POLICY DOCUMENT ON UNCLAIMED DEPOSIT & INOPERTIVE ACCOUNTS

THE NAINITAL BANK LIMITED

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Uttrakhand

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1. Preamble

In view of the increase in the amount of the unclaimed deposits i.e. deposits accounts which are not operated since last 10 years and the inherent risk associated with such deposits, it is felt that banks should play a more pro-active role in strengthening the regulatory frame work for inoperative/dormant accounts i.e. accounts which are not operated for the last two years and unclaimed deposits.

2. Objective

The objective of the policy is to put in place a framework for classification of inoperative accounts /unclaimed deposits, grievance redressal mechanism for quick resolution of complaints related to inoperative accounts, record keeping and periodic review of these accounts.

3. Scope

The policy covers guidelines and procedures for dealing with inoperative accounts and unclaimed deposits.

4. Policy

Definitions

1. Inactive Accounts (Potential Dormant accounts):

Accounts in which there are no ***customer induced transactions*** for more than one year and up to two years are called as inactive accounts. If such accounts are operated in time, it will not turn into dormant accounts.
This classification provides a leverage to bank in timely informing customer for avoiding turning of the account into inoperative/dormant account.

2. Inoperative/Dormant Accounts:

a) The savings as well as current accounts should be treated as inoperative /dormant if there are no ***customer induced transactions*** for over a period of two years.

b) For the purpose of classifying an account as “inoperative/dormant” ***customer induced transactions*** are considered. However, ***bank induced transactions*** should not be considered. Such accounts are segregated and maintained in the core banking system with status “Dormant”.

3. Bank Induced Transactions:

Transactions in the account initiated by the bank as per its extant policy such as charges, fees, interest payments, penalties, taxes. Below is the illustrative list of such transactions:

a) All types of charges levied by banks including taxes deducted
b) Savings Bank account interests

4. Customer induced transaction

The transactions in account which are in the nature of:

a) a financial transaction initiated by or done at the behest of the account holder by the bank/ third party. An illustrative list is given as below:
   - ATM/ Cash withdrawal/deposit
   - RTGS / NEFT/ IMPS /UPI/ AePS/ ABPS Transactions
   - Internet Banking Transactions
   - Debit Card Transactions
   - Transfer of funds from/to the linked CBDC(e-Rupee) account
   - Cheque Clearing
   - Remittance of funds by way of demand drafts
   - Cash withdrawal by third party through cheque
   - Standing Instructions issued by the customer
   - NACH Debit/Credits
   - Term Deposit Interest/proceeds
   - Dividend on shares/Interest on Debentures or any other investment proceeds
   - Direct Benefit Transfer (DBT) credits
   - Refunds like refunds related to e-commerce payments, Income Tax Returns, etc.
   - National Electronic Toll Collection (NETC) debits

b) a non-financial transaction, or;

c) KYC updation done in face-to-face physical mode or through digital channels such as internet banking or mobile banking application of the bank

5. Financial Transactions

A monetary transaction in the savings/ current account of the customer with the bank either by way of a credit or debit transaction.

6. Non-financial Transactions

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 bank 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.

7. Unclaimed Deposits:

Current and Savings account which are not operated for last 10 years and Time deposit which is not withdrawn in 10 years after its maturity date amount lying in such accounts are transferred to RBI'S DEA Fund are unclaimed deposits.

Bank on monthly basis transfer the amount lying in such account to RBI's DEA Fund (Depositors' Education and Awareness Fund).

As per Section 26 of the Banking Regulation Act, 1949 bank (Corporate Accounts and Taxation Department) will within 30 days after close of each calendar year submit a return in the prescribed form given by RBI to the Reserve Bank of India as at the end of each calendar year (i.e., 31st December) of all accounts in India which have not been operated upon for 10 years.

8. Classification of Inoperative Accounts in CBS

- As per para no. (1), system will be mark the accounts as "Inactive",
- para no. (2) system will be mark the accounts as "Dormant" and
- para no. (3) system will be mark the accounts as "Dormant" with GL Sub- Head Code as "Unclaimed" in CBS.

Any Debit operation in the account should be allowed after activating the account by following procedure as mentioned in para no. 5 herein below.

9. Depositors' Education and Awareness Scheme, 2014:

RBI vide its circular RBI/2013-14/614 DBOD.NO.DEAF Cell.BC.114/30.01.002/2013-14 dated 27.05.2014 that the Scheme has been notified in the Official Gazette on May 24, 2014 and as per paragraph 3(vi) of the Scheme banks shall transfer to the DEA Fund the amounts becoming due in each calendar month (i.e. proceeds of the inoperative accounts and balances remaining unclaimed for ten years or more) as specified in the Scheme and the interest accrued thereon on the last working day of the subsequent month.

Operational procedure for implementation of DEAF scheme, 2014 was approved by the Board vide agenda No. O-2 dated 25.08.2014 accordingly scheme has been implemented.

10. Unclaimed Deposit Reference Number (UDRN)

It is 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 bank branch where account is maintained, cannot be identified by any third party.

11. Guidelines to be followed for activation of Inoperative Accounts

11.1 Inactive Accounts (Potential Dormant accounts):

Bank shall follow the instructions detailed below while dealing with such accounts:

a) The bank shall provide a list of such accounts in which there are **no customer induced transactions** for more than one year to the branches and shall send SMS alert to customers advising customer to operate the account to avoid turning the account dormant/inoperative

b) The branches shall approach the customers and inform them through phone & email (registered with bank only) and through registered letter at their address that their account classified as inactive along with the process to activate the account.

c) If the letters are returned undelivered, branches shall immediately put on enquiry to find out the whereabouts of customers or their legal heirs in case they are deceased.

d) In case any reply is given by the account holder giving the reasons for not operating the account or in case the customer is not traceable:

- banks shall continue classifying the same as an inactive account for one more year which is called as extended period and within which period the account holder may be requested to operate the account.
- However, in case the account holder still does not operate the same during the extended period, bank shall classify the same as inoperative/dormant account after the expiry of the extended period.

e) To activate such accounts customer is required to submit undertaking for activation of account in case there is no change in KYC along with a mandatory credit transaction by the customer in the account.

f) In case if there is change in KCY, branch shall undertake CDD (Customer Due Diligence) procedures equivalent to be taken at the time of on-boarding the customer along with a mandatory credit transaction by the customer in the account.

11.2 Inoperative/Dormant accounts:

a) The bank shall provide a list of such accounts in which there are no operations (i.e. no credit or debit other than crediting of periodic interest or debiting of service charges) for more than two years to the branches on monthly basis and shall send SMS to such customer advising to activate the account.

b) The branches shall approach the customers and inform them through phone and email (registered with bank only) and through registered letter at their address that their account classified as inoperative/dormant along with the process to activate the account.

a) If the letters are returned undelivered, branches shall immediately put on enquiry to find out the whereabouts of customers or their legal heirs in case they are deceased.

b) In case any reply is given by the account holder giving the reasons for not operating the account or in case the customer is not traceable:

- banks shall continue classifying the same as an inoperative/dormant account after the expiry of the extended period for next eight years and during this period the account holder may be requested to activate the account.

a) To activate such accounts customer is required to submit undertaking for activation of account in case there is no change in KYC along with a mandatory credit transaction by the customer in the account.

b) In case if there is change in KYC, Branch shall undertake CDD (Customer Due Diligence) procedures equivalent to be taken at the time of on-boarding the customer. Due diligence would mean ensuring genuineness of the transaction, verification of the signature and identity, etc. However, it has to be ensured that the customer is not inconvenienced as a result of extra care taken by the bank.

c) The verification of the activation of inoperative/dormant account shall be done by the branch head only and the provision of the same has been provided in the CBS.

d) The RBI circular No.- RBI/2025-26/52 DOR.SOG(LEG).REC/32/09.08.024/2025-26 dated 12 June 2025, provided the amendment as:
Bank shall make available the facility of updation of KYC for activation of inoperative accounts and unclaimed deposits at all branches (including non-home branches). Further, a bank shall endeavour to provide the facility of updation of KYC in such accounts and deposits through Video-Customer Identification Process (V-CIP).
"Additionally, the services of an authorised Business Correspondent of the bank may be utilized for activation of inoperative accounts as prescribed in paragraph 38(a)(iia) of the Master Direction.", which are as follows:
Use of Business Correspondent (BC) by banks for Updation/ Periodic Updation of KYC:
Self-declaration from the customer in case of no change in KYC information or change only in the address details may be obtained through an authorized BC of the bank. The bank shall enable its BC systems for recording these self-declarations and supporting documents thereof in electronic form in the bank's systems.
The bank shall obtain the self-declaration including the supporting documents, if required, in the electronic mode from the customer through the BC, after successful biometric based e-KYC

authentication. Until an option is made available in the electronic mode, such declaration may be submitted in physical form by the customer. The BC shall authenticate the self-declaration and supporting documents submitted in person by the customer, and promptly forward the same to the concerned bank branch. The BC shall provide the customer an acknowledgment of receipt of such declaration /submission of documents.
The bank shall update the customer's KYC records and intimate the customer once the records get updated in the system. It is, however, reiterated that the ultimate responsibility for periodic updation of KYC remains with the bank concerned.

11.3 Unclaimed Deposits Accounts:

a) Bank shall review the accounts which are transferred to RBI's DEA Fund on monthly basis and provide the list of such accounts to branches.

b) The branches shall approach the customers and inform them through phone & email (registered with bank only) and through registered letter at their address that their account classified as unclaimed along with the process to claim the amount.

c) In case the non-operation in the account is due to shifting of the customers from the locality, they may be asked to provide the fresh KYC along with details of the new bank accounts and after due diligence the branch may transfer the balance in the account.

d) If the letters are returned undelivered, branches shall immediately put on enquiry to find out the whereabouts of customers or their legal heirs in case they are deceased.

e) To activate or claim of such accounts, customer is required to submit application form and fresh KCY documents.

f) Branch shall undertake CDD (Customer Due Diligence) procedures equivalent to be taken at the time of on-boarding the customer. Due diligence would mean ensuring genuineness of the transaction, verification of the signature and identity, etc. However, it has to be ensured that the customer is not inconvenienced as a result of extra care taken by the bank.

g) After activation, branch shall submit the Form-II for claim of the amount from RBI's DEA Fund to operation department. The SOP for payment of unclaimed deposit to customer is detailed Annexure-I. The format for common claim application form (Self) is also detailed Annexure-II.

h) The verification of the activation of unclaimed deposits account shall be done by the branch head and the provision of the same has been provided in the CBS.

i) The RBI circular No.- RBI/2025-26/52 DOR.SOG(LEG).REC/32/09.08.024/2025-26 dated 12 June 2025, provided the amendment as:
Bank shall make available the facility of updation of KYC for activation of inoperative accounts and unclaimed deposits at all branches (including non-home branches). Further, a bank shall endeavour to provide the facility of updation of KYC in such accounts and deposits through Video-Customer Identification Process (V-CIP).

12. Risk Management of Inoperative/Dormant accounts and Unclaimed deposits:

a) Further, the segregation of the such accounts is from the point of view of reducing risk of frauds etc. However, the customer should not be inconvenienced in any way, just because his account has been rendered inoperative.
b) The classification is there only to bring to the attention of dealing staff, the increased risk in the account.
c) The transaction in such accounts shall be monitored at a higher level and by AML Cell both from the point of view of preventing fraud and making a Suspicious Transactions Report. However, the entire process will remain un-noticeable by the customer.

d) Operation in such accounts may be allowed after due diligence as per risk category of the customer. Due diligence would mean ensuring genuineness of the transaction, verification of the signature and identity etc. However, it has to be ensured that the customer is not inconvenienced as a result of extra care taken by the bank branches. KYC guidelines should also be observed for activation of inoperative account.

e) There is no charge for activation of inoperative account.

f) Interest on savings bank accounts should be credited on regular basis whether the account is operative or not. If a Fixed Deposit Receipt matures and proceeds are unpaid, the amount left unclaimed with the bank will attract savings bank rate of interest if Auto Renewal facility at the time of placing the deposit was specifically refused by the customer.

g) The amounts lying in inoperative accounts will be audited by the internal /Concurrent auditors of the bank.

13. Display of Inoperative accounts on bank's Website:

The information on Unclaimed deposits are displayed on Bank's website under **List Of Inoperative Accounts**. In case of accounts of Individual Customer's name and address are displayed and in case of Non-Individuals Name of account, address and name of person authorized to operate the account are displayed with 'SEARCH/FIND" option. Customer can enter his name / address and search for similar accounts. The list of name and addresses are displayed. Customers are advised to approach nearest branch if his name is appearing in the list.

The same file with additional information such as account number, amount etc. is available in CBS Software. When customer approaches the branch and give his details which was appearing against his name on website, branch will verify the identity of the customer by asking him/her and search his account on the basis of Name and address and inform name of the branch to customer where he is maintaining account. Customer will not be informed about his balance in the account.

14. Grievance Redressal Mechanism:

Customer query on inoperative accounts will be handled at branch as well as Regional and Head Office as the database will be available in CBS software. Customer can send his complaint through website, by email or physical letter with full details on inoperative/unclaimed deposit/other credits account as the case may be and their identity proof.

15. Reporting and Review:

Periodic review of unclaimed deposits/credits and inoperative/dormant accounts is put up to Board on half yearly basis.

6. Applicability

The policy is effective from 09.07.2025

7. Periodicity of Review of Policy

The policy will be valid up to 08.07.2026 . Any directive/ guidelines issued by RBI in this regard shall automatically be part of this policy, during the currency of this policy. The MD & CEO may allow continuation of the policy for a maximum period of six months from due date of review, in case the policy cannot be reviewed on or before due date.

Annexure-I

SOP (STANDARD OPERATING PROCEDURE) FOR PAYMENT OF UNCLAIMED DEPOSIT TO THE CUSTOMER

1. **PURPOSE:**
The purpose of this Standard operating procedure(SOP) is to establish a systematic process for handling unclaimed payments received by the branches and facilitating their payment to customers through the Operation Department, HO. This SOP ensure resolution of unclaimed payments while easing the process of claim payment along with timely reconciliation of the unclaimed head. The Payment of the Unclaimed deposit will be made centrally from Head Office.

2. **PROCESS TO BE FOLLWED BY BRANCH:**
When a customer(self/nominee(s)/legal heir(s)) visits the branch for claiming his/her unclaimed deposit the branch should take the following procedure based on the type of customer:

When Customer Claiming the amount is:	Process to be followed
Self	• Obtain duly filled KYC Updation form and establish the customer identity by taking fresh KYC documents along with a recent passport size photograph. • CDD Measure to be taken - Verify the PAN and Aadhaar from the verification utility of the issuer. - Send Letter of Thanks at the address provided by customer. • Modify the CIF ID and enter details like KYC date (the date on which account is activated) KYC Review Date (as per Risk Categorization of the customer) and other details. • Open new account if the amount is transferred to DEA Fund before migration of CBS as these accounts are not migrated to new CBS. • Calculate the interest as per Form-II of the DEA Fund.
Nominee(s)/legal heir(s):	• Process the claim as per Deceased Claim Policy of the bank. • Mark the decease claim date in Account opening form of the customer • Calculate the interest as per Form-II of the DEA Fund.
Non-Individual Customer	• Obtain duly filled KYC Updation form and establish the customer identity by taking fresh KYC documents of the entity along with KYC documents of all the related persons along with their recent passport size photograph. • Identify the Beneficial Owner and keep the duly filled form in records. • CDD Measure to be taken -Verify the PAN and/or GSTIN of the entity from the verification utility of the issuer. - Verify the PAN and Aadhaar of related person including Beneficial Owner from the verification utility of the issuer. - Send Letter of Thanks at the address provided by customer.

	• Modify the CIF ID and enter details like KYC date (the date on which account is activated) KYC Review Date (as per Risk Categorization of the customer) and other details. • Open new account if the amount is transferred to DEA Fund before migration of CBS as these accounts are not migrated to new CBS. • Calculate the interest as per Form-II of the DEA Fund.

After completing the above procedure (in case the account exists in Finacle)

1. **Run Menu "TACBSH"**

2. **Change the GL Sub-head of the account as per below table**

Account Type	**Current GL Sub-Head Code**	**Unclaimed GL Sub Head**	**Change to following GL Codes**	**Existing GL Codes**	**Scheme GL Sub Head**
SB	35013	UNCLAIMED BALANCE - SB	35001	SB	SAVING BANK A/CS
NGSB	35014	UNCLAIMED BALANCE - NGSB	35002	NGSB	NAINI GOLD SAVING BANK
SBKYC	35015	UNCLAIMED BALANCE - SBKYC	35003	SBKYC	SAVING BANK KYC EXEMPTED
NMSSB	35016	UNCLAIMED BALANCE - NMSSB	35004	NMSSB	NAINI MAHILA SAMRUDHI SAVINGS
SBNFA	35017	UNCLAIMED BALANCE - SBNFA	35005	SBNFA	SAVING BANK NO FRIL ACCOUNT
SBPMJD	35018	UNCLAIMED BALANCE - SBPMJD	35006	SBPMJD	SB PRADHAN MANTRI JANDHAN YOJ
SBDBT	35019	UNCLAIMED BALANCE - SBDBT	35007	SBDBT	SB DIRECT BENIFIT TRANSFER
SBNS	35020	UNCLAIMED BALANCE - SBNS	35008	SBNS	SAVING BANK NAINI SWABHIMAN
SBFI	35021	UNCLAIMED BALANCE - SBFI	35009	SBFI	SB FINANCIAL INCLUSION
SBNEWB	35022	UNCLAIMED BALANCE - SBNEWB	35011	SBNEWB	SB OF LOWER MALL BRANCH
SBSACC	35023	UNCLAIMED BALANCE - SBSACC	35012	SBSACC	SB SMALL ACCOUNT
CDBANK	34007	UNCLAIMED BALANCE - CDBANK	34001	CDBANK	CURRENT ACCOUNT-BANK
CD	34008	UNCLAIMED BALANCE - CD	34002	CD	CURRENT ACCOUNT
NGCA	34009	UNCLAIMED BALANCE - NGCA	34003	NGCA	NAINI GOLD CURRENT ACCOUNT

NSCA	34010	UNCLAIMED BALANCE - NSCA	34004	NSCA	NAINI SUPER CURRENT ACCOUNT
CALDEP	34019	UNCLAIMED BALANCE - CALDEP	34005	CALDEP	CALL DEPOSIT

3. **Run menu "HACM"**
   - **Change the account status from Dormant to Active.**
   - **Change Unclaimed status from "Yes" to "No".**

After completing the above procedure or in case the branch has opened new account or customer has requested the payment through DD or RTGS/NEFT the, the branch shall email the duly filled form-II (Annexure-II) along with a copy of customer account statement (pertaining to the entry when the unclaimed amount is transferred to the DEA fund from account) to Operations Department, HO via branch's registered email. **In case of any information in the FORM-II is left blank, incomplete, without account statement and without signature of branch official, it will be rejected and claim will not be processed.**

Note: The accounts in which the amount is transferred to DEA Fund before migration are not migrated to new CBS i.e. Finacle. Hence such accounts are required to be open again in the CBS before sending the claim. In case customer does not want to open the account the claim amount can be paid through DD or RTGS/NEFT as requested by customer. This information must be clearly spelt in FORM-II.

3. <u>PROCESS TO BE FOLLWED BY OPERATION AND SERVICES DEPARTMENT HEAD OFFICE:</u>

1. On receiving the form-II from the branch, the designated official(s) should verify the customer name, Account number, date and amount transferred to the DEA fund.
2. The official(s) also verify the calculation of interest payable to the customer/depositor, as per guidelines of RBI's circular.
3. Upon ensuring the correctness of amount payable, the amount will be credited to the customer's account.
4. In case of accounts transferred prior to migration the amount will be credited in newly open account.
5. In case customer does not want to open the account the amount will be credited in branch's Internal Parking account (PAY RECIEPT A/C in present scenario) from where the branch will have to make payment to the customer on the same day with a proper narration]
6. The operation Department shall maintain accurate and up-to-date records of all unclaimed payments received and processed for a month.
7. The monthly consolidated data will further send to RBI, on the subsequent month, for adjusting its UNCPAY.

4. <u>TIME LIMIT:</u>

Branches will send the form-II to operation department on the same day i.e. the day up to which interest amount calculated.

Format of FORM-II

Monthly Return claiming refund from DEAF

(To be submitted along with the claim of refund by 15th of the succeeding month to which the claim pertains)

Name of the Branch/Code:………………………………………………………………….

Depositor/customer wise details of claims made during the month ………………………….(Name of Month/Year)

Sr. No	Name of the Depositor/Customer	Account Number (From which the amount transferred to RBI DEA Fund)	New Account Number Opened (for repayment of unclaimed amount) and in case customer wants DD/Pay order mention DD or PO	Type of Account whether interest bearing /non-interest bearing Deposits or other credits	Amount originally transferred to DEAF w r t the Depositors/ Customer	Date of transfer to DEAF dd/mm/yyyy	Rates of interest claimed from the Fund for different periods			Amount of Interest calculated for the different periods				Amount Payble to Depositor/ Customer (6+14)	Date of payment of amount at (15) to Depositor/Customer dd/mm/yyyy
							No of Days for roi @ 4.00% upto 30.06.2018	No of days for roi @3.5% from 01.07.2018 to 10.05.2021	No of days for roi @3.0% from 11.05.2021 to till date	Interest @ 4.00%	interest @ 3.5%	interest @ 3.0%	Total interest		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

Certified that the above claims have not earlier been made or received from the DEAF fund and Details given above are true as per the records of the bank and verified by me and found to be correct .

Signature: **Signature:**

Branch Head: **Second Officer:**

Enclosed: Account Statement of the depositor

Annexure II

Unclaimed Deposits: Common Claim Application Form (Self)

The Branch Manager Bank: Branch:	UDRN No. (if available): Address: Pin: Mob. No. Email: Date:

Dear Sir / Madam,

I furnish the following details / documents for activating the account / payment of the balance amount from my account.

- Name of the Customer (s):
- Type of Account: Savings Bank/ Current account/ Term Deposits/Others
- Account No.:

2. I/ we could not operate account due to ………………………………………………….

3. I / We am/ are submitting herewith my /our KYC documents (original documents for Bank's verification and copy of the same for Bank's record) mentioned as under along with my recent photograph and request to claim the balance in my account.

S. No.	Name of the account holder (s)	KYC Document (s) (OVDs*) with details
1.		
2.		

*OVDs: **Proof of Identity**: Passport/ Voter ID Card/ Driving Licence/ Proof of possession of (Aadhaar)/ NREGA Job Card/ Letter issued National Population Register (NPR) (any one of the documents)
Proof of Address: Same OVDs as above or deemed OVD for the limited purpose of proof of address

Declaration:

- I / We declare that the facts stated above are true and correct to the best of my/our knowledge and belief.
- I / We certify that the unclaimed account as per details displayed on the website of the bank belongs to me / us and as owners of the account I /we claim the amount.
- I / We also understand that I/ we will be required to procure and submit documents necessary to establish my/ our claim till final settlement and also agree to execute the required documents to settle the claim
- I / We understand that claim will be settled post due diligence and authentication of documents and in subject to bank's process & policy.

Name of the Claimant (s)	Signature (s)

(Two witness acceptable to Bank is required in case of claimant (s) are illiterate)

Name and address of witness	Signature (s)

…………………………………………………………………………………………………

Customer Acknowledgment slip (to be filled in by Bank official)

Received a request from ………………………………………………… for claiming balance outstanding in Unclaimed Deposits / (A/c No……………………..……….).

Bank: Signature of Bank Official with Bank seal
Branch: Date:

End of Document