part of the APR and shall be disclosed separately. In all cases wherever the RCB is involved in recovering such charges, the receipts and related documents shall be provided to the borrower for each payment, within a reasonable time.
- (2) Any fees, charges, etc. which are not mentioned in the KFS, cannot be charged by the RCB to the borrower at any stage during the term of the loan, without explicit consent of the borrower.
- (3) The KFS shall also be included as a summary box to be exhibited as part of the loan agreement.

**C. Reset of Floating Interest Rate on Equated Monthly Instalments (EMI) based Personal Loans**

310. An RCB shall put in place an appropriate policy framework meeting the following requirements for implementation and compliance:
- (1) At the time of sanction, the RCB shall clearly communicate to the borrower about the possible impact of change in benchmark interest rate on the loan leading to changes in EMI and / or tenor or both. Subsequently, any increase in the EMI / tenor or both on account of the above shall be communicated to the borrower immediately through appropriate channels.
  - (2) At the time of reset of interest rates, the RCB may, at its option, provide a choice to the borrower to switch over to a fixed rate as per its Board approved policy. The policy, inter alia, may also specify the number of times a borrower will be allowed to switch during the tenor of the loan.
  - (3) The borrowers shall also be given the choice to opt for (i) enhancement in EMI or elongation of tenor or for a combination of both options; and, (ii) to prepay, either in part or in full, at any point during the tenor of the loan. Levy of foreclosure charges / pre-payment penalty shall be subject to extant instructions.



*Note:* Whenever there is a reset of interest rates for an entire class of borrowers in a particular loan category, say home loan, due to increase in the reference benchmark; the RCB shall provide the following options to the borrowers:

- (i) Either enhancement in EMI or elongation of number of EMIs, keeping the EMI unchanged or a combination of both options;
  - (ii) Switch to fixed interest rate for the remaining portion of the loan, where such an option is provided by the RCB; and
  - (iii) To prepay, either in part or in full, at any point during the residual tenor of the loan.
- (4) All applicable charges for switching of loans from floating to fixed rate and any other service charges / administrative costs incidental to the exercise of the above options shall be transparently disclosed in the sanction letter and also at the time of revision of such charges/ costs by the RCB from time to time. The applicable charges shall be as approved by the Board and shall be displayed on the RCB's website.
- (5) The RCB shall ensure that the elongation of tenor in case of floating rate loan does not result in negative amortisation.
- (6) The RCB shall share / make accessible to the borrower, through appropriate channels, a statement at the end of each quarter which shall at the minimum, enumerate the principal and interest recovered till date, EMI amount, number of EMIs left and annualized rate of interest / Annual Percentage Rate for the entire tenor of the loan. The RCB shall ensure that the statements are simple and easily understood by the borrower.
311. Apart from the equated monthly instalment loans, these instructions shall also apply, *mutatis mutandis*, to all equated instalment-based personal loans of different periodicities irrespective of whether they are linked to an external benchmark or an internal benchmark. In case of personal loans linked to an external benchmark, the RCB shall put in place adequate information systems to monitor transmission of changes in the benchmark rate to the lending rate.



#### **D. Pre-payment charges on loans**

312. In case of existing floating rate term loans sanctioned to individual borrowers on or before December 31, 2025, an RCB shall not levy pre-payment charges.
313. An RCB shall adhere to the following directions regarding levy of pre-payment charges on loans and advances (term loans as well as demand loans) sanctioned or renewed on or after **January 1, 2026**.
- (1) For all floating rate loans granted for purposes other than business to individuals, with or without co-obligant(s), an RCB shall not levy pre-payment charges.
  - (2) For all floating rate loans with sanctioned amount / limit up to ₹50 lakh granted for business purpose to individuals and Micro and Small Enterprises (as defined in Micro, Small and Medium Enterprises Development (MSMED) Act, 2006), with or without co-obligant(s), an RCB shall not levy pre-payment charges.
  - (3) The Directions at paragraph 313(1) and 313(2) above shall be applicable irrespective of the source of funds used for pre-payment of loans, either in part or in full, and without any minimum lock-in period.
  - (4) Applicability of above Directions for dual / special rate (combination of fixed and floating rate) loans will depend on whether the loan is on floating rate at the time of pre-payment.
  - (5) In cases other than those mentioned at paragraphs 313(1) and 313(2) above, pre-payment charges, if any, shall be as per the approved policy of the RCB. However, in case of term loans, pre-payment charges, if levied by the RCB, shall be based on the amount being prepaid. In case of cash credit/ overdraft facilities, pre-payment charges on closure of the facility before the due date shall be levied on an amount not exceeding the sanctioned limit.
  - (6) In case of cash credit / overdraft facilities, no pre-payment charges shall be applicable if the borrower intimates the RCB of his / her / its intention not to renew the facility before the period as stipulated in the loan agreement, provided that the facility gets closed on the due date.



- (7) An RCB shall not levy any charges where pre-payment is effected at the instance of the RCB.
- (8) The applicability or otherwise of pre-payment charges shall be clearly disclosed in the sanction letter and loan agreement. Further, in case of loans and advances where KFS is to be provided as specified in paragraph 309 above, the same shall also be mentioned in the KFS. No pre-payment charges which have not been disclosed as specified herein shall be charged by the RCB.
- (9) The RCB shall not levy any charges / fees retrospectively at the time of pre-payment of loans, which were waived off earlier by it.

**E. Release of Movable / Immovable Property Documents on Repayment/ Settlement of Personal Loans**

- 314. An RCB shall release all the original movable / immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/ settlement of the loan account.
- 315. The borrower shall be given the option of collecting the original movable / immovable property documents either from the banking outlet / branch where the loan account was serviced or any other office of the RCB where the documents are available, as per her / his preference.
- 316. The timeline and place of return of original movable / immovable property documents shall be mentioned in the loan sanction letters issued on or after December 1, 2023.
- 317. In order to address the contingent event of demise of the sole borrower or joint borrowers, the RCB shall have a well laid out procedure for return of original movable / immovable property documents to the legal heirs. Such procedure shall be displayed on the website of the RCB along with other similar policies and procedures for customer information.



### **E.1 Compensation for delay in release of Movable / Immovable Property Documents**

318. An RCB shall communicate to the borrower reasons for delay in releasing of original movable / immovable property documents or failing to file charge satisfaction form with relevant registry beyond 30 days after full repayment/ settlement of loan. In case where the delay is attributable to the RCB, it shall compensate the borrower at the rate of ₹5,000 for each day of delay.
319. In case of loss / damage to original movable / immovable property documents, either in part or in full, the RCB shall assist the borrower in obtaining duplicate / certified copies of the movable / immovable property documents and shall bear the associated costs, in addition to paying compensation as indicated at paragraph 318 above. However, in such cases, an additional time of 30 days will be available to the RCB to complete this procedure and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).
320. The compensation provided under these directions shall be without prejudice to the rights of a borrower to get any other compensation as per any applicable law.

### **F. Release of other assets of the deceased borrowers to their legal heirs**

321. An RCB shall not insist upon legal representation for release of other assets of deceased customers irrespective of the amount involved. The RCB may, however, call for succession certificates from legal heirs of deceased borrowers in cases where there are disputes and all legal heirs do not join in indemnifying the RCB or in certain other exceptional cases where the RCB has a reasonable doubt about the genuineness of the claimant/s being the only legal heir/s of the borrower.

### **G. Conduct related aspects in Lending Against Gold and Silver Collateral**

322. Instructions issued vide these Directions shall be complied with as expeditiously as possible but no later than **April 1, 2026**.





## **G.1 Policy Aspects**

323. The policy on lending against gold and silver collateral as required in terms of [Reserve Bank of India \(Rural Cooperative Banks – Credit Facilities\) Directions, 2025](#) (hereinafter referred to as ‘the policy’ in this Section) / SOPs prepared under the policy shall cover the conduct related aspects relating to:

- (1) the assaying procedure of jewellery, ornaments or coins made of gold or silver (“eligible collateral” for this section);
- (2) criteria / qualifications for employing gold and silver assayer or valuer;
- (3) the auction procedure specifying, inter alia, the trigger event for the auction of eligible collateral and timeline for serving an auction notice upon the borrower;
- (4) mode of auction;
- (5) notice period allowed to the borrower(s) / legal heir(s) for settlement of loan before auction;
- (6) empanelment of auctioneers;
- (7) procedure to be followed in case of loss of eligible collateral pledged or any deterioration or discrepancy in quantity or purity of eligible collateral during internal audit or otherwise, including at the time of return or auction of the collateral, and fair compensation to be paid to the borrower(s) / legal heir(s) in such cases, with timelines for effecting the same, etc.

## **G.2 Standardisation of Procedure for Assaying and Valuation of Gold and Silver collateral**

324. An RCB, which provides or intends to provide loans against eligible collateral, shall ensure that a standardised procedure is put in place to assay the purity of gold and silver collateral, its weight (gross as well as net), etc. This procedure shall be adopted uniformly across all its branches for all assaying procedures, without any deviation.

325. An RCB shall display on its website the methodology adopted by it for determination of net weight of the gold and silver content of the eligible collateral



and the price used to value the gold and silver content of the eligible collateral for determination of LTV ratio.

326. An RCB shall ensure presence of the borrower(s) while assaying the collateral at the time of sanctioning the loan. The deductions relating to stone weight, fastenings, etc., as part of the assaying procedure shall be explained to the borrower(s) and details incorporated in the certificate to be issued as per paragraph 330 below.
327. Post pledging, cases involving loss of gold or silver collateral and any deterioration or discrepancy in quantity or purity observed during internal audit or otherwise including at the time of return or auction of collateral shall be recorded and communicated promptly to the borrower(s) / legal heir(s). The process for making reimbursement or compensation as per the policy or SOP shall also be communicated to the borrower(s) / legal heir(s).

### **G.3 Standardisation of Documents and Communication**

328. Documentation shall be standardised across all branches of an RCB.
329. The loan agreement shall cover the description of the eligible collateral taken as security; value of such collateral; details of auction procedure and the circumstances leading to the auction of the eligible collateral; the notice period which shall be allowed to the borrower for repayment or settlement of loan before the auction is conducted; timelines for release of pledged eligible collateral upon full repayment or settlement of loan; refund of surplus, if any, from the auction of the pledged eligible collateral and other necessary details. All applicable charges payable by the borrower, including those related to assaying, auction, etc., shall be clearly included in the loan agreement and KFS.
330. An RCB, while accepting the eligible collateral, shall prepare a certificate or e-certificate in duplicate on its letterhead regarding the assay of the collateral and state therein the purity (in terms of carats); gross weight of the eligible collateral pledged; net weight of gold or silver content therein and deductions, if any, relating to weight of stones, lac, alloy, strings, fastenings, etc.; damage, breakage or defects, if any, noticed in the collateral; image of the collateral; and



the value of collateral arrived at the time of sanction (as per the instructions on valuation and assaying of Gold and Silver collateral specified in the [Reserve Bank of India \(Rural Co-operative Banks – Credit Facilities\) Directions, 2025](#)). One copy of the certificate or e-certificate shall be kept as part of the loan documents and the other copy be given to the borrower under their acknowledgement.

331. All communication with the borrower, especially, the terms and conditions of the loan, or other important communication which affects the interest of the borrower or the lender, shall be in the language of the region or in a language as chosen by the borrower. For an illiterate borrower, important terms and conditions shall be explained in the presence of a witness, who shall not be an employee of the RCB.

#### **G.4 Handling and Storage of Collateral**

332. An RCB shall ensure that necessary infrastructure and facilities are put in place and appropriate security measures taken in each of its branches where loans are sanctioned against gold or silver collateral.
333. An RCB shall ensure that the gold and / or silver collateral is handled only in its branches and only by its employees.
334. An RCB shall store the collateral only in its branches which are manned by its employees and having safe deposit vaults fit for storing gold and silver. Normally, such loans shall not be extended by branches that do not have appropriate secured facility for storage of the pledged eligible collateral.
335. The pledged eligible collateral may be transported from one branch to another branch, only as permitted under paragraph 344 below or in case of shifting or closure of branch(es) or exceptional reasons as per the process laid down by the RCB in terms of its policy.
336. An RCB shall periodically review the adequacy of systems for storage of the eligible collateral, conduct training of the concerned staff and carry out internal audit of all procedures to ensure that these are strictly adhered to.



337. As part of internal audit, an RCB shall carry out periodic surprise verification of the gold and silver collateral pledged with it and shall maintain a record thereof. A clause in the loan agreement shall be included for obtaining consent of the borrower(s) to carry out surprise verification including assay of the pledged eligible collateral even in their absence during the tenor of the loan. This aspect shall be specifically communicated to the borrower at the time of sanctioning the loan.

#### **G.5 Release of Collateral after Repayment**

338. An RCB shall release or return the pledged eligible collateral held as security to the borrower(s) / legal heir(s) on the same day but in any case, not exceeding a maximum period of seven working days upon full repayment or settlement of the loan.
339. At the time of release of pledged eligible collateral to the borrower(s) / legal heir(s), the collateral shall be verified for correctness as per details in the certificate to the borrowers' satisfaction.

#### **G.6 Transparency in Auction Procedure**

340. An RCB shall give adequate notice to the borrower(s) / legal heir(s), as applicable, through available means of communication to repay or settle the loan dues prior to initiating the auction procedure. A copy of the notice and acknowledgement thereof shall be kept on record in both scenarios. In case the lender is unable to locate the borrower(s) / legal heir(s) despite best efforts and even after issuance of a public notice, it may proceed with the auction, provided that a period of one month has lapsed from the date of the public notice.
341. An RCB shall implement a transparent auction procedure, which shall include, inter alia, announcement of the auction to the public by issue of advertisements in at least two newspapers, one in the regional language and another in a national daily.
342. The pledged eligible collateral shall be auctioned by an RCB only through its employee having necessary experience and / or training or an auctioneer empanelled by the RCB as per its policy. In cases where auctions are conducted



by the RCB through its employees, necessary safeguards such as surprise visits by regional/ controlling officials on periodic basis, coverage under internal audit, etc., shall be put in place.

343. An RCB shall declare a reserve price for the gold and silver collateral at the time of auction, which shall not be less than 90 per cent of its current value.

*Provided that in case auctions fail twice, a reserve price not less than 85 per cent of its current value shall be adopted.*

344. The first auction shall be conducted physically in the same district in which the lending branch is located. However, in case of failure of first auction, an RCB may conduct the auction in an adjoining district or conduct online auction.
345. As a matter of policy, an RCB or its related parties shall not participate in the auctions to ensure that there is no potential conflict of interest.
346. After the auction, an RCB shall mandatorily provide full details of the value fetched at the auction and the dues adjusted to the borrower(s) / legal heir(s). The surplus, if any, from the auction of the gold or silver collateral, shall be refunded to the borrower(s) / legal heir(s) within a maximum period of seven working days from the date of receipt of the full auction proceeds. The RCB may recover shortfall, if any, as per terms of the loan agreement.

## **G.7 Compensation**

347. In case of any damage to the pledged eligible collateral by an RCB during the tenor of loan, the cost of repair shall be borne by the lender.
348. In case of loss of the pledged eligible collateral and / or any loss emanating from deterioration or discrepancy in quantity or purity observed during internal audit or otherwise including at the time of return or auction of collateral, an RCB shall suitably compensate the borrower(s) / legal heir(s).
349. In case of delay in release of the pledged collateral after full repayment or settlement of loan by the borrower, where reasons for delay are attributable to the RCB, it shall compensate the borrower(s) / legal heir(s) at the rate of ₹5,000 for each day of delay beyond the timeline prescribed at paragraph 338 above. If



the delay is not attributable to the RCB, it shall communicate reasons for such delay to the borrower(s) / legal heir(s). Further, where the borrower(s) / legal heir(s) has not approached the RCB for release of pledged eligible collateral after full repayment or settlement of loan, the RCB shall issue periodic reminders to the borrower(s) / legal heir(s) through letters, email or SMS if the email and mobile number are registered with the RCB.

350. The compensation provided under these directions shall be without prejudice to the rights of a borrower to get any other compensation as per any applicable law.

### **G.8 Unclaimed Gold and Silver collateral**

351. The pledged gold or silver collateral lying with an RCB beyond two years from the date of full repayment or settlement of loan shall be treated as unclaimed. The RCB shall periodically undertake special drives to ascertain the whereabouts of the borrower(s) / legal heir(s) in respect of such unclaimed gold and silver collateral.
352. A report on unclaimed gold and silver collateral shall be put up to the Customer Service Committee or the Board, as the case may be, at half-yearly intervals for a review.

### **G.9 Other Instructions**

353. An RCB shall refrain from issuance of misleading advertisements containing unrealistic claims to promote loans against gold or silver collateral.
354. An RCB shall ensure that all arrangements for sourcing and/ or recovery of loans against eligible collateral, are in compliance with applicable instructions on outsourcing and recovery practices.
355. For prudential related aspects, the RCB shall be guided by the instructions contained in the Chapter on 'Lending against Gold and Silver Collateral' in [Reserve Bank of India \(Rural Cooperative Banks – Credit Facilities\) Directions, 2025](#).



## **H. Conduct towards Microfinance borrowers**

### **H.1 General**

356. A Fair Practices Code (FPC) based on these directions shall be put in place by an RCB with the approval of its Board. The FPC shall be displayed by the RCB in all its branches and on its website. The FPC shall be issued in a language understood by the borrower.
357. There shall be a standard form of loan agreement for microfinance loans in a language understood by the borrower.
358. An RCB shall provide a loan card to the borrower which shall incorporate the following:
- (1) Information which adequately identifies the borrower;
  - (2) Simplified factsheet on pricing;
  - (3) All other terms and conditions attached to the loan;
  - (4) Acknowledgements by the RCB of all repayments including instalments received and the final discharge; and
  - (5) Details of the grievance redressal system, including the name and contact number of the nodal officer of the RCB.
359. All entries in the loan card shall be in a language understood by the borrower.
360. Issuance of non-credit products shall be with full consent of the borrowers and fee structure for such products shall be explicitly communicated to the borrower in the loan card itself.

### **H.2 Conduct aspects in Pricing of Microfinance Loans**

361. There shall be no pre-payment charge levied on microfinance loans. Charges, if any, for delayed payment shall be applied on the overdue amount and not on the entire loan amount.



362. An RCB shall prominently display the minimum, maximum and average interest rates charged on microfinance loans in all its offices, in the literature (information booklets/ pamphlets) issued by it and details on its website. This information shall also be included in the supervisory returns and subjected to supervisory scrutiny.
363. Any change in interest rate or any other charge shall be informed to the borrower well in advance and these changes shall be effective only prospectively.
364. As part of their awareness campaigns, Self-Regulatory Organisations (SROs) / other industry associations may publish the range of interest rates on microfinance loans charged by their members operating in a district. SROs / other industry associations may also sensitize their members against charging of usurious interest rates.
365. RBI shall also make available information regarding interest charged by RCBs on microfinance loans.

### **H.3 Training of Staff**

366. An RCB shall have a board approved policy regarding the conduct of employees and system for their recruitment, training and monitoring. This policy shall, inter alia, lay down minimum qualifications for the staff and shall provide necessary training tools to deal with the customers. Training to employees shall include programs to inculcate appropriate behaviour towards customers. Conduct of employees towards customers shall also be incorporated appropriately in their compensation matrix.
367. Field staff shall be trained to make necessary enquiries regarding the income and existing debt of the household.
368. Training, if any, offered to the borrowers shall be free of cost.

### **H.4 Recovery of Microfinance Loans**

369. An RCB shall put in place a mechanism for identification of the borrowers facing repayment related difficulties, engagement with such borrowers and providing them necessary guidance about the recourse available.





370. Recovery shall be made at a designated / central designated place decided mutually by the borrower and the RCB. However, field staff shall be allowed to make recovery at the place of residence or work of the borrower if the borrower fails to appear at the designated / central designated place on two or more successive occasions.
371. An RCB or its agent shall not engage in any harsh methods towards recovery. Without limiting the general application of the foregoing, following practices shall be deemed as harsh:
- (1) Use of threatening or abusive language
  - (2) Persistently calling the borrower and / or calling the borrower before 9:00 a.m. and after 6:00 p.m.
  - (3) Harassing relatives, friends, or co-workers of the borrower
  - (4) Publishing the name of borrowers
  - (5) Use or threat of use of violence or other similar means to harm the borrower or borrower's family / assets / reputation
  - (6) Misleading the borrower about the extent of the debt or the consequences of non-repayment.
372. An RCB shall have a dedicated mechanism for redressal of recovery related grievances. The details of this mechanism shall be provided to the borrower at the time of loan disbursal.

#### **H.5 Engagement of Recovery Agents for Recovery of Microfinance Loans**

373. Recovery agents shall mean agencies engaged by an RCB for recovery of dues from its borrowers and the employees of these agencies.
374. An RCB shall have a due diligence process in place for engagement of recovery agents, which shall, inter alia, cover individuals involved in the recovery process. The RCB shall ensure that the recovery agents engaged by them carry out verification of the antecedents of its employees, which shall include police



verification. The RCB shall also decide the periodicity at which re-verification of antecedents shall be resorted to.

375. To ensure due notice and appropriate authorisation, an RCB shall provide the details of recovery agents to the borrower while initiating the process of recovery. The agent shall also carry a copy of the notice and the authorisation letter from the RCB along with the identity card issued to him/her by the RCB or the agency. Further, where the recovery agency is changed by the RCB during the recovery process, in addition to the RCB notifying the borrower of the change, the new agent shall carry the notice and the authorisation letter along with his/her identity card.
376. The notice and the authorisation letter shall, among other details, also include the contact details of the recovery agency and the RCB.
377. The up-to-date details of the recovery agencies engaged by an RCB shall also be hosted on the RCB's website.

#### **I. Responsibilities of RCBs employing Recovery Agents**

378. An RCB shall strictly ensure that it or its agents do not resort to intimidation or harassment of any kind, either verbal or physical, against any person in their debt collection efforts, including acts intended to humiliate publicly or intrude upon the privacy of the debtors' family members, referees and friends, sending inappropriate messages either on mobile or through social media, making threatening and / or anonymous calls, persistently calling the borrower and/ or calling the borrower before 8:00 a.m. and after 7:00 p.m. for recovery of overdue loans, making false and misleading representations, etc. This direction is not applicable to microfinance loans.



## **Chapter IX – Miscellaneous**

### **A. Accepting standing instructions of customers**

379. Standing instructions shall be freely accepted on all current and savings bank accounts. The scope of standing instructions service shall be expanded to include payments on account of taxes, rents, bills, school / college fees, licences, etc.

### **B. Clean Overdrafts for small amounts**

380. Clean overdrafts for small amounts may be permitted at the discretion of branch manager to customers whose dealings have been satisfactory. An RCB may work out schemes in this regard.

### **C. Rounding off of transactions**

381. All transactions, including payment of interest on deposits / charging of interest on advances, should be rounded off to the nearest rupee i.e., fractions of 50 paise and above shall be rounded off to the next higher rupee and fraction of less than 50 paise shall be ignored.
382. Issue prices of cash certificates should also be rounded off in the same manner. However, an RCB shall ensure that cheques / drafts issued by clients containing fractions of a rupee are not rejected or dishonoured by them. The RCB shall ensure that appropriate action is taken against members of their staff who are found to have refused to accept cheques / drafts containing fractions of a rupee.

### **D. Declaration of Holiday under the Negotiable Instruments Act, 1881**

383. In terms of Section 25 of the Negotiable Instruments Act, 1881, the expression "public holiday" includes Sunday and any other day declared by the Central Government by notification in the Official Gazette to be a public holiday. However, this power has been delegated by the Central Government to State Governments vide the Government of India, Ministry of Home Affairs' Notification No. 20-25-56-Pub-I dated June 8, 1957. While delegating the power to declare public holidays within concerned States under Section 25 of the Negotiable Instruments Act, 1881, the Central Government has stipulated that the delegation is subject to the condition that the Central Government may itself exercise the



said function, should it deem fit to do so. This implies that when Central Government itself has notified a day as "public holiday" under Section 25 of the Negotiable Instruments Act, 1881, there is no need for RCB to wait for the State Government notification.

#### **E. Co-ordination with officers of Central Board of Direct Taxes**

384. An RCB shall extend necessary help / co-ordination to tax officials whenever required. Further, the RCB shall treat with utmost seriousness cases where its staff connive / assist in any manner with offences punishable under the Income Tax Act. In such cases in addition to the normal criminal action, such staff member shall also be proceeded against departmentally.



## **Chapter X – Repeal and Other Provisions**

### **A. Repeal and saving**

385. With the issue of these Directions, the existing Directions, instructions, and guidelines relating to Responsible Business Conduct as applicable to Rural Co-operative Banks stand repealed, as communicated vide [circular DOR.RRC.REC.302/33-01-010/2025-26](#) dated November 28, 2025. The Directions, instructions, and guidelines repealed prior to the issuance of these Directions shall continue to remain repealed.
386. Notwithstanding such repeal, any action taken or purported to have been taken, or initiated under the repealed Directions, instructions, or guidelines shall continue to be governed by the provisions thereof. All approvals or acknowledgments granted under these repealed lists shall be deemed as governed by these Directions. Further, the repeal of these directions, instructions, or guidelines shall not in any way prejudicially affect:
- (1) any right, obligation or liability acquired, accrued, or incurred thereunder;
  - (2) any, penalty, forfeiture, or punishment incurred in respect of any contravention committed thereunder;
  - (3) any investigation, legal proceeding, or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture, or punishment as aforesaid; and any such investigation, legal proceedings or remedy may be instituted, continued, or enforced and any such penalty, forfeiture or punishment may be imposed as if those directions, instructions, or guidelines had not been repealed.

### **B. Application of other laws not barred**

387. The provisions of these Directions shall be in addition to, and not in derogation of the provisions of any other laws, rules, regulations, or directions, for the time being in force.

### **C. Interpretations**

388. For the purpose of giving effect to the provisions of these Directions or in order to remove any difficulties in the application or interpretation of the provisions of



these Directions, the RBI may, if it considers necessary, issue necessary clarifications in respect of any matter covered herein and the interpretation of any provision of these Directions given by the RBI shall be final and binding.

(Veena Srivastava)

Chief General Manager



## Annex I – Format of Comprehensive Notice Board

(Updated up to \_\_\_\_\_)

### A. CUSTOMER SERVICE INFORMATION:

- (i) We have separately displayed the key interest rates on deposits & forex rates in the branch.
- (ii) Nomination facility is available on all deposit accounts, articles in safe custody and safe deposit vaults.
- (iii) We exchange soiled notes and mutilated notes.
- (iv) We accept/exchange coins of all denominations.
- (v) If a banknote tendered here is found to be counterfeit, we will issue an acknowledgement to the tenderer after stamping the note.
- (vi) Please refer to our cheque collection policy for the applicable timeframes for collection of local and outstation cheques.
- (vii) For satisfactory accounts, we offer immediate credit of outstation cheque up to ₹ \_\_\_\_\_ (Please refer cheque collection policy).

### B. SERVICE CHARGES:

Sr.No.	Type of Account	Minimum Balance Requirement (₹)	Charges for non-maintenance thereof (₹)
1	Savings Account		
2	Basic Savings Bank Deposit Account		

### C. GRIEVANCE REDRESSAL:

- (i) If you have any grievances/complaints, please approach:
- (ii) If your complaint is unresolved at the branch level, you may approach our Head Office at: (Address)

### D. INFORMATION AVAILABLE IN BOOKLET FORM (Please approach 'MAY I HELP YOU' Counter)

- (i) All the items mentioned in (A) to (C) above.



- (ii) The Citizen's Charter for Currency Exchange facilities.
- (iii) Time norms for common transactions.
- (iv) Design and security features of all the bank notes.
- (v) Policy documents relating to Cheque Collection, Grievance Redressal Mechanism, Security repossession and Compensation.
- (vi) The complete service charges, including services rendered free of charge.

**Information to be provided outside the premises:**

- Name of the RCB / Branch:
  - Weekly Holiday on:
  - Weekly Branch Non-Banking Day:
  - Branch Working Hours:
-





## Annex II – Rates at a quick glance

Name of the RCB

Rates at a quick glance as on \_\_\_\_\_

### Deposit Accounts

Nature	Rate of Interest		Minimum Balance		
	Normal	Senior Citizen	Rural	Semi Urban	Urban
Account					
1. Savings Bank A/c					
A. Domestic					
a. With cheque book facility					
b. Without cheque book facility					
c. Basic Savings Bank Deposit Account					
B. Non-Resident					
a. NRO					
b. NRE					
2. Term Deposits (As applicable)					
Domestic		Rate of Interest			
Term Deposits (All Maturities)		Deposits less than ₹15 lakh		Deposits ₹15 lakh and above	

### Loans

	RATE OF INTEREST				
<b>LOANS</b>	Loan amount	Rate of Interest			
<b>1. Housing Loan</b>					
<b>2. Personal Loan</b>					
a) Consumer Durable Loan					
b) Senior Citizen Loan Scheme					
c) Personal Loan Scheme					



d)						
<b>3. Vehicle Loan</b>						
a. Two Wheeler Loans						
b. Three Wheeler Loans						
c. For New Cars						
d. For Old Cars						
<b>4. Educational Loans</b>	Up to ₹4.00 lakhs		₹4.00 lakhs up to ₹20 lakhs			
	Repayable in _ years	Repayable in more than _ years	Repayable in _ years	Repayable in more than _ years	For studies in India =	
					For Studies Abroad =	
<b>CHARGES</b>						
<b>Fee Based Services</b>						
<b>1. Lockers</b>						
Type of Locker	Metro / Urban / Semi Urban			Rural		
	1 yr	2 yrs	3 yrs	1 yr	2 yrs	3 yrs
<b>2. Drafts/TT/MT</b>						
Issue						
Cancellation						
<b>3. Outstation cheque collection</b>						
<b>4. NEFT Money Transfer</b>	Inward =			Outward =		
<b>5. RTGS Money Transfer</b>	Inward =			Outward =		
<b>6. Cheque return charges</b>	<b>Outward Returns</b>			<b>Inward Returns</b>		
For Savings Accounts						
For Current, Overdraft Cash Credit Accounts						
Dishonour of outstation / local bills & cheques						
<b>9. Cheque Book Issue</b>						
<b>10. No Dues Certificate</b>						

### **Annex III – Forms of Inventory (Existing)**

#### **Notification**

(DBOD.No.Leg.BC.38/C.233A-85 dated March 29, 1985)

(UBD.BR.764/B.1-84/85 dated March 29, 1985)

In exercise of the powers conferred on the Reserve Bank of India by sub-section (3) of section 45ZC and sub-section (4) of section 45ZE of The Regulation Act, 1949, read with Section 56 of the Act ibid (for co-operative banks) respectively, the Reserve Bank of India hereby directs that the inventory to be prepared before returning articles left in safe custody and the inventory to be prepared before permitting removal of the contents of a safety locker, shall respectively be in the appropriate Forms set out as enclosed or as near thereto as circumstances require.

Sd/-

A. GHOSH

Deputy Governor

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#### **Form of Inventory of articles left in safe custody with banking company**

#### **(Section 45ZC (3) of The Banking Regulation Act, 1949)**

The following inventory of articles left in safe custody with \_\_\_\_\_ branch, \_\_\_\_\_ by Shri/Smt. \_\_\_\_ (deceased) under an agreement/receipt dated \_\_\_\_\_ was taken on this, \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

<b>Sr. No.</b>	<b>Description of Articles in Safe Custody</b>	<b>Other Identifying Particulars, if any</b>

**The above inventory was taken in the presence of:**

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

Shri/Smt. \_\_\_\_\_

(Appointed on behalf of minor Nominee) Address \_\_\_\_\_

OR Address \_\_\_\_\_

Signature \_\_\_\_\_

Signature \_\_\_\_\_



I, Shri/Smt.\_\_(Nominee / appointed on behalf of minor Nominee) hereby acknowledge receipt of the articles comprised and set out in the above inventory together with a copy of the said inventory.

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

(Appointed on behalf of minor Nominee)

Signature\_\_

Signature\_\_\_\_\_

Date & Place\_\_\_\_\_

Date & Place\_\_\_\_\_



**Form of Inventory of Contents of  
Safety Locker Hired from Banking Company**

**(Section 45ZE (4) of The Banking Regulation Act, 1949)**

The following inventory 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. \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_ Survivors of

(Signature) joint hirers

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

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

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

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

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

Signature \_\_\_\_\_

Date & Place \_\_\_\_\_

Shri/Smt. \_\_\_\_\_ (Survivor)

Signature \_\_\_\_\_

Shri/Smt. \_\_\_\_\_ (Survivor)

Signature \_\_\_\_\_

Date & Place \_\_\_\_\_

(\* Delete whichever is not applicable)



## **Annex IV – Settlement of Claims (existing instructions)**

### **A. Settlement of claims in respect of deceased depositors**

#### **A.1 Provisions of The Banking Regulation Act, 1949**

1. An RCB shall adhere to the provisions of Sections 45ZA to 45ZF of The Banking Regulation Act, 1949 and the Co-operative Banks (Nomination) Rules, 1985.

#### **A.2 Simplified operational systems / procedures**

2. An RCB shall undertake a comprehensive review of its extant systems and procedures relating to settlement of claims of its deceased constituents with a view to evolving a simplified policy / procedures for the purpose, with the approval of its Board, taking into account the applicable statutory provisions, foregoing instructions as also the MOP formulated by the NABARD.

#### **A.3 Accounts with survivor / nominee clause**

3. The payment of the balance in the deposit account to the survivor(s) / nominee of a deceased deposit account holder represents a valid discharge of an RCB's liability in the case of deposit accounts where the depositor had utilised the nomination facility and made a valid nomination 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"):

- (1) Provided the RCB has exercised due care and caution in establishing the identity of the survivor(s) / nominee and the fact of death of the account holder, through appropriate documentary evidence;
- (2) Provided there is no order from the competent court restraining the RCB from making the payment from the account of the deceased; and
- (3) Provided it has been made clear to the survivor(s) / nominee that he/she would be receiving the payment from the RCB as a trustee of the legal heirs of the deceased depositor, i.e., such payment to him/her shall not affect the right or claim which any person may have against the survivor(s) / nominee to whom the payment is made.



4. Since payment made to the survivor(s) / nominee, subject to the foregoing conditions, would constitute a full discharge of an RCB's liability, the RCB shall desist from insisting on production of succession certificate, letter of administration or probate, etc., or obtain any bond of indemnity or surety from the survivor(s)/nominee, while making payment to the survivor(s) / nominee of the deceased depositor, irrespective of the amount standing to the credit of the deceased account holder.

#### **A.4 Accounts without the survivor / nominee clause**

5. An RCB shall adopt a simplified procedure for repayment to legal heir(s) of the depositor in cases where the deceased depositor had not made any nomination or for the accounts other than those styled as "either or survivor" (such as single or jointly operated accounts). The RCB shall keeping in view its risk management systems, fix a minimum threshold limit, for the balance in the account of the deceased depositors, up to which claims in respect of the deceased depositors could be settled without insisting on production of any documentation other than a letter of indemnity.

#### **A.5 Premature Termination of term deposit accounts**

6. An RCB is advised to invariably incorporate a suitable clause in the account opening form informing joint depositors with the mandate of "Either or Survivor" or "Former or Survivor" about the availability of an option to provide specific joint mandate which facilitates premature withdrawal of the deposit by the surviving joint depositor on the death of the other. The RCB shall also inform its existing as well as future term deposit holders about the availability of such an option.

7. The joint deposit holders shall be permitted to give the joint mandate allowing premature withdrawals of term deposits also in accordance with the mandate of 'Either or Survivor' or 'Former or Survivor' either at the time of placing term deposit or anytime subsequently during the term / tenure of the deposit. If such a mandate is obtained, an RCB can allow premature withdrawal of term deposits by the surviving depositor without seeking the concurrence of the legal heirs of the deceased joint deposit holder. Such premature withdrawal would not attract any penal charge.

#### **A.6 Treatment of flows in the name of the deceased depositor**

8. In order to avoid hardship to the survivor(s) / nominee of a deposit account, an RCB shall obtain appropriate agreement / authorization from the survivor(s) / nominee





regarding the treatment of pipeline flows in the name of the deceased account holder. In this regard, bank could consider adopting either of the following two approaches:

The bank could be authorised by the survivor(s) / nominee of a deceased account holder to open an account styled as 'Estate of Shri \_\_\_\_\_, the Deceased' where all the pipeline flows in the name of the deceased account holder could be allowed to be credited, provided no withdrawals are made.

OR

The bank could be authorised by the survivor(s) / nominee to return the pipeline flows to the remitter with the remark "Account holder deceased" and to intimate the survivor(s) / nominee accordingly. The survivor(s) / nominee / legal heir(s) could then approach the remitter to effect payment through a negotiable instrument or through ECS transfer in the name of the appropriate beneficiary.

#### **A.7 Time limit for settlement of claims**

9. An RCB shall settle the claims in respect of deceased depositors and release payments to survivor(s) / nominee(s) within a period not exceeding 15 days from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claim(s), to the RCB's satisfaction.

10. An RCB shall report to the Customer Service Committee of the Board, at appropriate intervals, on an ongoing basis, the details of the number of claims received pertaining to deceased depositors / locker-hirers / depositors of safe custody article accounts and those pending beyond the stipulated period, giving reasons therefor.

#### **A.8 Customer Guidance and Publicity**

11. An RCB shall give wide publicity and provide guidance to deposit account holders on the benefits of the nomination facility and the survivorship clause. Illustratively, it should be highlighted in the publicity material that in the event of the death of one of the joint account holders, the right to the deposit proceeds does not automatically devolve on the surviving joint deposit account holder, unless there is a survivorship clause.

12. These instructions should be viewed as very critical element for bringing about significant improvement in the quality of customer service provided to survivor(s) / nominee(s) of deceased depositors.



## **B. Settlement of Claims in case of death of a Customer in respect of Safe Deposit Locker/ Safe Custody Article Facility**

13. An RCB shall have a Board approved policy for settlement of claims. The policy shall be in conformity with the regulatory instructions and the Model Operational Procedure (MOP) for settlement of claims of the deceased constituents formulated by the IBA and in case of State and Central Co-operative Banks, MOP formulated by NABARD.

14. An RCB shall have a Board approved policy for nomination and release of contents of safety lockers / safe custody article to the nominee and protection against notice of claims of other persons in accordance with the provisions of Sections 45 ZC to 45 ZF of The Banking Regulation Act, 1949 and The Banking Companies (Nomination) Rules, 1985/ Co-operative Banks (Nomination) Rules, 1985 and the relevant provisions of Indian Contract Act and Indian Succession Act.

15. In order to ensure that the articles left in safe custody and contents of lockers are returned to the genuine nominee, as also to verify the proof of death, an RCB shall devise its own claim formats, in terms of applicable laws and regulatory instructions.

16. An RCB shall settle the claims in respect of deceased locker hirers and shall release contents of the locker to survivor(s) / nominee(s), as the case may be, within a period not exceeding 15 days from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claimant(s) with reference to nomination, to the RCB's satisfaction.

17. An RCB shall report to the Customer Service Committee of the Board, at appropriate intervals, on an ongoing basis, the details of the number of claims received pertaining to deceased locker-hirers / depositors of safe custody article accounts and those pending beyond the stipulated period, with reasons therefor. Customer Service Committee of the Board of the RCB shall review the settlement of claims and make suggestions to ensure that the claims are settled as early as possible unless there is any litigation pending before the Courts or any difficulty is being faced in identifying the true claimant with reference to nomination.

### **B.1 Access to the articles in the safe deposit lockers / return of safe custody articles**

18. If the sole locker hirer nominates an individual to receive the contents in the locker,



in case of his death, after verification of the death certificate and satisfying the identity and genuineness of such individual approached, an RCB shall give access of the locker to such nominee with liberty to remove the contents of the locker, after an inventory was taken in the prescribed manner. In case the locker was hired jointly with the instructions to operate it under joint signatures, and the locker hirer(s) nominates any other individual(s), in the event of death of any of the locker hirers, the RCB shall give access of the locker and the liberty to remove the contents jointly to the survivor(s) and the nominee(s) after an inventory was taken in the prescribed manner. In case the locker was hired jointly with survivorship clause and the hirers instructed that the access of the locker should be given to "either or survivor", "anyone or survivor" or "former or survivor" or according to any other survivorship clause permissible under the provisions of The Banking Regulation Act, 1949, the RCB shall follow the mandate in the event of death of one or more of the joint locker-hirers.

19. An RCB shall, however, ensure the following before giving access to the contents to nominee / survivor:

- (1) Exercise due care and caution in establishing the identity of the survivor(s) / nominee(s) and the fact of death of the locker hirer by obtaining appropriate documentary evidence;
- (2) Make diligent effort to find out whether there is any order or direction from Courts / Forums restraining it from giving access to the locker of the deceased; and
- (3) Make it clear to the survivor(s) / nominee(s) that access to articles in the locker / safe custody articles is given to them only as a trustee of the legal heirs of the deceased locker hirer i.e., such access given to them shall not affect the right or claim which any person may have against the survivor(s) / nominee(s) to whom the access is given.

20. Similar procedure shall be followed for return of articles placed in the safe custody of an RCB.

21. An RCB shall ensure that, the contents of locker, when sought to be removed on behalf of a minor nominee, are handed over to a person who is, in law, competent to receive the articles on behalf of such minor. Further, the RCB shall prepare an inventory of the articles in the presence of two independent witnesses, one officer of



the RCB who is not associated with the locker facility or safe deposit of articles and the claimant(s), who may be a nominee or an individual receiving the articles, on behalf of a minor.

22. An RCB shall obtain a separate statement from the nominee (claimant) or the person competent to receive articles on behalf of the minor, as the case may be, that all the contents in the locker or in the safe custody of the RCB, as the case may be, are received and the locker is empty and they have no objection to allotment of the locker to any other customer as per norms.

23. While giving access to the survivor(s) / nominee(s) of the deceased locker hirer / depositor of the safe custody articles, an RCB may avoid insisting on the production of succession certificate, letter of administration or probate, etc., or obtain any bond of indemnity or surety from the survivor(s)/nominee(s), unless there is any discrepancy in nomination. In this regard, the RCB shall take note of the instructions under paragraph 19.

24. In case where the deceased locker hirer had not made any nomination or where the joint hirers had not given any mandate that the access may be given to one or more of the survivors by a clear survivorship clause, bank shall adopt a Board approved policy to facilitate access to legal heir(s) / legal representative of the deceased locker hirer. In this regard, banks shall take note of the instructions under paragraph 19.

25. Similar procedure shall be followed for the articles under safe custody of an RCB.

### **C. Settlement of claims in respect of missing persons**

26. An RCB shall follow the following system in case a claim is received from a nominee / legal heirs for settlement of claim in respect of missing persons:

- (1) The settlement of claims in respect of missing persons shall be governed by the provisions of Section 110 / 111 of the Bharatiya Sakshya Adhiniyam, 2023. Section 110 deals with presumption of continuance and Section 111 deals with presumption of death. As per the provisions of Section 111 of the Bharatiya Sakshya Adhiniyam, 2023, presumption of death can be raised only after a lapse of seven years from the date of his/her being reported missing. As such, the nominee / legal heirs have to raise an express presumption of death of the subscriber under Section 110/111 of the Bharatiya Sakshya Adhiniyam, 2023 before a competent



court. If the court presumes that the missing person is dead, then the claim in it's respect can be settled on the basis of the same.

- (2) An RCB shall formulate a policy which would enable them to settle the claims of a missing person after considering the legal opinion and taking into account the facts and circumstances of each case. Further, keeping in view the imperative need to avoid inconvenience and undue hardship to the common person, an RCB shall, keeping in view their risk management systems, fix a threshold limit, up to which claims in respect of missing persons could be settled without insisting on production of any documentation other than (i) FIR and the non-traceable report issued by police authorities and (ii) letter of indemnity.

#### **D. Claim Forms to be made available**

27. An RCB shall provide claim forms for settlement of claims of the deceased accounts, to any person/s who is/are approaching the RCB / branches for forms. Claim forms may also be put on the RCB's website prominently so that claimants of the deceased depositor can access and download the forms without having to visit the concerned bank/branch for obtaining such forms for filing claim with the RCB.



**Annex V – Application Form for Settlement of Claim in Deposit Accounts/ Release of Contents of Safe Deposit Lockers/ Return of Articles in Safe Custody kept by Deceased Customer (cases with Nomination or Joint Account with survivorship clause)**

The Branch Manager

Date:

\_\_\_\_\_ Bank

\_\_\_\_\_ Branch

Madam/ Dear Sir,

**Claim as \*Nominee/ Survivor for Payment of Balances in the \*Deposit Accounts/ Release of Contents of Safe Deposit Lockers/ Return of Articles in Safe Custody kept by Shri/ Smt./ Kum. \_\_\_\_\_ (Name of \*Deceased/ Missing Customer)**

I/ We \_\_\_\_\_ (Nominee(s)/ Survivor(s)) hereby declare that I am/ we are the \*Nominee(s)/ Survivor(s)/ appointed as Guardian of a Minor Nominee/ Survivor in the \*Deposit Accounts/ Safe Deposit Lockers/ Articles in Safe Custody kept by Shri/ Smt./ Kum. \_\_\_\_\_ (Name of Deceased/ Missing Customer) who \*expired on \_\_\_\_\_ / is missing/ not traceable since \_\_\_\_\_.

2. I/ We furnish below the required information about the deceased customer:

(a) **Date and Place of Death** \_\_\_\_\_

(b) **Details of Death Certificate No.** \_\_\_\_\_ dated \_\_\_\_\_ Authority \_\_\_\_\_  
(copy enclosed). (Original to be produced for verification)

(c) **Age** (as on the date of death) : \_\_\_\_\_ Yrs.

(d) **Marital Status** (as on the date of death) : Married / Unmarried/ Widow(er)

(e) **Address:**

\_\_\_\_\_  
**City/ District:** \_\_\_\_\_ **PIN:** \_\_\_\_\_ **State:** \_\_\_\_\_ **Country:** \_\_\_\_\_

3. I/ We, therefore, submit my/ our Claim as Nominee(s)/ Survivor(s)/ Guardian on behalf of Minor Nominee/ Survivor for \*payment of the balance with accrued interest in deposit accounts/ release of contents of safe deposit lockers/ return of articles in safe custody kept by deceased customer as per details given below:



#### a. Deposit Accounts

Sr. No.	Nature of Deposits (SB/ CA/ TD, etc.)	Account No.	Amount	Date of Maturity (in case of TD)
1.				
2.				
3.				
4.				
<b>Total</b>				

b. Safe Deposit Locker No. \_\_\_\_\_ Mode of Holding: \_\_\_\_\_

Details of Articles (if known): \_\_\_\_\_

c. Safe Custody Article Receipt No. \_\_\_\_\_

Details of Articles (if known): \_\_\_\_\_

#### 4. Details of Nominee(s)/ Survivor(s):

4.1 I/ We request the bank to transfer the balance payable (after making the required adjustments, set-off, if any) in deposit accounts of the deceased to the account(s) given below:

Sr. No.	Detail of nominee(s)/ survivor(s)		Mobile Number	Email Address	Bank Name, Account Type & Number, and IFSC details
	Name	Address			
1					
2					
3					
4					

4.2 I/ We request the bank to \*release the contents of safe deposit lockers/ return the articles in safe custody to the following persons:

Sr. No.	Detail of nominee(s)/ survivor(s)		Mobile Number	Email Address
	Name	Address		
1				
2				
3				
4				

4.3 For the minor nominee(s)/ survivor(s), name of such nominee(s)/ survivor(s) and his/ her natural/ legal guardian are given below:



Sr. No.	Name of the Minor Nominee(s)/ Survivor(s)	Date of Birth	Name of the Guardian	Relationship with Minor	Address of the Guardian	Mobile Number and Email address of the Guardian
1						
2						

**5. I/ We undertake that**

(i) I/ We shall hold/ receive the aforesaid amount/ articles in a fiduciary capacity as a trustee of the rightful beneficiary(ies) and any settlement made to me/ us shall not affect their rights.

(ii) The aforesaid \*accounts/ safe deposit locker/ safe custody articles are not the subject matter of any dispute and that there is no Court order restraining me/ us from claiming or the bank from settling the claim in my/ our favour or otherwise.

(iii) I/ We authorise the bank to exercise its right to lien and set-off and accordingly, to deduct the outstanding dues which are payable to the bank in relation to credit facilities availed by the Deceased or any other dues payable to the bank, from the balance held by the Deceased in the aforementioned account(s).

**6. I/ We have attached the following documents for the purpose of settlement of my/ our claim:**

- ☐ \*Death certificate (of deceased customer)/ First Information Report (FIR) and the non-traceable report issued by police authorities (in case of missing person)
- ☐ Officially Valid Document in support of the identity and address of the Nominee(s)/ Survivor(s) making the claim.

*Note: Officially Valid Document" (OVD) means the passport, the driving licence, proof of possession of Aadhaar number, the Voter's Identity Card issued by the Election Commission of India, job card issued by NREGA duly signed by an officer of the State Government and letter issued by the National Population Register containing details of name and address.*

**7. The facts stated above are true and correct to the best of my/ our knowledge and belief.**

**8. Name and signature of the \*nominee(s)/ survivor(s) who will receive the balance payable/ articles in safe deposit locker/ safe custody:**

Sr. No.	Name of nominee(s)/ survivor(s)/ Guardian of Minor Nominee	Signature/ Thumb impression
1		
2		
3		
4		

*Note: In case a claimant is unable to sign, he/ she may place the thumb impression in the presence of a witness known to the bank.*





**Name and address of witness (in case of claimant(s) placing the thumb impression):**

**Signature of witness:**

\*(Delete whichever is not applicable)

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**FOR OFFICE USE**

(may be prepared by the bank as per its official requirement)



**Annex VI – Application Form for Settlement of Claim in Deposit Accounts / Release of Contents of Safe Deposit Lockers / Return of Articles in Safe Custody kept by Deceased Customer (cases other than Nomination or Joint Account with survivorship clause)**

The Branch Manager

Date:

\_\_\_\_\_ Bank

\_\_\_\_\_ Branch

Madam/ Dear Sir,

**Claim for Payment of Balances in the \*Deposit Accounts/ Release of Contents of Safe Deposit Locker/ Return of Articles in Safe Custody kept by Shri/ Smt./ Kum. \_\_\_\_\_ (Name of Deceased/ Missing Customer)**

I/ We \_\_\_\_\_ (Claimant(s)) hereby declare that I am/ we are the claimant(s) in the \*Deposit Accounts/ Safe Deposit Locker/ Articles in Safe Custody kept by Shri/ Smt./ Kum. \_\_\_\_\_ (Name of Deceased/ Missing Customer) who \*expired on \_\_\_\_\_ / is missing/ not traceable since \_\_\_\_\_.

2. I/ We furnish below the required information about the deceased customer:

**(a) Date and Place of Death:** \_\_\_\_\_

**(b) Details of Death Certificate No.** \_\_\_\_\_ **dated** \_\_\_\_\_  
Authority \_\_\_\_\_ (copy enclosed). (Original to be produced for verification)

**(c) Age:** \_\_\_\_\_ Yrs.

**(d) Marital Status:** Married / Unmarried/ Widow(er)

**(e) Address:**

\_\_\_\_\_  
**City/ District:** \_\_\_\_\_ **PIN:** \_\_\_\_\_ **State:** \_\_\_\_\_ **Country:** \_\_\_\_\_

**(f) Religion:** \_\_\_\_\_

**Mention which law of succession is applicable** \_\_\_\_\_ (Hindu, Mohammedan, etc.)

**(g) Name, Relation & Age of the legal heir(s) of the deceased:**

Sr. No.	Name & Address	Age	Relation	Mobile Number & Email Address	Whether signing Letter of Disclaimer/ No Objection (Yes/ No)
1					
2					



3					
4					

**(h) In case of minor legal heir(s), details of Natural Guardian/ Legal Guardian:**

Sr. No.	Name of the Minor Legal Heir	Date of Birth	Name of the Guardian	Relationship with Minor	Address of the Guardian	Mobile Number and Email address of the Guardian
1						
2						

**3.** I/ We, therefore, submit my/ our Claim for \*payment of the balance with accrued interest in deposit accounts/ release of contents of safe deposit lockers/ return of articles in safe custody kept by deceased customer as per details given below:

**a. Deposit Accounts**

Sr. No.	Nature of Deposits (SB/ CA/ TD, etc.)	Account No.	Amount	Date of Maturity (in case of TD)
1.				
2.				
3.				
4.				
<b>Total</b>				

**b. Safe Deposit Locker No.** \_\_\_\_\_ **Mode of Holding:** \_\_\_\_\_

Details of Articles (if known): \_\_\_\_\_

**c. Safe Custody Article Receipt No.** \_\_\_\_\_

Details of Articles (if known): \_\_\_\_\_

**4.1 I/ We undertake that**

**(i)** I/ We shall hold/ receive the aforesaid amount/ payment in a fiduciary capacity as a trustee of the rightful beneficiary(ies) and any settlement made to me/ us shall not affect their rights.

**(ii)** The aforesaid \*accounts/ safe deposit lockers/ safe custody articles are not the subject matter of any dispute and that there is no Court order restraining me/ us from claiming or the bank from settling the claim in my/ our favour or otherwise.

**(iii)** I/ We authorise the bank to exercise its right to lien and set-off and accordingly, to deduct the outstanding dues which are payable to the bank in relation to credit facilities availed by the Deceased customer or any other dues payable to the bank, from the balance held by the Deceased customer in the aforementioned account(s).

**(iv)** To indemnify and hold the bank harmless against any claims, suits, legal proceedings by any legal heirs, executors, administrators, legal representatives, arising out of/ in connection with the settlement of this deceased claim in accordance to this request letter.



#### 4.2 I/ We declare that

##### (Select the applicable option)

- ☐ there is **no** Will left behind by the Deceased to the best of my/ our knowledge and belief.
- ☐ The Will submitted by me/ us is the last Will left behind by the Deceased and the same is not the subject matter of any dispute.

#### 4.3 I/ We lodge my/ our claim for the above \*balance with accrued interest/ safe deposit locker/ articles in safe custody of the above-named deceased in terms of:

##### (Select the applicable option)

- ☐ Will of Late Shri/ Smt/ Kum. \_\_\_\_\_ dated \_\_\_\_\_ (copy enclosed). The Will has neither been Probated nor has any Letter of Administration been obtained with respect to the same.
- ☐ Will of Late Shri/ Smt/ Kum. \_\_\_\_\_ dated \_\_\_\_\_ and a probate granted by the court of \_\_\_\_\_ located at \_\_\_\_\_ vide order dated \_\_\_\_\_ (copy enclosed).
- ☐ Letter of Administration No. \_\_\_\_\_ dated \_\_\_\_\_ issued by \_\_\_\_\_ at \_\_\_\_\_ (copy enclosed).
- ☐ Succession Certificate dated \_\_\_\_\_ granted by the Court of \_\_\_\_\_ located at \_\_\_\_\_ vide order dated \_\_\_\_\_ (copy enclosed).
- ☐ Court decree dated \_\_\_\_\_ issued by the Court of \_\_\_\_\_ located at \_\_\_\_\_ (copy enclosed).
- ☐ Legal Heir Certificate granted by \_\_\_\_\_ at \_\_\_\_\_ vide order dated \_\_\_\_\_ (copy enclosed).
- ☐ Declaration/ Affidavit from an independent person regarding the legal heir(s) of the deceased depositor (copy enclosed).

#### 5.1 I/ We request the bank to transfer the balance payable (after making the required adjustments, set-off, if any) to the account of claimant(s) given below:

Sr. No.	Name of Claimant	Bank Name and A/c No.	IFSC	Branch Details
1				
2				
3				
4				



**For the minor claimant(s), name of such claimant(s) and his/ her natural/ legal guardian are given below:**

Sr. No.	Name of the Minor Claimant(s)	Date of Birth	Name of the Guardian	Relationship with Minor
1				
2				

**5.2 I/ We request the bank to \* release the contents of safe deposit lockers/ return the articles in safe custody to the following persons:**

Sr. No.	Name of Claimant
1	
2	
3	
4	

**6. I/ We have attached the following documents for the purpose of settlement of my/ our claim (select the applicable documents):**

- ☐ \*Death certificate (of deceased customer)/ First Information Report (FIR) and the non-traceable report issued by police authorities (in case of missing person)
- ☐ Officially Valid Document in support of the identity and address of the Claimant(s) making the claim.
- ☐ Will/ Probate of Will
- ☐ Letter of Administration
- ☐ Succession Certificate
- ☐ Court Decree/ order
- ☐ Legal Heir Certificate
- ☐ Declaration/ Affidavit from an independent person regarding the legal heir(s) of the deceased customer
- ☐ Bond of indemnity signed by Claimant(s)
- ☐ Bond of indemnity/ surety signed by Third Party(ies)
- ☐ Letter of disclaimer/ no objection from non-claimant legal heir(s)

*Note: Officially Valid Document" (OVD) means the passport, the driving licence, proof of possession of Aadhaar number, the Voter's Identity Card issued by the Election Commission of India, job card issued by NREGA duly signed by an officer of the State Government and letter issued by the National Population Register containing details of name and address.*

**7. The facts stated above are true and correct to the best of my/ our knowledge and belief.**

**8. Name and signature of the claimant(s) who will receive the balance payable/ articles in safe deposit locker/ safe custody:**



Sr. No.	Name of the Claimant/ Guardian of Minor Claimant	Signature/ Thumb impression
1		
2		
3		
4		

*Note: In case a claimant is unable to sign, he/ she may place the thumb impression in the presence of a witness known to the bank.*

**Name and address of witness (in case of claimant(s) placing the thumb impression):**

**Signature of witness:**

\*(Delete whichever is not applicable)

Note :1. \_\_\_\_\_ Bank is not responsible for any delay in disposal of the claim due to lack of full particulars furnished in this application and may insist on calling for a Legal Document in case there are disputes among legal heirs and all of them do not join in indemnifying the bank, or give Letter of Disclaimer/ No Objection, or where the bank has reasonable doubt about the genuineness of the claimant(s) being the only heirs of the deceased customer. The bank shall duly advise the claimant(s) in such cases.

2. In case the bank receives multiple claims from legal heirs of the deceased or in cases where there are inter se disputes amongst the legal heirs or a third party produces Will of the deceased, the bank shall not settle the claim unless the concerned party produces an Order/ Decree from Competent Court or Probate of the Will (as may be applicable), till such time the claim shall be kept on hold/ pending.

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#### FOR OFFICE USE

(may be prepared by the bank as per its own requirement)



## Annex VII – Bond of Indemnity / Surety\*

**(To be duly stamped as per the Stamp Act applicable to the State)**

(For Settlement of Claim in Deposit Accounts of Deceased Customer  
without production of Legal Documents)

The Branch Manager

Date:

\_\_\_\_\_ Bank

\_\_\_\_\_ Branch

IN CONSIDERATION of your paying or agreeing to pay us,

**(Mention here the name of the claimant(s))**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

the sum of Rupees \_\_\_\_\_ standing at the

\*\*credit of following deposit accounts with your bank in the name of Shri/ Smt./ Kum.

\_\_\_\_\_ since deceased, **without production of a Court Order or Probate of Will or Letter of Administration or a Succession Certificate** to his/ her estate:

Sr. No.	Nature of Deposits (SB/ CA/ TD, etc.)	Account No.	Amount	Date of Maturity (in case of TD)
1.				
2.				
3.				
4.				
<b>Total</b>				

**We,** \_\_\_\_\_, do hereby for

**(Mention here the Name of the \*\*claimant(s)/ surety(ies))**

ourselves and our heirs, legal representatives, executors and administrators, jointly and severally UNDERTAKE AND AGREE to indemnify you, the bank, its officers/ Directors, and its successors and assignees against all claims, demands,



proceedings, losses, damages, charges and expenses which may be raised against or incurred by you by reasons or in consequence of your having agreed to pay/ or paying the said sum to the claimant(s) as aforesaid.

SIGNED AND DELIVERED by the above named

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

**(Heir(s)/ claimant(s) of the deceased customer)**

Signed and delivered by the above named on this \_\_\_\_\_ day of \_\_\_\_\_  
two thousand \_\_\_\_\_.

\*SIGNED AND DELIVERED by the above named

1. \_\_\_\_\_
2. \_\_\_\_\_

**(Sureties)**

Signed and delivered by the above named on this \_\_\_\_\_ day of \_\_\_\_\_  
\_\_\_\_\_ two thousand \_\_\_\_\_.

\* Surety is applicable only in case of claims above the threshold limit.

\*\* (Delete whichever is not applicable)





## Opinion Report on Surety

### A. Details to be furnished by the surety

1.	Name in Full	
2.	Address	
3.	Academic Qualification	
4.	Age	
5.	Occupation (If employed, please state the name of the employer and since when employed).	
6.	Present Monthly Income/ Salary	
7.	Total yearly income from all sources	
8.	No. of dependents	
9.	<b>Personal Assets</b>	
a.	Immoveable Property, viz., land/ Building, etc. (please give details of acquisition, present value, etc.)	
b.	Investments (Term Deposits, Shares, etc., if any)	
c.	Life Insurance Policy	
d.	Other Assets	
e.	Details of Bank Accounts, if any (Name and address of Bank with Account No. (Savings bank/ Current) to be furnished).	
10.	Personal Liability, if any	
11.	Please indicate whether surety is related to claimant(s) Yes/No	
12.	Period for which claimant(s) are known	Yrs.

I confirm that all the statements made by me in this application are true and correct to the best of my knowledge and belief.

Place:

Date:

Signature

(Surety)

---

### B. Remarks of the Bank Official



## Annex VIII – Letter of Disclaimer / No Objection

(To be duly stamped as per the Stamp Act applicable to the State)

The Branch Manager

\_\_\_\_\_ Bank  
\_\_\_\_\_ Branch

Dear Sir,

Details of deposit account(s)/ safe custody articles/ safe deposit locker in the name of Shri/ Smt./ Kum. \_\_\_\_\_ since deceased are as follows:

a. Deposit Accounts

Sr. No.	Nature of Deposits (SB/ CA/ TD, etc.)	Account No.	Amount	Date of Maturity (in case of TD)
1.				
2.				
3.				
4.				
Total				

b. Safe Deposit Locker No. \_\_\_\_\_ Mode of Holding:

\_\_\_\_\_

c. Safe Custody Article Receipt No. \_\_\_\_\_

Details of Articles (if known): \_\_\_\_\_

**2.** With reference to the above account(s)/ safe deposit locker/ safe custody articles, I/ We, the legal heirs of Shri/ Smt./ Kum. \_\_\_\_\_ (Name of deceased customer), have to advise that we have no interest in the above deposits/ assets and as such we have no objection to your paying the \*balance amount in the above account(s)/ releasing the contents in safe deposit locker/ returning the safe custody articles lying with you in the name of the aforesaid Shri/ Smt./ Kum. \_\_\_\_\_ (Name of the deceased customer) to Shri/ Smt./ Kum.:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_



Such payment of the \*balance in the above account(s)/ release of the contents in safe deposit locker/ return of the safe custody articles would be completely binding on us and we will not question the bank's action in doing so. I/ We undertake to bind ourselves, our heirs and legal representatives not to revoke the declaration made herein.

Sr. No.	Name of the Non-claimant Legal Heir(s) (who relinquish their rights)	Age (yrs.)	Signature
1			
2			
3			
4			

Signed on this \_\_\_\_\_ day of \_\_\_\_\_ two thousand \_\_\_\_\_.

\*(Delete whichever is not applicable)



### Annex IX – Declaration / Affidavit

(To be duly stamped as per the Stamp Act applicable to the State)

I, \_\_\_\_\_ S/D/O \_\_\_\_\_  
residing at \_\_\_\_\_  
do hereby make oath\*/solemnly affirm and say as follows:

That Shri/ Smt. /Kum. \_\_\_\_\_ (Name of the deceased customer) hereinafter, referred to as “the deceased” died intestate on \_\_\_\_\_ at \_\_\_\_\_.

2. That I know the deceased and his/ her family since the last \_\_\_\_\_ years.
3. That at the time of his/ her death, the deceased left surviving him/ her the following persons who according to the law by which they are governed, are the only legal heirs of the deceased entitled to succeed to the estate of the deceased on an intestate succession:

Sr. No	Name	Age (yrs.)	Relationship with the deceased
1			
2			
3			
4			

4. That I am not related in any manner whatsoever to the deceased or any of the above-mentioned persons nor have I any claim or interest of whatsoever nature in the estate of the deceased.
5. That I am informed, and I verily believe that the deceased has left certain \*deposits/ safe deposit locker/ articles in safe custody with the \_\_\_\_\_ Bank \_\_\_\_\_ branch, to which the above-mentioned persons are entitled to claim.
6. That I am making this solemn declaration sincerely and conscientiously believing the same to be true and with full knowledge that it is on the strength of this declaration that the \_\_\_\_\_ Bank \_\_\_\_\_ branch, has agreed at my request to make payment of the amount of the deposits and \*deliver the articles in safe deposit locker/ safe custody to the above mentioned persons without requiring



production of a grant of legal document to the estate of the deceased from a competent Court by them.

\*Sworn/ solemnly affirmed at this \_\_\_\_\_ day of \_\_\_\_\_ two thousand\_\_\_\_\_.

(Signature of Declarant)

in the presence of \_\_\_\_\_ **before me**

**Notary Public/ Judge/ Magistrate\*\***

\*(Delete whichever is not applicable)

\*\* The declaration is required to be sworn as an affidavit before a Notary Public/ Judge/ Magistrate only if the claim amount is above the threshold limit.



## Annex X – Form of Inventory of Contents of Safe Deposit Locker

The following inventory of contents of Safe Deposit Locker No. \_\_\_\_\_  
located at \_\_\_\_\_ Branch of \_\_\_\_\_ Bank,

\*hired in her/ his sole name by Shri/ Smt./ Kum. \_\_\_\_\_ (deceased),

\*hired jointly by Shri/ Smt./ Kum. (i) \_\_\_\_\_  
(deceased)

(ii)

(iii) \_\_\_\_\_

was taken on this \_\_\_\_\_ day of \_\_\_\_\_ two thousand \_\_\_\_\_.

Sr. No.	Description of Articles in Safe Deposit Locker	Other identifying particulars, if any
1		
2		
3		
4		
5		
6		
7		
8		

2. For the purpose of inventory, access to the locker was given to the nominee/ survivor/ legal heirs/ beneficiary named in the Will or their duly authorised representative/s:

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

3. The above inventory was taken in the presence of:

**(i) Nominee/ Legal heir/ Beneficiary named in the Will of deceased hirer(s) or their duly authorised representative**

Shri/ Smt./ Kum. \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_  
(Signature)



Shri/ Smt./ Kum. \_\_\_\_\_

\_\_\_\_\_

Address \_\_\_\_\_

(Signature)

And

**(ii) Survivors in case of Joint hirers (if applicable)**

Shri/ Smt./ Kum. \_\_\_\_\_

\_\_\_\_\_

Address \_\_\_\_\_

(Signature)

Shri/ Smt./ Kum. \_\_\_\_\_

\_\_\_\_\_

Address \_\_\_\_\_

(Signature)

**(iii) Witness(es)**

Shri/ Smt./ Kum. \_\_\_\_\_

\_\_\_\_\_

Address \_\_\_\_\_

(Signature)

Shri/ Smt./ Kum. \_\_\_\_\_

\_\_\_\_\_

Address \_\_\_\_\_

(Signature)

**(iv) On behalf of Bank**

Custodian:

Shri/ Smt./ Kum. \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

(Signature)

Bank employee other than Custodian:

Shri/ Smt./ Kum. \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

(Signature)

\*(Delete whichever is not applicable)



---

### ACKNOWLEDGEMENT

\*I/ We, Shri/ Smt./ Kum. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Name of the nominee(s)/ legal heir(s)/ beneficiary named in the Will or their duly  
authorised representative and

Shri/ Smt./ Kum. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(surviving hirers, if applicable)

hereby acknowledge the receipt of the contents of the safe deposit locker comprised in as  
set out in the above inventory. Further, all the contents in the locker have been removed  
and the locker is empty, and I/ we have no objection to allotment of the locker to any other  
locker hirer as per norms of the bank.

Shri/Smt./ Kum. \_\_\_\_\_

\_\_\_\_\_  
Signature

Shri/ Smt./ Kum. \_\_\_\_\_

\_\_\_\_\_  
Signature

Shri/ Smt./ Kum. \_\_\_\_\_

Signature

Date and Place \_\_\_\_\_

(\*Delete whichever is not applicable)





### Annex XI – Form of Inventory of Articles left in Safe Custody

The following inventory of articles left in safe custody with \_\_\_\_\_  
Branch of \_\_\_\_\_ Bank, by Shri/ Smt./ Kum. \_\_\_\_\_  
(deceased), under an agreement/ receipt number \_\_\_\_\_ dated \_\_\_\_\_ was taken on this  
\_\_\_\_\_ day of \_\_\_\_\_ two thousand \_\_\_\_\_

Sr. No.	Description of Articles in Safe Custody	Other identifying particulars, if any
1		
2		
3		
4		
5		
6		
7		
8		

2. The above inventory was taken in the presence of:

**(i) Nominee or Legal Heir or Person mandated by Nominee (including Minor Nominee)/ Legal Heir**

Shri/ Smt./ Kum. \_\_\_\_\_

Address \_\_\_\_\_ (Signature)

Shri/ Smt./ Kum. \_\_\_\_\_

Address \_\_\_\_\_ (Signature)

**(ii) Witness(es)**

Shri/ Smt./ Kum. \_\_\_\_\_

Address \_\_\_\_\_ (Signature)

Shri/ Smt./ Kum. \_\_\_\_\_

Address \_\_\_\_\_ (Signature)

**(iii) On behalf of Bank**

Custodian:

Shri/ Smt./ Kum. \_\_\_\_\_



Address \_\_\_\_\_

(Signature)

Bank employee other than Custodian:

Shri/ Smt./ Kum. \_\_\_\_\_

Address \_\_\_\_\_

(Signature)

---

### ACKNOWLEDGEMENT

\*I, Shri/ Smt./ Kum. \_\_\_\_\_ nominee/ legal heir/  
mandate holder

\*We, Shri/ Smt./ Kum. \_\_\_\_\_

\_\_\_\_\_ legal heirs, and

Shri/ Smt./ Kum. \_\_\_\_\_

\_\_\_\_\_ surviving heirs

hereby, acknowledge the receipt of the articles kept in the safe custody comprised in as set out in the above inventory.

Shri/ Smt./ Kum \_\_\_\_\_  
(Legal Heir/ Mandate Holder)

Shri/ Smt./ Kum. \_\_\_\_\_

Signature \_\_\_\_\_

Shri/ Smt./ Kum. \_\_\_\_\_

Signature \_\_\_\_\_

Shri/ Smt./ Kum. \_\_\_\_\_

Signature \_\_\_\_\_

Date and Place \_\_\_\_\_

(\*Delete whichever is not applicable)



## **Annex XII – Bond of Indemnity with respect to delivery of contents of safe deposit locker/articles kept in safe custody by the deceased customer**

(to be submitted in case of claims settled without production of Legal Documents)

**(To be stamped as per the Stamp Act applicable to the State)**

The Branch Manager

\_\_\_\_\_ Bank

\_\_\_\_\_ Branch

In consideration of your delivering or agreeing to deliver to me/ us,

\_\_\_\_\_

\_\_\_\_\_

(Claimant(s))

the articles mentioned hereunder:

<b>Safe Deposit Locker No./ Safe Custody Article Receipt No.</b>	<b>Details of the articles</b>	<b>Description</b>	<b>Weight</b>	<b>Valuation (to be filled in by the bank)</b>

and held in the name of Shri/ Smt./ Kum. \_\_\_\_\_ since deceased, without production of any probate of Will/ succession certificate/ letters of administration/ court order

I/ We \_\_\_\_\_ and

\_\_\_\_\_

(Claimant(s))

*do hereby for ourselves and our heirs, legal representatives, executors and administrators, jointly and severally undertake and agree to indemnify you, the bank, its officers/ Directors, and its successors and assignees against all claims, demands, proceedings, losses, damages, charges and expenses which may be raised against you or incurred by you by reason or in consequence of having delivered or agreed to have deliver to me/ us the above mentioned articles of the deceased from the safe deposit locker/ sealed boxes in safe custody.*



*Signed and delivered by the above named on this \_\_\_\_\_ day of \_\_\_\_\_ two thousand \_\_\_\_\_.*

SIGNED AND DELIVERED by the above named

(1) \_\_\_\_\_

(2) \_\_\_\_\_

*(Claimant(s))*



## Annex XIII – Key Facts Statement

### Part 1 (Interest rate and fees/charges)

<b>1</b>	<b>Loan proposal/ account No.</b>		<b>Type of Loan</b>	
<b>2</b>	<b>Sanctioned Loan amount (in ₹)</b>			
<b>3</b>	<b>Disbursal schedule</b> (i) Disbursement in stages or 100% upfront. (ii) If it is stage wise, mention the clause of loan agreement having relevant details			
<b>4</b>	<b>Loan term (year/months/days)</b>			
<b>5</b>	<b>Instalment details</b>			
	Type of instalments	Number of EPIs	EPI (₹)	Commencement of repayment, post sanction
<b>6</b>	<b>Interest rate (%) and type (fixed or floating or hybrid)</b>			
<b>7</b>	<b>Additional Information in case of Floating rate of interest</b>			
Referen ce Benchm ark	Benchm ark rate (%) (B)	Spread (%) (S)	Final rate (%) $R = (B) + (S)$	Reset periodicity* (Months)
				Impact of change in the reference benchmark (for 25 bps change in 'R', change in:)
			B	S
				EPI (₹)
				No. of EPIs
<b>8</b>	<b>Fee/ Charges</b> (An RCB may disclose the amount net of any taxes such as GST)			
	Payable to the bank (A)		Payable to a third party through the bank (B)	
		One-time/ Recurring	Amount (in ₹) or Percentag e (%) as applicable (Mention frequency, where recurring)	One- time/Rec urring
				Amount (in ₹) or Percentag e (%) as applicable (Mention frequency, where recurring)
(i)	Processing fees			
(ii)	Insurance charges			
(iii)	Valuation fees			
(iv)	Any other (please specify)			
<b>9</b>	<b>Annual Percentage Rate (APR) (%)</b> (Please refer to the illustration in sub-paragraph (3) of paragraph 309 of these directions)			
<b>10</b>	<b>Details of Contingent Charges (in ₹ or %, as applicable)</b>			



(i)	Penal charges, if any, in case of delayed payment	
(ii)	Other penal charges, if any	
(iii)	Foreclosure charges, if applicable	
(iv)	Charges for switching of loans from floating to fixed rate and vice versa	
(v)	Any other charges (please specify)	

\*Fixed reset, other than on account of changes in credit profile

## Part 2 (Other qualitative information)

1	Clause of Loan agreement relating to engagement of recovery agents	
2	Clause of Loan agreement which details grievance redressal mechanism	
3	Phone number and email address of the nodal grievance redressal officer <i>(An RCB may furnish generic email address, provided a response is made within 1 working day)</i>	
4	Whether the loan is, or in future maybe, subject to transfer to other REs or securitisation (Yes/ No)	
5	In case of lending under collaborative lending arrangements (e.g., co-lending/ outsourcing), following additional details may be furnished:	
	Name of the originating RE, along with its funding proportion	Name of the partner RE along with its proportion of funding
		Blended rate of interest
6	In case of digital loans, following specific disclosures may be furnished:	
	(i) Cooling off/look-up period, in terms of the bank's board approved policy, during which borrower shall not be charged any penalty on prepayment of loan	
	(ii) Details of LSP acting as recovery agent and authorized to approach the borrower	