

THE PARWANOO URBAN CO-OPERATIVE BANK LTD.

DEPOSITOR EDUCATION AND AWARENESS (DEA) FUND (UNCLAIMED DEPOSITS) POLICY

INDEX

Sr. No.	Particulars	Page No.
1.	Preamble	2
2.	Objectives	3
3.	Scope	3
4.	Definitions	3
5.	Identification and Monitoring of Inoperative Accounts and Unclaimed Deposits	5
6.	Customer Contact and Awareness Measures	6
7.	Transfer to DEA Fund	6
8.	Interest on Amounts Transferred to DEA Fund	7
9.	Claim and Refund of DEA Fund Amounts	7
10.	Claims of Deceased Depositors	7
11.	Website and Branch Disclosure	8
12.	Financial Reporting	8
13.	Fraud Risk and Customer Protection	8
14.	Customer Grievance Redressal	9
15.	Audit and Compliance	9
16.	Policy Review and Amendment	10
17.	Effective Date	10

DEPOSITOR EDUCATION AND AWARENESS (DEA) FUND **(UNCLAIMED DEPOSITS) POLICY**

1. Preamble

The Reserve Bank of India (RBI), in exercise of the powers conferred under Section 26A of the Banking Regulation Act, 1949, established the **Depositor Education and Awareness (DEA) Fund** with effect from May 24, 2014.

Under the DEA Fund Scheme, 2014, credit balances in deposit accounts and other eligible amounts that have remained unclaimed or have not been operated upon for **10 years or more** are required to be transferred by banks, including co-operative banks, to the DEA Fund maintained by RBI. The depositor or eligible claimant continues to have the right to claim the amount from the bank even after such transfer.

In order to ensure that The **Parwanoo Urban Cooperative Bank Ltd** has formulated a comprehensive policy for identification, monitoring, transfer, administration, refund and settlement of unclaimed deposits and amounts covered under the DEA Fund, while protecting the interests of depositors, nominees, legal heirs and other legitimate claimants.

This Policy shall be read together with the applicable RBI directions, circulars, notifications, the Banking Regulation Act, 1949, applicable KYC/AML requirements, the Bank's deposit policy, customer service policy and other applicable statutory/regulatory requirements, this policy is being proposed to be implemented in our Bank.

2. Objectives

The objectives of this Policy are to:

1. Ensure timely identification and monitoring of inoperative accounts and unclaimed deposits.
2. Prevent legitimate deposits from remaining unclaimed due to inadequate customer communication or lack of awareness.
3. Ensure timely transfer of eligible amounts to the RBI's DEA Fund in accordance with applicable RBI requirements.
4. Establish a simple, transparent and customer-friendly mechanism for settlement of claims.
5. Facilitate claims by depositors, nominees, legal heirs and other eligible claimants.

6. Ensure appropriate interest payment on eligible interest-bearing amounts transferred to the DEA Fund payable upon receipt of a claim of the amount outstanding in DEA Fund.
7. Strengthen customer awareness regarding unclaimed deposits and the RBI's UDGM facility.
8. Establish appropriate responsibility, controls, reporting, reconciliation and audit mechanisms.

3. Scope

This Policy shall apply to all branches of the Bank dealing with deposits and other amounts covered under the DEA Fund Scheme.

The Policy shall cover, as applicable:

- Savings bank accounts;
- Current accounts;
- Fixed/term deposits;
- Recurring/cumulative deposits;
- Cash credit accounts;
- Loan accounts after due appropriation, wherever applicable;
- Margin money against letter of Credit, Guarantees and Security Deposit;
- Outstanding balances in prepaid cards issued by the Bank;
- Sundry deposits and other eligible credit balances;
- Outstanding instruments and other eligible amounts;
- Unadjusted electronic credit balances and other eligible transitory balances;
- Foreign Currency Deposit converted to Rupees proceeds and
- Any other amount specifically covered by RBI from time to time.

The RBI DEA Fund Scheme specifically covers credit balances in deposit accounts maintained with the bank that have not been operated upon for 10 years or more, as well as other amounts remaining unclaimed for 10 years or more.

4. Definitions

4.1 "DEA Fund"

Means the **Depositor Education and Awareness Fund** established and maintained by RBI under Section 26A of the Banking Regulation Act, 1949.

4.2 "Unclaimed Deposit/Amount"

Means any amount covered under the DEA Fund Scheme that remains unclaimed or has not been operated upon for the period prescribed by RBI, presently **10 years or more**.

4.3 "Inoperative Account"

An account shall be treated as inoperative in accordance with the applicable RBI instructions i.e which has not been operative for the last 2 years. The Bank shall apply the prevailing RBI definition and shall not treat an account as inoperative merely because of non-maintenance of minimum balance or similar reasons.

4.4 "Depositor/Claimant"

Includes the account holder, joint account holder, nominee, legal heir, executor, administrator or any other person legally entitled to receive the amount, subject to applicable law and the Bank's prescribed claim-settlement requirements.

4.5 "UDRN"

UDRN means **Unclaimed Deposit Reference Number**, a unique number generated through the Bank's Core Banking Solution for an unclaimed account/deposit transferred to the DEA Fund. The UDRN is intended to facilitate identification and settlement of claims while protecting sensitive account information.

5. Identification and Monitoring of Inoperative Accounts and Unclaimed Deposits

5.1 Quarterly Review

The Bank shall undertake a quarterly review of accounts/deposits in which there have been no customer-induced transactions for more than one year, in accordance with applicable RBI instructions.

The Bank shall take appropriate steps to contact customers and ascertain the reasons for inactivity and shall make reasonable efforts to trace customers or their legal heirs wherever required. All efforts i.e. personal meetings, email, letter communication, etc shall be undertaken to trace the account holders.

5.2 Customer-Induced Transactions

For determining the status of an account, the Bank shall follow the prevailing RBI instructions regarding customer-induced transactions i.e Cash transactions, ATM transactions, Net Banking transactions etc. Automatic credit of interest and bank-initiated charges shall not, by themselves, be treated as customer-induced transactions.

5.3 Monitoring System

The Core Banking Solution (CBS) shall provide appropriate reports identifying:

- Accounts approaching one year of inactivity;
- Inoperative accounts;
- Deposits/amounts approaching the 10-year unclaimed period;
- Deposits/amounts due for transfer to the DEA Fund;
- Amounts already transferred to the DEA Fund;
- Claims received and pending;
- Claims settled; and
- Amounts refunded/claimed from the DEA Fund.

The Bank shall maintain adequate maker-checker and audit trails for such activities.

5.4 Authorized Signatories

The Bank shall designate Bank Officers (usually up to 10) through Board Resolutions, who shall be authorized to jointly sign off on DEAF transactions and return

6. Customer Contact and Awareness Measures

The Bank shall make reasonable efforts to contact customers before an account/deposit becomes eligible for transfer to the DEA Fund.

Depending on availability of contact details, the Bank may use:

- Letters;
- SMS;
- E-mail;
- Telephone calls;
- Notices through branches;
- Website notifications;
- Customer awareness campaigns; and
- Other appropriate communication channels.

The Bank shall periodically update its customer contact information and encourage customers to keep their address, mobile number, e-mail and KYC information updated.

The Bank shall also undertake appropriate financial literacy and public awareness activities regarding inoperative accounts and unclaimed deposits, as required by RBI.

7. Transfer to DEA Fund

The Bank shall transfer eligible balances unclaimed or inoperative for 10 years or more to the DEA Fund as per the DEA Fund Scheme and RBI instructions. Amounts due for transfer, including applicable accrued interest, shall be transferred on the last working day of the following month, or within the period prescribed by RBI. Before transfer, the Bank shall verify eligibility and inactivity, reconcile balances with the CBS and general ledger, verify accrued interest and UDRN details, obtain necessary authorization, and maintain supporting records.

8. Interest on Amounts Transferred to DEA Fund

For interest-bearing deposits/amounts transferred to the DEA Fund, the Bank shall pay interest to the depositor/claimant at the rate prescribed by RBI. At present shall pay interest @ 3% pa w.e.f 11/05/2021.

Accordingly, the Bank shall apply the RBI-prescribed rate prevailing for the relevant period and shall automatically incorporate any future revision issued by RBI without waiting for a separate amendment to this Policy.

9. Claim and Refund of DEA Fund Amounts

Transfer of an amount to the DEA Fund shall not extinguish the depositor's right to claim the amount. The depositor/eligible claimant may submit a claim to the Bank through the branch where the account was maintained, any other permitted branch. The Bank shall facilitate KYC updation and claim processing at all branches, including non-home branches.

The Bank shall obtain the documents necessary for the claim, such as the claim application, identity/address proof, PAN/Form 97, account or deposit details, deposit receipt, and, where applicable, death certificate, nominee or legal-heir documents. The authorized official shall verify the claimant's identity, entitlement, account/deposit records, UDRN, KYC, nomination, legal documents, and any lien, attachment or other restriction. Upon satisfactory verification and approval, the Bank shall pay the eligible amount and applicable interest to the rightful claimant from its own fund first and subsequently claim the reimbursement from the RBI. Bank shall preserve records/documents in respect of such accounts and transactions for a period of 5 years from the date of refund from DEA Fund.

10. Claims of Deceased Depositors

Claims relating to deceased depositors shall be processed in accordance with:

- Applicable RBI directions;
- The Bank's Board-approved policy for settlement of claims of deceased depositors;
- Nomination provisions;
- Succession certificate; and
- Other applicable legal requirements.

Where a valid nominee exists, the claim shall ordinarily be processed in accordance with applicable law and RBI instructions, subject to appropriate verification.

Where there is no nominee, the Bank shall process the claim from the legal heirs/authorised representatives based on the applicable legal and documentary requirements.

11. Website and Branch Disclosure

The Bank shall prominently display on its website and at branches:

- Meaning of an inoperative account/unclaimed deposit;
- Procedure for activation/claim;
- Documents required;
- Contact details of the designated officer;
- Procedure for claims relating to deceased depositors;
- Information regarding the UDGAM portal;
- Information regarding amounts transferred to the DEA Fund;
- Customer grievance-redressal mechanism; and
- Any other information required by RBI.

12. Financial Reporting

The total quantum of transferred unclaimed balances shall be reported under “**Contingent Liabilities**” in the Bank’s audited Balance Sheet.

13. Fraud Risk and Customer Protection

Since unclaimed deposits may be susceptible to fraud, the Bank shall maintain appropriate safeguards.

The Bank shall:

- Verify claimant identity and entitlement;
- Follow applicable KYC/AML requirements;
- Conduct enhanced verification where circumstances warrant;
- Not disclose confidential account information to unauthorised persons;
- Maintain appropriate maker-checker controls;
- Monitor unusual claims and transactions; and
- Escalate suspected fraud or impersonation to the appropriate authority.

Customers shall be cautioned that the Bank/RBI will not ask customers to transfer money to any individual or unauthorised account for release of DEA Fund amounts.

14. Customer Grievance Redressal

The Bank shall maintain a clear grievance-Redressal mechanism for complaints relating to:

- Identification of unclaimed deposits;
- Transfer to DEA Fund;
- Claim rejection;
- Delay in claim settlement;
- Interest calculation;
- Documentation requirements;
- KYC updation;
- Nominee/legal-heir claims; and
- Any other DEA Fund-related issue.

Complaints shall initially be handled through the Bank's internal grievance-redressal mechanism. Where applicable, customers shall be informed about the RBI's Integrated Ombudsman Scheme and other available regulatory remedies.

15. Audit and Compliance

The Bank's Internal Audit/Inspection Department shall periodically examine compliance with this Policy.

The audit shall cover:

- Correct identification of eligible accounts;
- Timeliness of transfer;
- Accuracy of interest calculation;
- Accuracy of accounting entries;
- UDRN generation;
- Claim settlement;
- Refund reconciliation;
- Customer communication;
- Website/branch disclosures;
- KYC compliance;
- Maker-checker controls; and
- Compliance with RBI instructions.

Any material deficiency shall be reported to senior management and the appropriate Board-level committee for corrective action.

16. Policy Review and Amendment

This Policy shall be reviewed **at least annually** and whenever there is a material change in:

- RBI directions;
- DEA Fund Scheme;
- Banking Regulation Act;
- KYC/AML requirements;
- Customer service requirements;
- Technology/CBS processes; or
- Applicable legal provisions.

Where RBI issues revised instructions, such instructions shall prevail over any provision of this Policy to the extent of inconsistency.

The Policy shall be amended with the approval of the competent authority/Board in accordance with the Bank's governance framework.

17. Effective Date

This Policy shall come into force with immediate effect upon approval by the Board of Directors of the Bank.

All previous instructions, circulars or internal procedures relating to DEA Fund/unclaimed deposits shall stand modified to the extent they are inconsistent with this Policy.