

## **CURRENT ACCOUNT RULES**

### **1. Current accounts will be opened for the following types of customers:**

- a.** Individuals (Resident or Non-Resident)
- b.** Sole Proprietary concerns
- c.** Partnership firms
- d.** Hindu Undivided Families (HUF)
- e.** Limited Companies
- f.** Associations, Clubs, Societies ,Trusts Etc.,
- g.** Executors and Administrators
- h.** Liquidators
- i.** Other Banks, Financial corporations, Government Department

### **2. No Interest**

No interest is payable on the balances held in current account except credit balances lying in Current/ Cash credit accounts of individuals/ proprietary concerns where the individual/proprietor has expired, are eligible for payment of interest at Savings bank rate for the period from the date of bank receiving notification of death till date of settlement of claims.

### **3. Introduction requirements**

Before implementation of the system of document-based verification of identity, as laid down in PML Act/Rules, introduction from an existing customer of the bank was considered necessary for opening of bank accounts. As per Reserve Bank of India directives, introduction need not be insisted upon for opening of accounts under PML Act and Rules or RBI's extant KYC instructions. (RBI UBD/BPD/(PCB) Cir. No. 28/14 .01.062/2012-13 dated 19.12.2012.

### **6.To open an account**

**6.1.** Persons desiring to open a Current or Cash Credit Account must visit the bank and discuss their requirement with the Authorised Official. They will be furnished with a copy of these Rules and an Account opening form . The Account opening form should be duly filled-in and signed as per the requirements mentioned therein.

Accounts opened by Individuals and Proprietary concerns with the Bank would carry a nomination and the depositor(s) shall at the time of opening the account may nominate an individual (not being a minor) of his/her/their choice and submit the Nomination form annexed to the account opening form duly filled-in and signed. Nomination in two or more names/ proportionate nomination is not allowed. The nomination can be changed any time by submitting appropriate form to the bank.

6.2. Every party to the account is required to give two copies of latest passport size photographs and the specimen signature clearly mentioning the authority, for record.

6.3. All the partners/directors/trustees must sign the Account opening form and the specimen signature sheet. The signature(s) must be legible and well formed. All cheques and letters to the Bank must be signed strictly in accordance with such specimen and by the authority furnished to the bank.

6.4. Along with the Account opening form, every party to the account is required to furnish a CROP (Customer's Record of Profile) form duly filled in and signed to comply with Know Your Customers norms prescribed by RBI. CROP form would be updated every year by the customer. Bank will normally consider accepting the following documents for identification and address proof:

	<b>List I - ID proof</b>		<b>List II – address proof</b>
<b>1</b>	Passport where the address differs	<b>1</b>	Aadhar Card
<b>2</b>	PAN Card	<b>2</b>	Voter ID Card
<b>3</b>	Voters Identity Card	<b>3</b>	Current Pass Port
<b>4</b>	Driving license	<b>4</b>	Driving License
<b>5</b>	<b>NREGA Letter</b>	<b>5</b>	NREGA Letter
<b>6</b>	<b>Aadhar Card</b>		

Any other document approved by the bank  
 Originals should be submitted with self-attested photocopies. After perusal original will be returned by the bank. The customer should put it in writing as "submitted for opening of account / updation of KYC Etc." and it should be self attested by the customer. The xerox copies submitted by the customers are to be verified by the branch officials with the originals and certify "verified with original", sign and affix branch rubber stamp.

6.5. Every party to the account should furnish the PAN in the Account opening form. If no PAN number is allotted to the applicant, a declaration in

Form 60 should be furnished. The relative form would be available with the Bank.

**6.6. In terms of directives from Reserve Bank of India , applicants are required to furnish full particulars of credit facilities enjoyed / being enjoyed at other branches of IOB and/ or other banks in the Account opening form.**

### **7. Additional Document**

**In addition to the above, following categories of applicants for Current and Cash Credit accounts will furnish additional documents to the bank;**

#### **7.1. Partnership account**

**A copy of the partnership deed attested by all the partners. If partners have not written down a partnership deed they can open an account with the bank furnishing a declaration to that effect to the bank.**

#### **7.2. Hindu Undivided families (HUF)**

**A letter from HUF in bank's standard format signed by the Karta and all the major Coparceners of the HUF.**

#### **7.3. Limited Companies**

- a. A true copy of the certificate of incorporation**
- b. A true copy of the Certificate of commencement of business**
- c. A copy of the updated Memorandum and Articles of Association**
- d. A copy of the Board Resolution passed at a meeting of the Board of Directors (not by circulation) duly certified by the Secretary of the Company for opening the account and conduct of operations thereon. The resolution should clearly state the name of the bank, persons authorized to open and operate the account and carry on such other transactions as dealing with securities, powers to draw, accept, endorse etc. A specimen copy of the resolution is available in the bank's Account opening form.**

**{ a, b & c should be attested by a Director or Secretary of the company, Original should also be submitted for perusal and return }**

#### **7.4. Liquidators**

**A Liquidator should produce documents to evidence his appointment as Liquidator so as to ensure that he/she has the powers to carry on the business in the course of Liquidation. In the case of voluntary winding up, certified copy of the resolution and in the compulsory winding up the Court Order should be produced.**

#### **7.5. Trust**

- a. Certified copy of the Trust Deed**
- b. Where a trust is a charitable trust, a certified copy of the certificate from the Charity Commissioner**
- c. Where there is no Trust Deed, a certified copy of the order from a competent Court**

- d. **Certified copy of the resolution regarding opening and conduct of the account.**
- e. **Names of all the present trustees with bio data of each trustee**

#### **7.6. Executors and Administrators**

- a. **Probate or Letter of Administration**

#### **7.7. Clubs, Societies (including co-operatives), Associations, Educational institutions**

- a. **Certified true copy of the Rules, Regulations, Bye-laws ( as the case may be)**
- b. **Certified true copy of Certificate of Registration or incorporation in the case of Registered bodies (originals will be verified and returned)**
- c. **A certified true copy of the Resolution (certified by the Chairman of the meeting of the Governing Board or Managing committee or like body, at which it was passed) authorising opening of an account with the Bank and listing out the names of office bearers authorised to operate the account in accordance with the Rules and Bye-laws of the body.**
- d. **A copy of the balance sheet in the case of a co-operative society, if available.**
- e. **In some States, the Co-operatives to open account with a bank other than a co-operative bank need a permission from the Registrar of Co-operative societies. In such cases a copy of such permission is to be enclosed.**

#### **7.8. Government/Semi Government departments**

- a. **A copy of the Letter of Authority by the Head of the Department permitting the Executive/official of the institution/department to open an account**
- b. **A copy of the Government Notification / Order authorising the concerned official to open and operate the account.**
- c. **A certified copy of the Rules and Regulations, if any, framed by the Department/Local body regarding the powers of such Executive Officers in the matter of opening and operating Bank accounts.**

#### **8. Initial remittance**

**Accounts will be opened with initial remittance preferably by cash. However there is no bar for opening accounts with customer's self cheque on another bank.**



#### **9. Minimum balance for current accounts**

**Rs.2,000. In case of default in maintaining minimum balance the penalty is levied as per extant guidelines.**

#### **10. Mandate**

**A mandate is a simple letter of authority, signed by a constituent, authorising the bank to permit a certain named person (agent) to operate his account on his behalf. A mandate to operate an account does not extend to overdrawing the account unless the mandate letter specifically provides the authority to overdraw the account. Format prescribed by the bank should be availed.**

**In the case of Joint accounts all the parties to the account must sign the mandate letter. In the case of partnership firms all the partners of the firm must sign the mandate letter. A revocation of this authority may be made in writing by any one of the joint account holders or any partner of the firm. In case of a HUF the mandate must be signed by the Karta and all the major co-parceners. In case the mandate is to be issued in favour of a third party an Indemnity has to be executed by the Karta and major co-parceners of the HUF in the format available with the bank.**

#### **11. Power of Attorney**

**A Power of attorney is to be stamped in accordance with the provisions of the Indian Stamp Act and the various amendments effected by States and must be duly notarised. It need not necessarily be registered with the Registrar of Assurances.**

**A Power of attorney executed outside India for use in India should be executed before the Indian Embassy/High Commission in the country in which it is executed and it must be stamped according to the Indian Stamp act within three months of its receipt in India.**

**The Power of attorney must be definite and no provisional or conditional clause as " during my absence from India " or " during my illness " etc., are acceptable. In all cases, where accounts are opened with Power of Attorney, the principal should give an undertaking in writing that he shall, in addition to the public notice, notify the bank about cancellation/revocation of power of attorney.**

#### **12. Additions or deletions in case of individual current account holders**

**A request letter signed by all the account holders should be submitted to the bank for appropriate action. In case of an addition, Know Your Customer procedure for the person to be added will have to be complied with.**

**Request for deletion of name(s) will be entertained by the bank only when atleast one of the original account holder's name is retained in the account.**

### **13. Operations in the account**

**Withdrawals from Current /Cash credit would be by Cheque leaves supplied by the bank only. First time issue of the cheque book will be on submission of a request letter to the bank, also agreeing to maintain the minimum balance in the account and for penal charges in case of non maintenance of minimum balance. Reissues of the cheque book will be against the presentation of requisition slip provided in the cheque book, which will be presented to the bank duly signed.**

**If the requisition slip is not from a current cheque book or to be handed over to a third party, and the bank has any reason on the genuineness of the application, then the cheque book will be sent to customer's recorded address by registered post at customer's expense.**

**At the time of receiving the cheque book from the bank, the account holder should count the cheque leaves therein and draw attention of the bank if any cheque leaves are missing from the book.**

**When an uncrossed cheque is presented for cash payment at the counters of the bank, it should be signed by the presenter on the reverse of the cheque. The payment cashier will ask for another signature to be made by the presenter at the time of receiving cash.**

**14. The Bank will register request from the drawer regarding cheque lost, stolen etc., but cannot guarantee depositors against loss in such cases, in the event of a cheque being paid. Stop payment will be done with a charge of 150/- per cheque with a maximum of Rs 1000/-.**

**15. In terms of section 45 Z of the Banking Regulation act 1949, banks may return a paid instrument after obtaining a true copy thereof, by mechanical or other process at the cost of the customer. Account holders who want to avail this facility must execute an indemnity in a standard format prescribed by the bank.**

**16. Where any cheque drawn on the account is returned for want of funds charges prevailing on the date of such return will be levied for every cheque so returned. If such returns exceeds three times, steps will be taken to close the account with due notice to the account holder.**

**17. An account holder may deposit money as often they wish. Minimum cash to be deposited in the account is Rs.25/- in case of rural branches and Rs.50/- in other branches. However for cash deposited for more than Rs.50000/- customer should write down the PAN number in the deposit slip.**

**If no PAN number is allotted to the account holder then he should furnish Form 60 Cash and cheques to be deposited should be handed over at the respective counters and no individual outside the counters have any authority to receive them. Customers can avail the drop box facility to**

deposit the cheques and in case an acknowledgement is needed they are advised to deposit the cheques across the counters. Customers should use the pay-in slips supplied by the bank only.

18. Cheques, drafts, dividend warrants and other instruments drawn payable to the depositor only will be accepted for clearing /collection subject to charges. However in case of *individual accounts* and when the cheques are crossed with other than Account Payee or Not Negotiable and endorsed in favour of the account holder such endorsed cheques may be taken up for collection, at the discretion of the bank.

19. Debits to customers' accounts other than cheque may be effected in the following circumstances

- a. effecting of standing instructions
- b. recovery of interest, service charges, commission etc.
- c. recovery of instalments on Term loans, overdue advances, unpaid bills etc.,
- d. recovery of amounts wrongly credited or omitted to be debited to the customers accounts.

Inland bills /Export Bills can be collected/ financed through the Current/Cash credit account subject to conditions applicable to such collections/financing.

All the financing transactions by the bank and repayments of a particular customer would be routed through the Current account /Cash Credit and subject to terms and conditions of sanction of such finance.

20. Temporary overdrafts may be granted by the bank at its discretion and on request by the account holder subject to completion of formalities on prior arrangement with the bank and not as a matter of Constituent's right.

21. Statement of Account

Statement of accounts will be sent to the constituents monthly except where there are no transactions to advise and more frequently, if a constituent so desires. Statements may be handed over to the accredited representatives at the request of the customers.

If the depositor requests statement of account again for a period for which it has already been issued, an extra charge of Rupees Hundred per ledger page or part thereof will be recovered. (for accounts maintained on computers forty entries or part there of will be treated as one ledger page).

22. Standing instructions

Standing instructions will be accepted from depositors for execution. Bank will also register the mandate for ECS debits in a account. Cancellation of such standing instructions or ECS debits should be duly notified to the bank. Service charges, as applicable to the services rendered in accordance with



**the standing instructions of the depositor, will be levied, in addition to recovery of out of pocket expenses such as postage, telex/telegram/telephone charges, Money Order commission paid, etc.**

### **23. Ledger folio charges**

**Ledger folio charges will be recovered on an annual basis after providing for free ledger folios as per extant guidelines.**

### **24. Transfer of accounts from one branch to another Branch ;**

Current accounts may be transferred from one branch to another branch free of charge. When an account holder wishes to transfer account, a written request is to be made along with unused cheque leaves , if any, either to the present branch or to the branch to which the account needs to be transferred. The ATM cum Credit Card should be surrendered. Standing instructions / ECS Mandate given should be cancelled.

In case of a cash credit account subject to certain formalities to be complied with, the account may be transferred, at the bank's discretion and on application to the account maintaining branch.

### **25. Inoperative accounts**

Current accounts not operated during the past six months will be treated as dormant accounts. In March every year all dormant accounts in which there had been no operation for a total period of two years or more (including the period reckoned to classify them as dormant) will be transferred to inoperative account.

In order to make the account operative, account holders (depending on the mandate) should give a request letter to the bank. Inoperative accounts would be charged service Charges, which can be ascertained from the bank. Balance lying in an inoperative account, which remained inoperative for five years and above will be transferred to unclaimed balances account.

### **26. Death, insolvency, winding up, insanity , Garnishee order, tax attachment orders etc.**

Any such instances happening to an individual, partner, Director, Trustee, Karta or Coparcener will have an effect on the operations of the account. A notice or knowledge is sufficient for the bank to act .

Consequences of the above occasions and procedure further to be followed can be ascertained from the bank.

In case of death of a guarantor whose guarantee a particular cash credit account carries, the debit operations in the account will be stopped to determine the liability of the deceased guarantor.

### **27. Closure of account**

A written request should be made by the account holder to the account maintaining branch along with unused cheque leaves for closure of the account. The ATM cum Debit card should be surrendered. Account debit authorisation for Cash Credit should be changed.

In case of joint account holders irrespective mandate (such as either or survivor, anyone or survivor, Former or Survivor etc.,) the letter should be signed by all account holders. In case of partnership firm all the partners should sign the letter. In case of a limited company a copy of the resolution authorising closure of account should be submitted along with the request. In case of a merger/taking over of a company, relevant copy of the Court order should be produced along with the request letter. In a case where an individual/partner/ director/ trustee has died and the account holder/survivor(s) want to close the account they may approach the bank for guidance.

When an account is identified as *undesirable / unremunerative* account, bank will take steps to close the account with due notice to the account holder.

**28. ATM cum debit card/Internet banking CBS (Core banking service) /Credit cards/Insurance Products**

Account holders can avail the above services by making suitable applications with the bank and subject to terms thereof. Under CBS (Core banking services) the operations will be carried out in any of the networked branches as though the customer is transacting in the account maintaining branch subject to certain financial limits. Customers are advised to obtain the details from the branches.