

FAIR PRACTICES CODE FOR LENDERS

With a view to establish Fair Lending Practices in a transparent manner, Bank has decided to adopt the following as Lenders' Fair Practices Code.

The Fair Practices code applies to the following areas:

- a) Applications for loans and their Processing.
- b) Loan appraisal and terms / conditions
- c) Disbursement of loans including changes in terms and conditions
- d) Post disbursement supervision
- e) Other general provisions.

A.1 Applications for loans and their processing

- Standard schedule of fee / charges relating to the loan application depending on the segment, to which the accounts belong, will be made available to all the prospective borrowers in a transparent manner, along with the loan application, irrespective of the loan amount. Likewise, amount of fee refundable in the event of non-acceptance of the application, prepayment options and any other matter which affects the interest of the borrower will also be made known to the borrower at the time of application.
- Receipt of completed application forms will be duly acknowledged.
- The acknowledgement would also include the approximate date by which the applicant should call on the Bank for preliminary discussions, if deemed necessary.
- **All loan applications will be disposed of within a period of 4 weeks from the date of receipt of duly completed loan applications i.e. with all the requisite information/papers.**

A.2 Time Limit observed by Bank (maximum time-limit for disposal of application as under)

Type of Advance	Time Frame for disposal of loan applications
Priority Sector	
Upto Rs.25000	Within 2 weeks
Above Rs.25000 Upto Rs.5.00 lacs	Branch Level 4 weeks
Above Rs.5.00 lacs	RO Level 45 days
	HO Level 90 days
SME	
Upto Rs.2.00 lacs	2 weeks
Above Rs.2.00 lacs	4 weeks
Retail Loans	not beyond 4 weeks / 45 days / 90 days at Branch, RO level respectively.
Other than Priority Sector, Retail and SME :	
Branch	Within 10 days
Dy.Regional Manager	7 days from receipt from branch
Regional Manager	7 days from receipt from branch
GM at Head Office	7 days from receipt from regional office
Chairman at Head Office	7 days from Receipt from regional office

In case of rejection of loan application, irrespective of category of loans or threshold limits, the same would be conveyed in writing along with the main reason(s), which led to rejection of the loan application.

The time frame is for the sanction up to the level of Chairman. In case of proposals falling within the powers of the Management Committee of Board, the proposals are to be submitted at the next meeting scheduled to be held after the clearance by the Chairman.

The above time frame for disposal of applications is from the date of receipt of loan application, which is complete in all respects.

B. Loan appraisal and terms / conditions

- In accordance with Bank's prescribed risk based assessment procedures, each loan application will be assessed and suitable margin/securities will be stipulated based on such risk assessment and Bank's extant guidelines, however without compromising on due diligence.
- The sanction of credit limit along with the terms and conditions thereof is to be conveyed to the loan applicant in writing and applicant's acceptance of such terms and conditions will be obtained in writing. Such terms and conditions as have been mutually agreed upon between the bank and borrower prior to the sanction will only be stipulated.
- Copy of loan documents, along with a copy each of all relevant enclosures quoted in the loan agreement are to be furnished to all the borrowers at the time of sanction / disbursement of loans. Standard sanction letter would include instances of approval, disallowance, etc.
- The bank is under no legal obligation to consider increase/additional limits/facilities without proper review/assessment.
- In case of lending under consortium arrangement, the participating banks would decide the timeframe to complete appraisal of the proposal and communication of the decision. The Bank will abide by the decision of the consortium.

C. Disbursement of loans including changes in terms and conditions

- Disbursement of loans sanctioned is to be made immediately on total compliance of terms and conditions including execution of loan documents governing such sanction.
- Any change in terms and conditions, including interest rate and service charges, will be informed individually to the borrowers in case of account specific changes and in case of others by Public Notice/display on Notice Board at the branches/on the Bank's website/through Print and or other Media from time to time.
- Changes in interest rates and service charges will be effected prospectively.
- Consequent upon such changes any supplemental deeds, documents or writings are required to be executed, the same shall also be advised. Further, availability of facility will be subject to execution of such deeds, documents or writings.

D. Post Disbursement supervision

- Post disbursement supervision, particularly in respect of loans upto Rs. 2 lacs, would be constructive with a view to taking care of any genuine difficulties that the borrower may face.
- Before taking a decision to recall/accelerate payment or performance under the agreement or seeking additional securities the Bank would give reasonable notice to the borrower.
- All securities pertaining to the loan would be released on receipt of full and final payment of the loans subject to any legitimate right or lien and set off for any other claim that the Bank may have against the borrowers. If such right is to be exercised, borrowers would be given due and proper notice with requisite details.

E. General

- The Bank would refrain from interference in the affairs of the borrower except for what is provided in the terms and conditions of loan sanction documents (unless new information, not earlier disclosed by the borrower, has come to the notice of the Bank as lender). However this does not imply that Bank's right of recovery and enforcement of security under law as well as appointment of nominee directors, where required, is affected by this commitment.
- Bank will not discriminate on grounds of gender, caste or religion in its lending policy and activity.
- In the case of recovery, Bank would resort to the usual measures as per laid down

guidelines and extant provisions and would operate within the legal framework. Bank is already having a Model Policy on Code for Collection of Dues and Repossession of Security.

- In case of request for transfer of borrowal accounts, either from the borrower or from a Bank/Financial Institution, the Bank's consent or otherwise shall be conveyed within 21 days from the date of receipt of request.

F. Complaints

In case of any complaint / grievance, received from the applicant/borrowers in writing, the concerned branch/ the Branch Officials shall immediately take up the matter for redressal.

G. Redressal

On receipt of the complaint, the branch would report the matter with full details on the same day to Regional Head, who would take all necessary steps to redress and resolve the grievance/dispute, within a maximum period of 15 days.

In order to enhance value and relevance to the borrowers this code would be under review from time to time. The Bank would, therefore, greatly value any suggestions for improvement.