

FAIR PRACTICE CODE

Approved as per resolution No: 5⁰ dated

As directed by the Reserve Bank of India, from time to time through its circulars, the Bank has adopted modified Fair Practice Code for Lenders as approved by the Board of Directors. The salient features of the same are:

1. DECLARATIONS

Our Bank declares and undertakes

1. That all loans/advances will be granted only in accordance with the loan policy, Loan and advance rules of the bank, copy of which will be available to the borrowers on request
2. To provide professional, efficient, courteous, diligent and speedy services in the matter of retail lending.
3. Not to discriminate on the basis of religion, caste, sex, descent or any of them.
4. To be fair and honest in advertisement and marketing of Loan Products.
5. To provide customers with accurate and timely disclosure of terms, costs, rights and liabilities as regards loan transactions.
6. If sought, to provide such assistance or advise to customers in contacting loans.
7. To attempt in good faith to resolve any disputes or differences with customers by setting up complaint redressal cells within the organization.
8. To comply with all the regulatory requirements in good faith.
9. To spread general awareness about potential risks in contacting loans and encourage customers to take independent financial advice and not act only on representation from Bank.

2. FAIR PRACTICES

1. PRODUCT INFORMATION

1. Loan applications are devised for each type of loan/advance separately.
2. Acknowledgement will be given for all loan applications in the prescribed form.
3. The time frame with which loan application will be disposed shall be indicated in the Acknowledgment.
4. A prospective customer would be given all the necessary information adequately explaining The range of loan products available with our Bank to suit his needs
5. On exercise of choice, the customer would be given the relevant information about the loan product of choice.
6. The Customer would be explained the processes involved till sanction and disbursement of loan and would be notified of timeframe within which all the processes will be completed ordinarily at our Bank.
7. The Customer would be informed of the names and phone numbers of branches and the persons, whom he can contact for the purpose of loan to suit his needs.
8. The Customer would be informed the procedure involved in servicing and closure of the loan taken.
9. If any additional details /documents are required in connection with the application, the same Will intimate to the borrower.
10. A loan application can be rejected on reasonable grounds and he reasons for rejection shall be intimated to the applicant.
12. The terms and conditions of the loan/advance will be given to the applicant in writing for the acceptance record and any change will be intimated the borrower.

2. INTEREST RATES

1. Interest Rates for different loan products would be made available through and in any one or all of the following media, namely:
 - 1). Bank's website.
 - 2). Over phone, if tele-banking services are provided.
 - 3). Through prominent display in the Branches and at other delivery points.
 - 4). Through other media from time to time
2. Customers would be entitled to receive periodic updates on the interest rates applicable to their accounts.
3. On demand, customers can have full details of method of application of interest.
4. Revision in interest rates

Our Bank would notify immediately or as soon as possible any revision in the existing interest rates and make them available to the customers in the media listed in Para 2.1 above. Interest Rate revisions to the existing customers would be notified within 3 working days from the date of change.

5. Default interest/penal interest

Our Bank would notify clearly about the default interest/penal interest rates to the prospective customers.

3. CHARGES:

1. Our Bank would notify details of all charges payable by the customers in relation to their loan account.
2. Our Bank would make available for the benefit of prospective customers all the details relating charges generally in respect of their retail products in the media specified in Para 2.1.
3. Any revision in charges would be notified in advance and would also be made available in the media as listed in Para 2.1.
4. Our Bank would clearly specify the charge account for interest and charges, wherever necessary and get a mandate for debiting the said charge account along with the documentation.
5. The Bank will give notice of any change in the terms and conditions including interest rates, service charges etc. The Bank would ensure that changes in interest rates and charges are affected only prospectively (unless otherwise required by the regulation/law).

4. TERMS AND CONDITIONS FOR LENDING

- a) Our Bank would ordinarily given an acknowledgement of receipt of loan request and if demanded by the customer, a copy of the application form duly acknowledged would also be given, as soon as the customer chooses to buy a product of or service of his choice.
 - b) Immediately after the decision to sanction the loan, our Bank would show draft of the documents that the customer is required to execute and would explain, if demanded by the customer the relevant terms and conditions for sanction and disbursement of loan Application Forms, Draft documents or such other papers. To be signed by a customer should comprehensively contain all the terms and conditions relating to the product or service of his choice.
 - c) Wherever possible, reasons for rejection of loan would be conveyed to customers.
 - d) Before disbursement of loan and on immediate execution of the loan documents, our Bank would deliver a copy of the duly executed documents to the customers
 - e) Credit facilities that are solely at the discretion of the Bank. These may include approval or disallowance of facilities, such as drawings beyond the sanctioned limits,
 - f) honoring cheques issued for the purpose other than specifically agreed to in the credit sanction and disallowing drawing on a borrower account on its classification as a nonperforming asset or in the event of default or on account of non-compliance with the terms of sanction.
- The Bank would not have an obligation to meet further requirements of the borrowers on account of growth in business etc. without proper review of credit limits.
- g) In case of lending under consortium arrangement where the Bank is a participant, the Bank would endeavor to complete appraisal of proposals in a time bound manner to the extent feasible and communicate to the client the decision on financing or rejection of the proposal within a reasonable time
 - i) The Bank will ensure timely disbursement of loans sanctioned in conformity with the terms and conditions governing such sanction

5. ACCOUNT PRACTICES:

- a) Our Bank would provide regular statement of accounts, unless not found necessary by the customers. Our Bank would notify relevant due dates for application of agreed interest, penal interest default interest, and charges, if they are not mentioned in the Loan applications, documents or correspondence.
- b) Our Bank would notify in advance any change in accounting practices, which would affect the customer before implementation

6. INFORMATION SECRECY:

- a) All personal information of the customer would be confidential and would not be disclosed to any third party unless agreed to by customer. The term 'Third Party' excludes all Law Enforcement Agencies, Credit Information Bureau, Reserve Bank of India, other Banks and Financial Institutions.
- b) Subject to above Para, customer information would be revealed only under the following circumstances, namely
 - a) If the Bank is compelled by Law
 - b) If it is in the Public Interest to reveal the information
 - c) If the interests of the Bank require disclosure.

7. FINANCIAL DISTRESS:

1. Our Bank would reckon cases of customer's financial distress and consider them sympathetically.
2. Customer would be encouraged to inform about their financial distress as soon as possible.
3. Our Bank would adequately train the operational staff to give patient hearing to the customers in financial distress and would render such help as may be possible in our view.

8. POST DISBURSEMENT SUPERVISION

- a. The post disbursement supervision, such as submission of periodical reports and periodic inspection, will be stipulated at the time of issue of the sanction letter. The sanction letter would also mention whether the Bank or the borrower will bear the cost of inspection.
- b. Before taking a decision to recall / accelerate payment or performance under the agreement or seeking additional securities, lenders should give notice to borrowers, as specified in loan agreement or a reasonable period, if no such condition exists in the loan agreement.
- c. The Bank shall release all securities on receiving payment of loan. However, the Bank may decide to exercise the right to set off any legitimate right or lien for any other claim against borrower. In case the Bank decides to retain the security, the borrower will be notified about the remaining claims and the documents under which the Bank is entitled to retain the security till the relevant claim is paid / settled.

9. GRIEVANCE REDRESSAL:

1. Our Bank would have a Grievance Redressal Cell/Department/ Centre within or outside the organisation.
2. Our Bank would make available all the details, namely:
Where a complaint can be made, How a complaint should be made, to the customers individually on demand and through the media listed in Para 2.1. When to expect a reply, whom to approach for redressal of grievance etc.
The authority for complaint redressal will be the director board. They can delegate this authority to a director or a committee of directors.
3. Response to a complaint whether positive or negative or requiring more time for redressal would be given within a maximum period of four weeks from the date of complaint, unless the nature of complaint is such that requires verification of voluminous facts and figures.