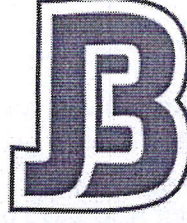


जोगिन्द्रा केन्द्रीय सहकारी बैंक मर्यादित
मुख्य कार्यालय: न्यू क्थेड,
नज़दीक एच.आर.टी.सी. वर्कशॉप,
डा० चंबाघाट, सोलन, हि.प्र. -173213
दूरभाष: 01792-220305, 225690
फैक्स : 01792-222715
ई-मेल: bsd@jccb.co.in



**Jogindra Central
Cooperative Bank Ltd.**
Head Office: New Kather,
Near HRTC Workshop, PO Chambaghat,
Solan, District Solan H.P. -173213
Phone: 01792-220305, 225690
Fax: 01792-222715

Estd: 1924

BSD/GS/2025/1358-1399

Date: 06-05-2025

All Branches/ECs

Subject: "Implementation of Multiple Option Deposit (MOD) Scheme."

Memo,

The Board of Directors of the Bank has approved implementation of the Multiple Option Deposit (MOD) Scheme in the bank vide Resolution No. 1 dated 19-04-2025 passed through circulation. The MOD Scheme has been designed to optimize idle balances in Savings and Current accounts by enabling automatic sweep-in and sweep-out to/from Fixed Deposit Receipts (FDRs), thereby ensuring both liquidity and enhanced returns for customers.

Further, the Government of Himachal Pradesh has also instructed that the MOD facility must be extended to all eligible government accounts not later than 10th May 2025. Instructions in this regard have already been issued by the state govt. to all concerned government account holders.

In view of this directive, all branches are hereby instructed to:

- Identify and approach all eligible government departments having operative accounts with the branches.
- Coordinate directly with authorized signatories of the respective departments to ensure timely enrollment under the MOD Scheme.
- Ensure that all eligible accounts are onboarded on or before the stipulated deadline without exception.

Treat onboarding of government accounts as a top operational priority in compliance with the government directive.

Key Features of the MOD Scheme:

1. **Eligible Accounts:** Savings and Current accounts of individuals and institutions (excluding accounts of companies, interbank accounts, and lien/frozen accounts as outlined in the scheme).
2. **Threshold (Trigger) Balance:** ₹20,000
3. **Sweep-Out Amount:** In multiples of ₹1,000
4. **Minimum FDR Creation Amount:** ₹10,000
5. **Deposit Tenure:** Between 90 days and 1 year (default tenure: 1 year)
6. **Interest Rate:** As per the prevailing term deposit rates
7. **Reverse Sweep Facility:** Automatic breakage of FDRs on Last-In-First-Out (LIFO) basis;
8. **Mode of Enrollment:** Through submission of the prescribed mandate form or via the J-Mudra Mobile App.
9. **Premature Withdrawal:** Applicable penalty of 1% on the applicable interest rate.

Accordingly, all branches and extension counters are directed to operationalize the scheme in the bank with immediate effect. The detailed scheme guidelines are enclosed herewith. All concerned are hereby instructed to thoroughly go through the enclosed MOD Scheme and ensure its implementation in letter and spirit at their respective branches.

For any clarifications or operational support, branches may contact the BSD/CBS department at Head Office.


Managing Director

Enclosures:

1. MOD Scheme Guidelines
2. MOD enrollment mandate form.

Copy to In charge CBS section for incorporating MOD scheme in the Application Software and convey Scheme Code to branches & Section Heads(Estt/Loans/BSD/Audit) at Head Office for information.

“JCCB MULTIPLE OPTION DEPOSIT SCHEME (MOD)”

1. Introduction

In an effort to offer innovative deposit solutions and improve customer satisfaction by maximizing the returns on idle funds, *Jogindra Central Cooperative Bank Ltd.* (hereinafter referred to as "the Bank") proposes the implementation of a **Multiple Option Deposit (MOD) Scheme**. This product is tailored to meet the needs of our account holders across both rural and urban areas under its effective jurisdiction. The scheme shall be applicable across all branches and ECs of the bank.

The MOD Scheme shall automate the transfer of surplus balances from operative accounts (Savings and Current) into Fixed Deposit Receipts (FDRs), ensuring optimal yield on idle funds, while preserving the liquidity and flexibility associated with these accounts.

2. Objectives:

The MOD scheme aims to:

- Encourage financial prudence by automating savings from idle balances.
- Maximize returns for customers while ensuring easy access to funds.
- Enhance customer retention by offering a competitive, value-added product.
- Improve the deposit base for the Bank.
- Ensure operational convenience through CBS automation.

3. Definitions

- **MOD (Multiple Option Deposit):** A deposit scheme that enables automatic sweeping of surplus funds from a Savings or Current account into a Fixed Deposit of a predetermined amount and tenure.
- **Sweep-Out:** Transfer of surplus funds from an operative account to a Fixed Deposit under MOD.
- **Reverse Sweep / Auto-Break:** Automatic withdrawal from MOD FDR(s) to fulfill debit transactions in the linked account.
- **Trigger Balance:** The minimum balance in the operative account above which funds are eligible for sweep-out.
- **CBS (Core Banking Solution):** The centralized software platform used for managing customer accounts and enabling MOD operations.



4. Scheme Features:

4.1 Eligibility

- Available to all individual and non-individual account holders (all categories).
- Only operative accounts (Savings Bank and Current Accounts) will be eligible.
- Joint account holders must provide a mandate signed by all parties or approved Board resolution (where applicable) in this regard. Companies and interbank deposits would not be eligible under the scheme.

4.2 Minimum Balance and Sweep Parameters:

- **Trigger Balance:** ₹ 20000(Twenty Thousand Only)
- **Sweep-Out Amount:** In multiples of ₹1,000
- **Minimum FDR Amount:** ₹10,000
- **Sweep Frequency:** Once daily, post end-of-day processing (EOD)

4.3 Fixed Deposit Characteristics

- **Tenure:** Term deposits shall be accepted for any period ranging from 90 days to 1 year (default 1 year) as may be specified by the account holder at the time of opening of the account.
- **Interest Rate:** As per the prevailing card rate applicable to the deposit tenure for respective categories.
- **Interest Payout:** Quarterly compounding, credited on maturity or closure
- **Premature Withdrawal:** Allowed with interest paid for the actual completed period, subject to premature penalty

4.4 Reverse Sweep Conditions

- Triggered when available balance in the operative account falls below the required level to honor a debit transaction.
- Operates on **Last-In-First-Out (LIFO)** principle for breaking deposits.
- Partial FDR breakage allowed in multiples of ₹1,000.
- Broken amount is transferred back to the account to meet the shortfall.

4.5 Account Types Allowed

- Savings Bank Accounts (General, Salary, Premium, etc.)
- Current Accounts (Proprietorships, Partnerships, Corporate, Trusts, etc.)

4.6 Non-Eligibility

- Accounts under lien, garnishee, or freeze.
- Accounts with insufficient KYC compliance
- Inoperative and dormant accounts.



5. Operational Guidelines:

5.1 Registration & Activation:

- Customers may opt-in to the MOD Scheme by submitting the MOD Enrollment Mandate either of the following ways:
 - Offline: By visiting their home branch and filling the prescribed MOD Scheme Enrollment Form.
 - Online: Through the Bank's official mobile banking application, "J Mudra", by navigating to the MOD Scheme section and authorizing enrollment using secure login credentials and OTP authentication.
- The customer's consent shall be recorded in the system and a confirmation message will be sent via SMS and/or email (if registered).
- Once registered, the system will activate MOD operations from the next end-of-day (EOD) processing cycle, subject to account eligibility and balance availability.

5.2 Monitoring & Processing

- CBS shall perform automatic checks at EOD:
 - If balance > ₹20,000 → initiate sweep-out in multiples of ₹1,000, ensuring FDR is \geq ₹10,000.
 - If debits exceed available balance → initiate reverse sweep of MOD FDRs.
- No manual intervention required unless system fails.

5.3 Closure or Modification of Facility

- Customers may request deactivation or parameter changes via written request.
- Upon deactivation, MOD-linked FDRs will either:
 - Be continued till maturity, or
 - Liquidated as per customer request.

6. Premature Withdrawals:

6.1 Premature Withdrawal of MOD Deposits

In the event of a premature withdrawal of the Fixed Deposit(s) created under the MOD Scheme either due to reverse sweep (auto-break) or customer-initiated closure—the following interest and penalty conditions shall apply:

a) Completed Tenure of 90 Days or More

- Interest shall be paid for the actual period the deposit remained with the Bank, based on the applicable card rate for the corresponding maturity on the original date of deposit.



- A penalty of 1% shall be deducted from the applicable interest rate for the actual completed period of the deposit.

Example:

If a deposit for 1 year is withdrawn after 120 days, and the applicable interest rate for 120 days was 6.00% on the original date of deposit, then the customer will be paid 5.00% (i.e., 6.00% - 1.00%).

b) Tenure Less Than 90 Days

- Interest shall be calculated on a simple interest basis for the number of days the deposit was held.
- A 1% penalty will be deducted from the applicable simple interest rate for the respective period.

Example:

If a deposit is swept in and withdrawn after 60 days, and the card rate for 60 days is 4.50%, interest will be calculated on a simple basis at 3.50% (i.e., 4.50% - 1.00%).

6.2 Additional Notes:

- No interest shall be paid if the deposit is held for less than 7 days.
- The balance amount of the unbroken portion of the FDR (if any) shall continue to earn interest as per original terms.
- In case of customer-requested premature withdrawal of the entire MOD FDR, the same penalty clause will apply.
- These penalty provisions are **non-negotiable** and will be clearly disclosed to customers at the time of enrollment.
- TDS will be deducted on MOD interest as per **Income Tax Act, 1961** provisions.
- Customers must submit valid **Form 15G/15H** if eligible to avoid TDS.
- Interest will be taxable under "Income from Other Sources" in the hands of the depositor.

7. Risk Management & Controls

- The MOD scheme poses low financial risk but requires operational oversight:
 - MIS reports shall be generated monthly to monitor volumes, reversals, and interest payouts.
 - Surprise audits will include MOD transaction sampling.
 - System validations will ensure no sweep occurs below threshold or into restricted accounts.
- Reconciliation of MOD-related entries shall be done at EOD by CBS section.



8. Customer Communication:

- Clear communication regarding:
 - Sweep-in/sweep-out rules
 - Interest rate on MOD FDRs
 - Reverse sweep operations
 - TDS applicability
- Branches shall ensure customer education via brochures, posters, FAQs, and relationship managers.
- Details shall also be made available on the Bank's website and mobile banking app (if applicable).

9. Nomination & Other Services

- Nomination facility will be available.
- Passbook or FD receipt may not be issued separately like normal FD Schemes however MOD statements shall be made applicable to the depositors. One statement per month shall be provided free of cost. For additional statements normal charges as applicable shall apply.
- No overdraft/loan shall be allowed against Term deposits created under MOD scheme.

9. Review & Amendment

- This policy shall be reviewed annually or at less intervals as per need.
- Any changes to threshold amounts, interest treatment, penalty structure, or eligibility will be updated after Board approval and notified to customers with prior notice.

10. Effective Date & Approval

This policy shall come into effect from upon its approval by the Board

Annexure A: MOD Enrollment Form (Customer Copy)



To,

Date: ___ / ___ / 20___

The Branch Manager
Jogindra Central Cooperative Bank Ltd.
_____ Branch

Subject: Mandate for Enrollment under MOD (Multiple Option Deposit) Scheme

Dear Sir/Madam,

I/We hereby request and authorize the Bank to enroll me/us for the **Multiple Option Deposit (MOD) Scheme** for my/our operative account as per the details mentioned below:

“MOD SCHEME ENROLLMENT MANDATE FORM”
(For Multiple Option Deposit Scheme Registration)

Particulars	Details
Name of the Account Holder	_____
Customer ID (CIF No.)	_____
Account Number	_____
Account Type	<input type="checkbox"/> Savings Bank <input type="checkbox"/> Current A/C
Mobile Number (Registered)	_____
Email ID (if registered)	_____
PAN	_____
Opt-in to MOD Scheme	<input type="checkbox"/> YES
Preferred Sweep-Out Trigger Balance	₹ 20,000 (Fixed as per policy)
Sweep-Out in Multiples of	₹ 1,000 (Fixed)
Minimum FDR Amount	₹ 10,000 (Fixed)
Deposit Tenure	1 Year (or as decided by bank)
Mode of Interest Payout	<input type="checkbox"/> On Maturity <input type="checkbox"/> Quarterly

I/We hereby authorize **Jogindra Central Cooperative Bank Limited** to activate the **MOD (Multiple Option Deposit) Scheme** for the above-mentioned account. I/We confirm that I/We have read, understood, and agree to the terms and conditions of the MOD Scheme, including the sweep-in/sweep-out operations, interest computation, premature withdrawal penalty (1% on applicable rate), and taxation as applicable.



I/We understand that:

- The Bank will automatically sweep out surplus balances exceeding ₹20,000 in multiples of ₹1,000 into Fixed Deposits (FDR \geq 10000).
- Premature withdrawal of FDRs will attract a penalty of 1% on applicable interest rates.
- Interest on deposits held for less than 90 days will be paid as **simple interest**, subject to applicable terms.
- The scheme can be deactivated at my/our written request or through the mobile app (**J Mudra**).
- The Bank reserves the right to modify the scheme parameters with due notice.

Customer Signature(s)

Name of the account holder:

Place:

Date:

For Bank Use Only:

Officer Name	Signature	Branch Code	Date Received

BS Entry Completed on: ___ / ___ / ___ by _____ (Staff ID)

- ✓ MOD Flag Enabled in CBS
- ✓ Customer Confirmation SMS Sent

