

THE MALAD SAHAKARI BANK LIMITED

6, Sujata Niketan CHS, Rani Sati Marg,
Malad (East), Mumbai - 400 097.

DEATH CLAIM SETTLEMENT POLICY

2025-2026



I. INTRODUCTION:

Acceptance of deposits and maintenance of deposit accounts is the core activity of any bank. Bank has adopted a simplified Policy and Procedure for enabling speedy and hassle free settlement in Claim applications received by its Branches in respect of deceased customers as well as persons reported missing from their nominees or legal heirs. This policy aims at removing hardships faced in settlement of claims of deceased depositors and safe deposit locker hirers. It is framed and formulated by considering the guidelines issued by RBI from time to time. Duly filled and completed claim forms along with proof of death of the depositor and KYC documents of claimants are to be submitted at branch.

II. TYPES OF SETTLEMENTS:

- (a) Settlement based on Nomination;
- (b) Settlement based on production of Legal Representation (Succession Certificate, Will, Letter of Administration etc); and
- (c) Settlement in the absence of any Nomination or Legal Representation.

(a) PROCEDURE FOR SETTLEMENT OF CLAIMS BASED ON NOMINATION

- Nomination facility simplifies the procedure for settlement of claims of legal heirs/nominees of deceased A/C relating to deposits, contents of Lockers and articles kept in safe custody with Bank. Bank gets a valid discharge by making payment of the balance outstanding in a depositor's account at the time of his death or delivering contents of locker or articles kept in safe custody to the nominee. Bank will make the customers aware of advantages of availing nomination facility for which Bank is charging no additional fee or cost. While encouraging account holders to avail of nomination facility, Bank will also make it clear to them that nomination facility does not take away the rights of legal heirs on the estate of the deceased. Whatever the nominee would be receiving from the bank, he will hold it as a trustee of the legal heirs.
- Bank will allow Nomination facility only to individuals, including a sole proprietary concern, A/C holder.
- There cannot be more than one nominee in respect of single / joint deposit account.
- Bank may allow variation/cancellation of a subsisting nomination by all the surviving depositor(s) acting together. This is also applicable to deposits having operating instructions –Either or Survivor.
- In case of joint deposit account, the nominee's right arises only after the death of all the depositors.
- Attestation by two witnesses is not required, where account holders are literate and are signing on the Nomination Form. Only where the account holder is affixing thumb-impression, attestation is required



- The nominee shall make a request in this regard in the Format prescribed by the Bank. The following documents have to be obtained from the nominee alongwith the Application Form, when a claim for the deposit/ SDL is made by him/her:
 - Death Certificate Issued by Competent Authority;
 - Photograph and KYC document of Nominee like Election ID Card, Aadhar Card, Passport, Driving License copy or any other proof of identification acceptable to the Bank.

(b) PROCEDURE FOR SETTLEMENT OF CLAIMS BASED ON PRODUCTION OF LEGAL REPRESENTATION:

- Settlement based on Legal Representation shall include settlements based on Succession Certificate, Probated / Un Probated Will or Letter of Administration.
- Succession certificate is a document issued by a competent court (civil) certifying a rightful person to be the successor of a deceased person. It is a document that gives authority to the person who obtains it, to represent the deceased for the purpose of collecting debts and securities due to him or payable in his name. It establishes the legitimacy of the heirs and gives them the authority to get the deposits and other assets transferred in their names.
- A probate means a copy of a Will certified under the seal of a Court of competent jurisdiction with a grant of administration to the estate of the testator (Section 2(f) of Indian Succession Act 1925). A Probate is conclusive as to the representative title of the Executor to represent the estate. It is also conclusive proof as to the due execution of the Will and as to the genuineness of the Will. The effect of grant of the Probate is that it establishes the factum of the Will and the legal character of the Executor and all the property both movable and immovable of the deceased Testator vests in the Executor as from the date of the death and as long as the grant stands, the Executor is the legal representative of the deceased.
- It may be kindly noted that Probate is not mandatory in the case of Hindus, Buddhists, Sikhs or Jains, whose Wills are made outside the Presidency towns and in the case of Mohammedans and Indian Christians and any Will which is duly executed and attested by two Witnesses is valid in the eye of law. However, Probating of the Will should be mandatorily insisted upon in the case of Wills made by any Hindu, Buddhist, Sikh or Jain where the Wills are made in the Presidency towns i.e., Chennai, Kolkata and Mumbai and in such other places notified by respective State Governments.
- Letters of administration include any letters of administration, whether general or with a copy of the Will annexed or limited in time or otherwise. Letters of administration are also granted under Section 232 of the Indian Succession Act. When a person dies leaving a Will without appointing an executor or if the executor appointed by the Will is legally incapable or refuses to act or who has died before the testator or before he has proved the Will, an administrator can be appointed



only by a competent court as distinguished from an executor who can be appointed only by a person by his Will or Codicil.

- The Claimants shall submit the duly executed application in the Format prescribed by the Bank along with the following documents, when a claim for the deposit/SDL is made by him/her:
 - Death Certificate Issued by Competent Authority*;
 - Original Succession Certificate OR Probated Will OR Letter of Administration (as applicable)
 - Photograph and Proof of identification of Nominee viz., Election ID Card, AadharCard, Passport, Driving License copy or any other proof of identification acceptable to the Bank.

*Where the depositor is a Non Resident and has passed away abroad, the death certificate will have to be attested either by a Notary Public / Indian Embassy or High Commission / Bank's Foreign Office of that country where the death has occurred or such country's Embassy or High Commission in India.

- Where a Legal Representation in the said manner is produced by the Claimant(s), Bank is legally bound to make payment to the persons mentioned therein as per the terms of such Legal Representation and Bank will get a valid discharge by settling the claim in favour of such persons.

(c) PROCEDURE FOR SETTLEMENT IN THE ABSENCE OF ANY NOMINATION OR LEGAL REPRESENTATION:

- Claims up to ₹ 10,000/-: Claim settlement can be made to any one or more of the claimants - preferably the widow of the deceased, without insisting for signature of all the claimants. However, in such cases branch should obtain the claim-cum-declaration.
- Claims above ₹ 10,000/- up to ₹ 50,000/-: Claims arising out of other than testamentary succession in deposit accounts having aggregate balance of or in securities the value of the securities pledged with the Bank is Rs 50,000/- or below (the prevailing market value is the basis) may be settled on the basis of either the personal knowledge of the manager or by making due enquiries and against a simple claim-cum-declaration form. Such claim-cum-declaration should be certified by a third party well known to the bank and good for the amount. This simple claim-cum-declaration form should be signed by all the major legal heirs and in respect of minors by the natural guardian.
- Claims above ₹ 50,000/-:
 - With respect to claims above ₹ 50,000/- the Claimants will have to furnish Application Form along with the applicable annexures duly executed in the prescribed manner. The Claimants are also required to furnish the Death Certificate of the deceased issued by Competent Authority, along with Photograph



and Proof of identification of Claimants, declarants and sureties (wherever applicable) viz., Election ID Card, Aadhaar Card, Passport, Driving License copy or any other proof of identification acceptable to the Bank. Where the depositor is a Non Resident and has passed away abroad, the death certificate will have to be attested either by a Notary Public / Indian Embassy or High Commission / Bank's Foreign Office of that country where the death has occurred or such country's Embassy or High Commission in India.

- The full set of claim application along with all documents should be submitted in duplicate. In such instances where the Claimants are NRIs/ Foreign Nationals who are staying abroad and it is not possible to come to India for completion of formalities, they shall execute the necessary forms/ documents in the presence of officials of Indian Embassy/ High Commission at the Country where they are residing. However such documents will have to be duly adjudicated upon their entry in India within the prescribed time limits before submitting the same to the bank for processing the claim. In all the cases the receiving Branch has to satisfy itself that all the necessary forms/ documents have been submitted as per the existing guidelines and that they have been duly filled in and executed.
- Claim application must necessarily be attested by any one of the following: i) Village Headman; ii) Any Municipal Councilor; iii) A customer of the Bank; or iv) Any other respectable person known to the Bank. Claim application must be signed by all the major legal heirs. In respect of minors, natural guardian or the guardian appointed by the court or by the District Court under Mental Health Act or by the Local Level Committee under the National Trust Act, 1999 also must sign it on behalf of the minors.
- In all the claims above ₹ 50,000/- the claimants will have to execute a stamped letter of declaration, along with stamped and notarized affidavits from two independent persons well known to the family of the deceased and acceptable to the Bank or any account holders of the Bank known to the family of the deceased. Where the Claim amount is above Rs. 5 Lakhs, the Claimants will have to furnish Indemnity cum Surety in the prescribed formats from two persons who shall be other than claimants, who are good for the amount. If one surety is considered good for the amount by the bank, second surety is not necessary. "Good for the amount" defined as the net worth of the sureties should be equal to or more than the death claim amount above a threshold limit of Rs. 5.00 lacs.
- Safe Deposit Lockers: The method of preferring claims is similar to that as in the case of deposits above 50,000/-. Along with the Claim Application, Death Certificate and KYC Documents, the Claimants will have to execute (i) a stamped letter of declaration, (ii) stamped and notarized affidavits from two independent persons well known to the family of the deceased and acceptable to the Bank or any account holders of the Bank known to the family of the deceased (iii) Indemnity cum Surety from two persons who shall be other than claimants, who are acceptable to the Bank, in the prescribed formats.



III. Time limit for settlement of claims

All Claims shall be settled and the payments shall be made to survivor(s)/ nominee, within a period not exceeding 15 days from the date of receipt of the claim subject to the production of the proof of death of the depositor and suitable identification of the claimants to the Bank's satisfaction.

IV. DELEGATION OF POWERS

With a view to settle the claims speedily, the following powers are delegated for settlement of death claims:

Sl No	Authority	Powers (In ₹/Lakh)
1	Branch Incharge	0.50
2	CAO Manager	2.00
3	Chief Manager	5.00
4	Asst. General Manager	7.00
5	Dy General Manager	10.00
6	Chief Executive Officer	Above 10.00

V. CLAIMS IN JOINT ACCOUNTS/ LOCKERS WITH SURVIVORSHIP MANDATE**1. SB / Current Accounts:**

- 1.1. A joint account opened as "Either or Survivor" or "Anyone or Survivors" or "Former or Survivor" or "Later or Survivor" will permit the surviving account holder(s) to have unimpeded access to the credit balance in the account for withdrawal if one of the co-account holders dies. If the mandate of survivorship is given / provided, the survivor(s) can give a valid discharge to the bank in the case of "Either or Survivor" / "Anyone or Survivors" and "Former or Survivor" / "Later or Survivor" joint accounts.
- 1.2. With survivorship clause, on the death of one depositor (or more but not all) survivor/s can operate the account duly deleting the name of the deceased. On the death of one depositor (or more but not all) without survivorship clause, claim to be settled in favour of legal heirs of the deceased and survivor/s.
- 1.3. On the death of all the depositors, claim to be settled in favour of legal heirs of all the depositors (or any one of them as mandated by all the legal heirs).

2. Term Deposits:

- 2.1 With respect to Term Deposits opened with the mandate of "Either or Survivor" or "Former/Later or Survivor", in the case of death of one or more joint depositors (but not all) on or after maturity of deposit, claim has to be settled in favour of survivor/s.



- 2.2 When one of the depositors dies before maturity of deposit and amount is claimed before maturity of the same, claim has to be preferred jointly by the surviving depositors and the legal heirs of the deceased depositor.
- 2.3 If any of the depositors dies before/after maturity of deposit and the amount is claimed on or after the date of maturity of the deposit, the claim shall be settled to the surviving depositor/s without referring to the legal heirs of the deceased depositor/s.
- 2.4 On the death of all the depositors, claim has to be preferred by legal heirs of all the depositors (or any one of them as mandated by all the legal heirs).

3. Safe Deposit Lockers:

- 3.1 In case of a Locker hired jointly with "Either or Survivor" mandate, in the event of death of one or more joint hirers (but not all), survivor/s will be given access to the locker and liberty to remove the contents.
- 3.2 On the death of all the joint hirers of locker the legal heirs of the joint hirers (or any one of them mandated by all legal heirs) will be given access to the locker and liberty to remove the contents.

VI. CLAIMS IN JOINT ACCOUNTS/ LOCKERS WITHOUT SURVIVORSHIP MANDATE

On the death of one depositor/ Joint Hirer(s) (or more but not all), the claim has to be settled jointly to Legal heirs of deceased (or any of them as mandated by all the legal heirs) and survivors. On the death of all depositors/ Joint Hirer(s), claim has to be settled in favour of Legal heirs of all the depositors/Hirers, (or any one of them as mandated by all the legal heirs) on verification of the authority of the legal heirs and proof of the death of the depositor/Hirer.

VII. SAFE CUSTODY ARTICLES

Generally, safe custody articles are not accepted in joint names. Even if accepted in joint names, nomination facility is not provided. Nomination facility is available only in the case of individual depositor / sole proprietary concern.

In the case of Safe Custody Articles also, all the procedures with regard to Safe Deposit Lockers shall be complied with. All claims pertaining to Safe Custody Articles irrespective of the amount are to be referred to DGM Circle office for settlement.

Bank's policy for payment of settlement of claims in various types of deposit accounts is summarized below:



1. With Nomination

Sl. No.	Nature of Account	Single Depositor	Joint A/c (Operated Jointly)	Joint A/c (Either or Survivor)	Joint A/c (Former/Latter or Survivor)	Joint A/c (Anyone or Survivors)
A	Saving / Current A/c	Nominee	1. On death of one depositor - Legal heirs of deceased + Survivors 2. On death of all depositors-Nominee	1. On death of one depositor - Survivors 2. On death of all depositors-Nominee	1. On death of one depositor -Survivors 2. On death of all depositors - Nominee	1. On death of one depositor - Survivors 2. On death of all depositors-Nominee
B	Term Deposit Account	-Do- (On maturity of deposit)	-Do- (On maturity of deposit)	-Do- (On maturity of deposit)	-Do- (On maturity of deposit)	-Do- (On maturity of deposit)
C	Premature withdrawal of FD	-Do- (As per terms of contract)	-Do- (As per terms of contract)	-Do- (As per terms of contract)	-Do- (As per terms of contract)	-Do- (As per terms of contract)



Without Nomination

Sl. No.	Nature of Account	Single Depositor	Joint A/c (Operated Jointly)	Joint A/c (Either or Survivor)	Joint A/c (Former/ Latter or Survivor)	Joint A/c (Anyone or Survivors)
A	Saving/ Current A/c	Legal Heirs or person mandated by them	1. On death of one depositor - Legal Heirs of deceased + Survivors 2. On death of all depositors- Legal Heirs of all the depositors	1. Survivors 2. On death of both the depositors - Legal Heirs of all the depositors	1. Survivors 2. On death of both the depositors- Legal Heirs of all the depositors	1. On death of one or more depositor/s - Legal Heirs of deceased + Survivors 2. On death of both the depositors- Legal Heirs of all the depositors
B	Term Deposit Account	-Do- (On maturity of deposit)	-Do- (On maturity of deposit)	-Do- (On maturity of deposit)	-Do- (On maturity of deposit)	-Do- (On maturity of deposit)
C	Premature withdrawal of FD	-Do- (As per terms of contract)	-Do- (As per terms of contract)	-Do- (As per terms of contract)	-Do- (As per terms of contract)	-Do- (As per terms of contract)

VIII. PAYMENT OF INTEREST:

In the case of a term deposit standing in the name/s of a deceased individual depositor or two or more joint depositor(s), where one of the depositors has died, interest shall be paid in the manner indicated below:

- On the date of maturity interest shall be paid at the contracted rate
- In case of premature withdrawal, interest will be paid at applicable rate with reference to the period for which the deposit has remained with the Bank without charging penalty
- In the event of death of the depositor before the date of maturity of the deposit and the amount of deposit is claimed after the date of maturity, the bank shall pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment, the bank shall pay simple interest at the applicable rate operative on the date of maturity, for the period for



which the deposit remained with the bank beyond the date of maturity. However, in the case of death of the depositor after the date of maturity of the deposit, the bank shall pay interest at savings deposit rate operative on the date of maturity from the date of maturity till the date of payment.

Payment of interest in the current account: From the date of death of the depositor till the date of repayment to the claimant/s, the interest to be paid at the rate of interest applicable to savings deposit as on the date of payment.

IX. Minor's Interest and Guardianship:

- Where the legal heir is a minor, his lawful guardian will represent his interest.
- For Hindus and Christians, minor's father is the natural guardian and after him the mother. Regarding the guardianship of a minor (Hindu) it has been decided by the Supreme court that even mother can be a natural guardian in certain cases even during the lifetime of father since the welfare of child is of utmost importance.
- For a minor, who is a Muslim, father, then person appointed by father's will, then father's father and then person appointed by father's father will be guardian in order.
- In case an account being settled has a minor nominee - a declaration from the guardian to be obtained that the funds will be utilized for benefit of minor.
- In case of demise of a minor customer operated by guardian, the claim to be settled in favor of nominee.

X. SETTLEMENT OF CLAIMS IN RESPECT OF MISSING PERSONS:

Branches at times receive requests for settlements of claims in respect of persons reported missing from their nominees / legal heirs. As per the provisions of the Indian Evidence Act, presumption of death can be made only after a lapse of seven years from the date of a person being reported missing, i.e. the date when the FIR / non-traceable report was lodged. As such, the nominee / legal heirs have to raise and express presumption of death of the subscriber under Section 107/108 of the Indian Evidence Act before a competent court. If the court presumes that he/she is dead, then the claim in respect of a missing person can be settled on the basis of the same.

Keeping in view the imperative need to avoid inconvenience and undue hardship to the common person, a policy has been drafted and adopted by our Bank on settlement of claims in respect of missing persons, and the below mentioned guidelines are to be followed.

These guidelines on settlement of claims in respect of missing persons by the branch shall be applicable only in case of domestic deposit accounts of the missing person held in individual capacity and up to a limit of ₹ 50000/- (net amount shall be considered if any loan has been availed against the deposit as the prime security). Further, the settlement of claim shall be applicable only in case where the person has gone missing in India.

Settlement of Claims in respect of missing persons within the threshold limit: As

per the extant guidelines, claims in respect of deposit accounts up to ₹50,000/- is considered as within the threshold limit and in such cases Branch



Managers are authorized to settle the claims following a simplified procedure. Therefore, in respect of missing persons also claims up to ₹ 50,000/- is considered as threshold limit and branches are allowed to settle the claims from the nominee/legal heirs/survivor(s) of missing persons on production of the following documents: -

- FIR for reporting missing of a person. It should be confirmed that 7 years have elapsed since the date of reported missing.
- Non-traceable report issued by police authorities.
- Letter of Indemnity.
- Other documents applicable for Death Claims up to the Threshold limit.

Settlement of Claims in respect of missing persons above the threshold limit: In respect of claims of deceased depositors above the threshold limit, i.e. above ₹ 50,000/-, in addition to the documents stipulated for Settlement of Death Claims, Order issued by competent Court raising express presumption of death of the depositor/customer under Sections 107/108 of Indian Evidence Act has to be produced, so as to settle the claims to the nominee/legal heirs/survivor(s).

XI. COMPLIANCE/ MONITORING OF IMPLEMENTATION OF THE POLICIES

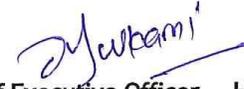
Implementation of policy at Branches will be checked by audit department and will be reported to development committee of the Board.

Audit department in Central Administrative Office to ensure that all Branches are adhering to the policy guidelines.

This policy will continue to be in force till the reviewed policy comes into place.


Manager


Chief Manager


Chief Executive Officer


Hon. Committee Chairman
(Audit Committee)

Approved / Ratified in Board Meeting
No: Held on:


Hon. Chairman
Date: 28/3/2025

