



POLICY

ON

INOPERATIVE AND

UNCLAIMED ACCOUNTS

(Amended March 2018)

Strategy & Business Development Division

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1. Introduction:

1.1. In view of the increase in the number of unclaimed deposits and the amount involved in unclaimed deposits of banks year after year, and the inherent risk associated with such deposits, Reserve Bank of India advised banks to put in place a Board approved policy on classification of inoperative accounts / unclaimed deposits, grievance redressal mechanism for quick resolution of complaints, record keeping and periodic review of such accounts.

1.2. In compliance to these directives, this policy document lays down detailed guidelines for classification of inoperative accounts / unclaimed deposits, procedure for activation of eligible inoperative accounts, settling claims against unclaimed deposits, review of inoperative accounts, grievance redressal mechanism for quick resolution of complaints, record keeping, displaying inoperative accounts / unclaimed deposits on bank's website and delegation of powers for settlement of claims for such accounts.

2. Purpose of Classification:

The exercise of classifying accounts into inoperative / unclaimed category is carried out with the following purposes:

2.1. The segregation of inoperative 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. The classification is there only to bring to the attention of dealing staff, the increased risk in the account. The transaction may be monitored at a higher level both from the point of

view of preventing fraud and making a Suspicious Transactions Report. However, the entire process should remain un-noticeable by the customer.

2.2. Besides, record keeping and periodic review of these accounts, the objective of classification is contacting the account holder to ascertain the reasons for not operating his / her account and bringing his / her account to mainstream or for claiming the deposit account.

3. Definition of Inoperative Accounts:

A Savings as well as a Current Account would be treated as 'Inoperative Account' if there has been no 'Customer Induced Transaction' in the account for a continuous period of 24 months. (It is clarified that in CBS, Inoperative Accounts are known as 'Dormant Accounts')

3.1. A transaction in any account is treated as 'Customer Induced' if it has been induced at the instance of customers as well as third parties. Such transactions shall include both type of transactions i.e., debit as well as credit transactions done through normal as well as alternate banking channels.

3.2. In FINACLE Application, an indicative list of 'Customer-induced Transactions' and 'Bank Induced Transaction' is as under:

Customer Induced Transaction	Bank Induced Transaction
(a) ATM, Internet Banking Services, RTGS/NEFT.	(a) Bank Charges of any nature.
(b) FD proceeds/FD Interest crediting to SB/CA Account	
(c) Standing Instructions	

<p>(d) Cash/Transfer/ECS/Clearing - Inward/ Outward.</p> <p>(e) Sweep / reverse sweep in operative account on account of Products like Smart Saver Deposit Scheme.</p>	<p>(b) SB Interest Payment</p>
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3.3. In cases where interest on Fixed Deposit account is credited to the Savings Bank account as per the mandate of the customer, the same shall be treated as a customer induced transaction. As such, the account shall be treated as operative account as long as the interest on Fixed Deposit account is credited to it. The Savings Bank account can be treated as inoperative account only after two years from the date of the last credit entry of the interest on Fixed Deposit account.

4. Definition of Unclaimed Deposits:

4.1. Operative Accounts:

An account shall be classified as unclaimed deposits if the same is not operated (other than by interest credits and service charge debits) at least for 10 years from the date of last operation.

4.2. Term Deposits:

A term deposit account shall be classified as unclaimed deposit if the same is not renewed / withdrawn within 10 years from the date of its maturity.

4.3. Loan accounts:

A cash credit, secured overdraft, term loan, credit card or any other loan account shall be classified as unclaimed deposit if the same has

not been operated upon for at least for 10 years from the date of last operation and has credit balance.

4.4. Amount Credited to any office account:

Any amount not owned by the bank (credit entry) credited to / parked in any office account remaining unclaimed for 10 years or more, which include:

(i). Margin money against issue of Letter of Credit/Guarantee etc., or any security deposit;

(ii). Outstanding telegraphic transfers, mail transfers, demand drafts, pay orders, banker's cheques, sundry deposit accounts, vostro accounts, inter-bank clearing adjustments, unadjusted National Electronic Funds Transfer (NEFT) credit balances and other such transitory accounts, un-reconciled credit balances on account of Automated Teller Machine (ATM) transactions, etc.;

(iii). Undrawn balance amounts remaining in any prepaid card issued by bank but not amounts outstanding against Call Deposit Receipts, Travellers Cheques or other similar instruments, which have no maturity period;

(iv). Rupee proceeds of foreign currency deposits held by bank after conversion of foreign currency to rupees in accordance with extant foreign exchange regulations. Any amount payable in foreign currency under an instrument or a transaction, that has remained unclaimed for ten years or more, shall at the time of transfer to the Fund be converted into Indian Rupees at the exchange rate prevailing on that date and in the event of a claim, the Fund shall be liable to refund only

the Indian Rupees received by the Fund with respect to such instrument or transaction.

(v). Such other amounts as may be specified by the Reserve Bank of India from time to time.

5. Performing of the Activity for Classifying the Accounts / Amounts as Inoperative/ Unclaimed.

5.1. Inoperative SB/CD Accounts, except accounts under GL Code 04120, shall be segregated from the 'Operative Accounts' and transferred to a separate General Ledger Sub Head/s 'Inoperative Accounts SB A/Cs' or 'Inoperative Accounts CD A/Cs'. Inoperative accounts having no transactions for 8 years shall be segregated from inoperative accounts and classified as Unclaimed SB A/Cs or Unclaimed CD accounts.

In view of directions of RBI regarding State and Central Governments having expressed difficulties in crediting cheques/Direct Benefit Transfer/Electronic Benefit Transfer/Scholarships for students, etc. into accounts opened for the beneficiaries under various Central/State Government schemes but classified as dormant/inoperative due to non-operation of the account for over two years, a new variant of Savings Bank Account under BSBD (Basic Saving Bank Deposit), "DBT/EBT & Student Scholarship Savings Bank Account" (GL Code 04120) has been customized in Finacle. As such, new Saving Bank accounts of such beneficiaries shall be opened under various Central/State Government Schemes (DBT/EBT & Scholarship Accounts) in the GL Head 04120 so that the stipulation of inoperative/dormant account due to non-operation does not apply

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while crediting proceeds of scholarship amounts and credit of DBT under Government Schemes. Further, existing Savings Bank accounts of such beneficiaries can be transferred to GL Code 04120 on request of the account holder. Accounts opened under GL Code 04120 would not be treated as 'Inoperative Account' even if there has been no 'Customer Induced Transaction' for a continuous period of 24 months as such no account from this GL subhead shall be transferred to a separate GL subhead 'Inoperative SB A/C's', however, accounts from this GL subhead having no customer induced transactions for 10 years shall be transferred to Unclaimed SB A/C's / DEAF (Depositor Education and Awareness Fund).

Term Deposit accounts proceeds of which remain unpaid / unclaimed for at least ten years shall be transferred to a separate General Ledger Sub Head classified as Unclaimed Term Deposit A/Cs. A cash credit, secured overdraft, term loan, credit card or any other loan account having credit balance and which has not been operated upon for at least for 10 years from the date of last operation shall be transferred to a separate General Ledger Sub Head classified as Unclaimed Loan A/Cs.

This activity of Identification of operative SB / CD accounts (except accounts under GL Code 04120) having no operations for a period of 2 years and their transfer to Inoperative GL – sub head, such inoperative accounts having no transactions for 8 years, accounts from GL Code 04120 having no customer induced transactions for ten years, term deposit accounts proceeds of which remain unpaid / unclaimed for at least ten years and cash credit, secured overdraft, term loan, credit

card or any other loan account having credit balance and which has not been operated upon for at least 10 years from the date of last operation and their transfer to Unclaimed GL sub – head has to be performed on daily basis by Branches. Appropriate system check to be put in place by DC operations, so that important aspect of notifying the customers is taken by Branches.

5.2. For the accounts wherein there is no transaction for the past 10 years and the history of no operations in the accounts extends to Pre CBS era i.e. B2K/ NELCO/etc or Manual Ledger, branches will do data mining every quarter to extract Savings / Current accounts / Loan accounts (having credit balance) wherein there is no transaction for the past 10 years and term deposit accounts, proceeds of which remain/ed unpaid / unclaimed for at least ten years and transfer these accounts to Unclaimed SB A/Cs, Unclaimed CD A/Cs, Unclaimed Loan A/Cs or Unclaimed Term Deposit A/Cs respectively.

5.3. Any amount not owned by the bank (credit entry) credited to / parked in any office account remaining unclaimed for 10 years or more, amounts as mentioned at Para 4.4 (I to v) all branches / ECs shall ensure to transfer such credit entries, which are lying in their respective Office Accounts for more than ten years (age wise) to the Unclaimed Amounts in Office Accounts A/C under No. 0993 01090 0000001 maintained at Corporate Headquarters, on monthly basis on the second last working day of every month. Branches shall capture the voucher details of the original entry / identification details in the Transaction Particulars Field, Reference field, or / and Remarks Field of the credit Part Tran.

5.4. All records e.g. Account opening forms, Specimen Signature Slips, Ledger sheets, Registers, vouchers, balance books etc., of inoperative accounts / unclaimed deposits should be complete, segregated and properly maintained & kept safe with proper control measures as per bank's guidelines and the books of accounts pertaining to such accounts should be tallied.

6. Operations in Inoperative Accounts / Unclaimed Deposits.

6.1. No customer induced transaction in inoperative / unclaimed accounts, either debit or credit, shall be allowed through any channel including e-banking and mobile banking. The system will pop an alert "Customer induced transaction to inoperative account/ unclaimed deposit", whenever such a transaction is attempted. Cheques presented in the account would be returned unpaid after assigning Reason "Account is Inoperative / Dormant".

6.2. Bank induced credit/ debit transactions shall be allowed at parent branch if the same are for debiting of service charges, etc or for crediting periodic interest.

6.3. Bank induced transactions for closure of inoperative accounts / unclaimed deposit shall be allowed at parent branch if the balance in the account is nil or after approval from competent authority.

6.4. No instruments meant for credit to Inoperative account / unclaimed deposit account should be accepted however the funds, if any received through channels other than by way of instruments should be credited to 'Sundry Account – General' and the account holder should be contacted and requested to convert his inoperative account into an operative category.

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6.5. All other transactions would be permitted in the account only after the account has been transferred back to ‘Operative Category’, subsequent to fulfillment of requisite formalities by the customer & approval by designated authority.

7. Review of Inoperative Accounts:

7.1. Branches shall review 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 one year by running Menu option ACTSTAT on daily basis. A system check for ensuring completion of this activity daily by Branches to be put in place by DC Operations. This procedure would serve the purpose of daily short listing of accounts having no operations for a period of one year so that customers are informed in time and reasons of non-operation in the accounts as advised by RBI are ascertained for taking necessary corrective action.

7.2. Branches shall immediately send letters to the account holders, as per format provided in Annexure – I, intimating them about the status of their accounts. Such letter generation has also been facilitated in the Finacle Application under Menu Option “ACTSTAT”, which enables the Branches to print the letters for all such accounts. The letters should be delivered at the registered address of the customer as available on the Bank records. In case the letters are returned undelivered, they may immediately be put on enquiry to find out the whereabouts of customers or their legal heirs in case original customer is deceased. In case the customer is not traceable, Branches

should contact the introducer / employer of the customer / any other person whose details are available with them to find out their whereabouts. Bank may also contact the account holder telephonically in case his / her telephone number / cell number has been furnished to the Bank. In case of Non Resident accounts, the branch may also contact the account holders through e-mail and obtain their confirmation of the details of the account.

7.3. In case any reply is given by the account holder giving the reasons for not operating the account, Bank should continue classifying the same as an operative account for one more year within which period the account holder may be requested to operate the account. However, in case the account holder still does not operate the account during the extended period, branch should classify the same as inoperative account after the expiry of the extended period.

7.4. 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 details of the new bank accounts to which the balance in the existing account could be transferred.

7.5. Branches shall follow the same procedure for intimating account holders as specified above for accounts that have remained inactive for 24 continuous months. However, letters to these customers shall be as per the format specified in Annexure – II. Finacle Menu Option “ACTSTAT” used for viewing the list of such accounts shall also be used for generating letters for these customers.

7.6. S&C Division, CHQ shall be responsible for ensuring proper review & follow up of inoperative accounts by branches and also of

those accounts in which there have been no customer induced transactions over a period of one year.

7.7. The annual review of all inoperative & Unclaimed accounts shall be conducted by Branches Department CHQ.

8. Interest on Inoperative Accounts:

8.1. Interest on savings bank accounts shall 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 interest as per the Bank's policy on overdue term deposits. If there is a balance lying in current account standing in the name of a deceased individual depositor/sole proprietorship concern, interest should be paid only from 1st May, 1983, or from the date of death of the depositor, whichever is later, till the date of repayment to the claimant/s at the rate of interest applicable to savings deposit as on the date of payment. No interest shall be payable in respect of accounts / amounts in respect of which no interest was / is payable by the bank to its customer / depositor.

9. Activation of Inoperative Accounts:

9.1. Customer shall submit the Unclaimed Deposits claim form (As per Annexure III) duly filled and signed at the concerned Branch (base branch), along with latest and valid KYC documents in accordance with Bank's Policy on KYC Norms & AML Standards and latest passport size photograph for reactivation of the account. For an unclaimed Term deposit (fixed deposit account), the customer shall also submit original Term deposit receipt. If the original fixed deposit receipt is lost, the

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customer has to first apply for duplicate receipt in lieu of the original. For claim of non-individual accounts, the customer needs to submit the Claim Form on the Company's / firm's / institution's letterhead duly signed by the authorized signatories duly supported by a resolution to this effect along with KYC documents.

At the time of submission of claim the original documents have to be produced for the purpose of verification at the branch.

9.2. Operation in inoperative accounts shall be allowed after the Branch makes due diligence as per risk category of the customer. Due diligence, inter alia, means ensuring the identity of the payee / customer based on latest KYC documents in accordance with Bank's Policy on KYC Norms & AML Standards (branches shall obtain latest address proof, id proof, passport size photograph and profile), verification of the signature, verification of genuineness of the transaction, etc. Branch shall obtain written request from the account holder/s, fresh KYC documents in case same are not already provided or need to be updated and fresh signatures of account holder duly attested by an account holder maintaining his/her account with the Branch for a minimum period of six months and conducting his/ her account satisfactorily or by an officer of the bank.

9.3. In case of any claim for refund of part amount by the depositor whose unclaimed amount / inoperative deposit has been transferred to DEAF, the existing account will be revived and made operative. The branch shall through Branches Department CHQ claim the entire amount transferred to DEAF in respect of such depositor along with interest payable, if any, from the Fund.

9.4. Transfer of account back to operative category shall be carried out once the claim is approved by the designated sanctioning authority. Delegation of powers in this respect are specified at Para 15. After completion of required verification process and other prescribed formalities, activation of eligible accounts needs to be made by transfer of the account from Inoperative / Unclaimed GL- sub head to respective Operative GL- sub head. This action needs to be initiated by any user of the Branch and verified by Branch Head. The operations in the account shall not be allowed if transfer to Operative GL sub- head has not been made in the system. The holder of the account that has been made operational (Re-activated) should be sent a Welcome Kit under registered AD Cover / Courier and the receipt thereof should invariably be taken on record.

Whenever a customer induced transaction is attempted in an account that has been made operational (Re-activated) either debit or credit, through any channel including e-banking and mobile banking, the system will pop an alert “Customer induced transaction to erstwhile inoperative account / unclaimed deposit account”, whenever such a transaction is attempted

9.5. Claims from legal heir(s) / nominee in case of inoperative accounts / unclaimed deposits where the account holder/s is/are deceased shall be settled as per the procedure laid down in the Bank’s policy on deceased account holders. Branches are required to have adequate operational safeguards to ensure that the claimants are genuine.

9.6. Bank shall not levy any charges for activation of inoperative accounts.

10. Transfer of Unclaimed accounts / Amounts to Depositor Education and Awareness Fund (Fund):

10.1. The Depositor Education and Awareness Fund (Fund) was established by RBI under section 26A of Banking Regulation Act, 1949. Under the provisions of this section the amount to the credit of any account in India with any bank which has not been operated upon for a period of ten years or any deposit or any amount remaining unclaimed for more than ten years shall be credited to the Fund, within a period of three months from the expiry of the said period of ten years. The Fund shall be utilized for promotion of depositors' interest and for such other purposes which may be specified by RBI from time to time. The depositor would, however, be entitled to claim from the bank his/her deposit or any other unclaimed amount or operate his/her account after the expiry of ten years, even after such amount has been transferred to the Fund. The bank would be liable to pay the amount to the depositor/claimant and claim refund of such amount from the Fund. Accordingly, Branches Department shall transfer to the Fund the entire amount as specified in paragraph 4, including the accrued interest that the bank would have been required to pay to the customer / depositor as on the date of transfer to the Fund.

10.2. DC Operations shall calculate the cumulative balances in all such accounts as specified in paragraph 4, as on the day prior to the effective date and transfer the amount to the Fund on the last working

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day of the subsequent month along with the interest accrued as specified in sub-paragraph 8.1.

10.3. Bank is required to transfer to the Fund the amounts becoming due in each calendar month (i.e. balances remaining unclaimed for ten years or more) as specified in paragraph 4 and the interest accrued thereon as specified in sub-paragraph 8.1, on the last working day of the subsequent month.

10.4. Branches / ECs / Offices shall permanently preserve records / documents containing details of all accounts and transactions, including deposit accounts in respect of which amounts are required to be credited to the Fund; and where refund has been claimed from the Fund, Branches / ECs / Offices shall preserve records / documents in respect of such accounts and transactions, for a period of at least five years from the date of refund from the Fund.

10.5. Refunds and Interest:

(i) In case of demand notice / request from a customer / depositor whose unclaimed amount / deposit had been transferred to the Fund, Branch after completing KYC and verification formalities shall submit the claim to Branches Department CHQ who will repay (subject to sanction from the hierarchy as per Para - 15) the customer / depositor, along with interest if applicable by invoking Option UNCLTM sub option "C" which will automatically create a debit entry in DEAF Suspense for Unclaimed Account maintained at Corporate Headquarters under No. 0993 29039 0000001 and the corresponding credit will be afforded to customer's SB/CD/CC/SOD account or Branch's Sundry Claims account / Un Adjusted account (in case

claimant does not have a running account with J&K Bank). Branches Department CHQ will lodge a claim for refund from the Fund for an equivalent amount paid to the customer / depositor and on receipt of claim amount, Branches Department shall invoke UNCLTM sub option "S" which will automatically square off the corresponding entry in account No. 0993 29039 0000001.

(ii) The interest payable, if any, from the Fund on a claim shall accrue only from the date on which the balance in an account was transferred to the Fund to the date of payment to the customer / depositor. No interest shall be payable in respect of amounts refunded from the Fund, in respect of accounts / entries where no interest is / was payable by the bank to its customer / depositor.

(iii) Rate of interest, if any, payable on the principal amount transferred to the Fund shall be specified by Reserve Bank from time to time, presently 3.5 % simple interest.

(iv) In the case of a claim for refund of foreign currency denominated deposit accounts, instruments or transactions specified in paragraphs 4.4 (iv), irrespective of whether the bank has paid the depositor / customer in Indian rupees or foreign currency, the bank shall be entitled to claim refund of the eligible amount from the Fund, in Indian rupees only.

(v) The branch shall claim the entire amount transferred to the Fund in respect of such depositor along with interest payable, if any, from the Fund.

(vi) In case of any claim for refund of part amount by the depositor whose unclaimed amount / inoperative deposit had been transferred

to the Fund, the account (if it is a running account like SB, CD, CC, or SOD) will be revived and will become operative. If the claim is for an amount which has been transferred to DEAF by closing a Time Deposit account (accounts like FDR, CCR, RD, RD Plus, Child Care, Mehendi Deposit, Monthly Yield Deposit, Depositors Pension Plan etc) the original Time Deposit will not be revived and claimed amount will be paid to the claimant through his / her operative account (SB/CD/CC/SOD). In case the claimant does not have an account with J&K Bank, the amount will get credited to branch's Sundry Claims Account (a pointing type account in the other liabilities Head) wherefrom it will be remitted to claimant vide RTGS / NEFT.

(vii) Refunds made by a branch in each calendar month should be claimed for reimbursement from the Fund, and such claims shall be submitted by branches to Branches Department CHQ latest by 15th of the subsequent month.

(viii) Branches Department CHQ will consolidate the claims tendered by all the branches of the bank and shall claim reimbursement from the Fund on the last working day of the subsequent month (month succeeding to the month to which the claims pertain).

(ix) Branches Department CHQ shall furnish returns to Reserve Bank in the form and manner as prescribed by Reserve Bank from time to time.

11. Verification of Transactions in Inoperative / Unclaimed Accounts:

It shall be the specific responsibility of Inspecting Officers to conduct 100 % verification of transactions in all unclaimed accounts after their transfer to active status. In case of Inoperative accounts, full check of accounts

with a cut-off balance of Rs. 1.00 lakh and sample check of accounts below this limit shall also be done by inspecting officers. In order to assist Inspecting Officers in conducting this scrutiny, a report on all Inoperative / Unclaimed accounts transferred to active status during a particular period be made available by DC Operations through a separate menu option.

KYC / AML Department is entrusted with the specific responsibility of monitoring transactions in these accounts for checking that there are no suspicious transactions.

12. Audit of Inoperative Accounts / Unclaimed Deposits:

The amounts lying in inoperative accounts shall be properly audited by the concurrent / internal auditors / statutory auditors of the bank. The responsibility of ensuring full compliance shall be of S&C Department. On the date of transferring the amount to the Fund, the Branches Department CHQ shall maintain customer-wise details verified by the branches' concurrent auditors, including payment of up-to-date interest accrued, that has been credited to the deposit account till the date of transfer to the Fund, with respect to interest bearing deposits. With respect to non-interest bearing deposits and other credits transferred to the Fund, customer-wise details, duly audited, should be maintained with the bank. The concurrent auditors should also verify and certify that, as per the bank's books, the returns have been correctly compiled by the bank in the monthly and yearly returns submitted to RBI. The above returns shall also be verified by the statutory auditors at the time of annual audit and an Annual Certificate shall be obtained from statutory auditors and forwarded to RBI, certifying that the returns have been correctly compiled by the bank.

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13. Displaying list of “Inoperative Account / Unclaimed Deposits - 10 years or above” on Bank’s Website:

13.1. As per regulatory guidelines, the list of inoperative accounts / unclaimed deposits which are inactive / inoperative for ten years or more is to be displayed by all banks on their websites. The list so displayed must contain only the names of the account holder(s) and his / her address. In case such accounts are not in the name of individuals, the names of individuals authorized to operate the accounts are also to be indicated. However, the account number, its type and the name of the branch are not to be disclosed on the bank’s website. The list also must provide a “Find” option to enable the public to search the list of accounts by name of the account holder. Banks should also give on the same website, the information on the process of claiming the unclaimed deposit/activating the inoperative account and the necessary forms and documents for claiming the same.

13.2. In compliance to the above directions, Bank has displayed list of unclaimed deposits accounts which are inactive / inoperative for ten years or more on its website. The list displayed on website shall be updated at monthly intervals or as specified by RBI from time to time. The responsibility of maintaining the data, displaying the same on website and updating the same on monthly basis shall be of Branches Department, CHQ.

14. Reporting:

T&ISD Division will streamline Finacle on following lines:-

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- I. Only 2 categories viz., Inoperative and unclaimed deposits shall remain in Finacle and removal of superfluous classification of Inactive and Dormant.
- II. No separate GL sub- head of Inoperative Term Deposits.
- III. DC operations shall extract information on all SB/CD accounts, except accounts under GL Code 04120, which are not having any operation for 2 years and transfer these accounts centrally, as a one- time exercise, to separate Inoperative GL sub–head.
- IV. DC operations shall extract information on all SB/CD accounts, which are not having any operation for 10 years and transfer these accounts centrally, as a one- time exercise, to separate Unclaimed GL sub–head.
- V. DC operations shall extract information on all CC/SOD/Term Loan/other accounts, having credit balance which are not having any operation for 10 years and transfer these accounts centrally, as a one- time exercise, to separate Unclaimed GL sub–head.
- VI. Branches shall extract information on all such amounts/credit entries (MSOIRP) not belonging to bank and parked in office accounts which have remained unclaimed for 10 years or more (as per Para 4.4) and transfer these entries (one by one) to Unclaimed Amounts in Office Accounts A/C (0993 01090 0000001)
- VII. DC operations shall extract information on all TD accounts, which are overdue for 10 years and transfer these accounts

centrally, as a one- time exercise, to separate Unclaimed GL sub-head.

Note: There are limitations in creating a complete and correct record of all eligible Inoperative and Unclaimed accounts through this process in case of Branches which are not on CBS continuously for the last 10 years but a beginning in the direction of creating correct record be made by following this procedure.

The consolidated record of Inoperative and Unclaimed accounts shall be created and transferred to Inoperative / Unclaimed GL sub-head after including such accounts as have not been so far transferred to Inoperative / Unclaimed GL sub- head.

VIII. In compliance to Section 26 of the Banking Regulation Act, 1949 which provides, inter alia, that every banking company shall, within 30 days after close of each calendar year submit a return in the prescribed form and manner, 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. Data regarding all such inoperative accounts / unclaimed deposits should be reported to Reserve Bank of India. The information on eligible Unclaimed deposits consolidated after following the above said procedure and on the basis of daily activity to be performed by Branches for their classification and transfer can be extracted by MIS Department and made available to Branches Department, CHQ, for their reference, record and verification. The information shall be, thereafter, submitted by Branches Department, CHQ on yearly basis to RBI Policy on inoperative & unclaimed accounts (Amended March 2018)

and also got uploaded by them through DC Operations on Bank's web site.

IX. Branches Department has to update the bank's website with the list of unclaimed deposits / inoperative accounts which are inactive/ inoperative for ten years or more at least on a monthly basis by:

(i) Adding the names and address of the account holders whose deposits have been transferred to the Fund during the month/period.

(ii) Deleting the names and address of account holders whose claim were admitted by the bank during the month/period. In doing this the Branches Department need not wait for refund from the Fund

X. In terms of Paragraph 5 of the DEAF Scheme, Branches Department shall furnish returns (Form I to Form V) duly audited to RBI in the form and manner prescribed.

15. Delegation of Powers:

15.1. Delegation of powers in respect of approving requests for activation of inoperative accounts shall be as under:

Sanctioning Levels	Limits for Balance outstanding in Inoperative Accounts
Branch Manager (where there is only one Officer)	Rs 0.50 lakh
Branch Manager (Jointly with Second Officer)	Rs 2.00 lakh
Cluster Heads	Rs 5.00 lakh.
Zonal Heads (Zones headed by V. Presidents)	Rs 50.00 lakh

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<ul style="list-style-type: none"> • E.D/ E.P / President, Branches Dep't, CHQ. • Zonal Heads (Zones headed by Presidents) 	Full Powers
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15.2. Delegation of Powers for reclaiming unclaimed amount / deposit transferred to DEAF:

Claim/s to be debited to DEAF Central Suspense Account by Branches Department CHQ subject to approval from the hierarchy as per the following structure:

Executive Manager	Rs. 0.25 Lakh
Assistant Vice President	Rs. 1.00 Lakh
Vice President	Rs. 5.00 Lakh
President / Senior President	Rs. 50.00 Lakh
Executive President / Executive Director	Rs. 100.00 Lakh
Chairman	Above Rs. 100.00 Lakh

15.3. Branches / approving authorities have to ensure that the claimants are genuine.

16. Grievance Redressal Mechanism:

For any complaint / grievance with regard to services rendered by the Bank, customers have a right to approach authority(ies) designated by the Bank for handling customer complaints / grievances. The grievance redressal officers for complaints regarding the normal day to day activities of the bank shall also be responsible for redressal of complaints regarding inoperative accounts / unclaimed deposits.

Customer Care Department, CHQ shall ensure that these responsibilities are properly communicated to the designated officials and their names & contact numbers are also displayed within the Branch premises. Customers can visit the Grievance Redressal link on our website <http://www.jkbank.com> for sending their complaints / feedback to the grievance redressal cell of the Bank. In case the complainant does not get response from the bank within a period of one month after the bank received the complaint or if the complainant is not satisfied with the reply given by the bank, he has a right to approach the banking Ombudsman appointed by Reserve Bank of India.
