

iv. SALIENT FEATURES OF FAIR LENDING PRACTICES CODE

1. PREAMBLE

(a) Scope: Fair Lending Practices Code (FLPC for Short) aims at providing information to Customers seeking credit facilities of all categories of loans irrespective of amount of loan sought by the borrower and facilitates effective interaction of customers with the Bank.

(b) Extent: Modified FLPC is put in place by our Bank with effect from 30.04.2007.

(c) The Bank reserves the right to modify / incorporate / delete any of the clauses in this FLPC at any time and will announce the revised code, in place of the present FLPC furnished hereunder.

2. IMPORTANT DECLARATIONS

Our Bank declares and undertakes

- a. To provide professional, efficient, courteous, diligent and speedy services in the matter of lending.
- b. Not to discriminate on the basis of religion, caste, sex, descent or any of them (except participation in credit-linked schemes framed for weaker sections of the society like Women Entrepreneur Scheme etc.)
- c. To be fair and honest in advertisement and marketing of Loan Products
- d. To provide customers with accurate and timely disclosure of terms, costs, rights and liabilities as regards loan transactions.
- e. If sought, to provide such assistance or advise to customers applying for loans.
- f. To attempt in good faith to resolve any disputes or differences with customers by the complaint redressal cells within the Bank.
- g. To comply with all the regulatory requirements in good faith.
- h. To spread general awareness about potential risks in contracting loans and encourage customers to take independent financial advice and not act only on representation from banks.

3. FAIR PRACTICES

3.1 Product Information

a. 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.

b. On exercise of choice, the customer would be given the relevant information about the loan product of his choice.

c. 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.

d. The Customer would be informed of the names and phone numbers of branches (*or the persons*) whom he can contact for the purpose of loan to suit his needs.

e. The Customer would be informed the procedure involved in servicing and closure of the loan taken.

3.2 Interest Rates

3.2.1 Interest Rates for different loan products would be made available through and in any one or all of the following media, namely:

- a. In our Bank's Web site
- b. Over phone, if Tele Banking services are provided
- c. Through display in the branches
- d. Through other media from time to time.

3.2.2 Customers would be entitled to receive periodic updates on the interest rates applicable to their accounts, if the Revision is individual Customer-Specific.

3.2.3 On demand, Customers can have full details of method of application of interest.

3.3 Revision in Interest Rates

a. 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 3.2.1.

b. Interest Rate revisions to the existing customers would be notified within a reasonable period of ten days from the date of change through the media as per Para 3.2.1.

3.4 Default Interest / Penal Interest

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

3.5 Charges

a. Our Bank would notify details of all charges payable by the customers in relation to their loan account.

b. Our Bank would make available for the benefit of prospective customers all the details relating to charges to all loan applicants of all categories of loans irrespective of amount of loan sought by the borrower in the media as specified in Para 3.2.1.

c. Any revision in charges would be notified in advance and would be made available in the media as listed in Para 3.2.1

d. Our bank would clearly specify the charges to be recoverable from the Borrower for interest and charges, wherever necessary and get a mandate for debiting the said account along with the documentation.

3.6 Terms and Conditions for Lending

a. Our Bank would ordinarily give an acknowledgement of receipt of loan application 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 retail product or service of his choice. In respect of loan applications all loan applicants of all categories of loans irrespective of amount of loan sought by the borrower, the acknowledgement will indicate the timeframe for disposal of such applications.

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 a loan. The bank would obtain the customers' acceptance / guarantor's acceptance of these terms and conditions on record by way of an acceptance signature in the copy of sanction advice / ticket issued to the customer.

c. Loan Application Forms, Draft documents, Sanction letter, Declarations or such other papers to be signed by a customer would comprehensively contain all the terms and conditions relating to the product or service of his choice.

d. Wherever possible, reasons for rejection of loan would be conveyed to the customers.

e. Before disbursement of loan, our Bank upon written request would deliver the FORMAT (copy) of the documents to be executed by the customers against their acknowledgement at their cost.

f. If the borrower desires to have the copies of the executed loan documents, bank upon written request would deliver the copies of duly executed documents after due verification by the branch lawyer, against the borrowers' written acknowledgement, at their cost.

g. Modification on **time frame for disposal of applications** in respect of all categories of loans irrespective of the amount of loan shall be as under:

Upto Rs. 25000/-	Within 15 days
Beyond Rs.25000 and up to Rs. 5 crore – fresh limits and increase in limits for existing units	Within 4 weeks
Above Rs. 5 Crore – fresh limits and increase in limits by existing units.	Within 8 weeks
For Adhoc limits	Within 3 weeks

3.7 Account Practices

a. Our Bank would provide regular statement of accounts, unless not found necessary by the customers.

b. 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.

c. Our Bank would notify in advance any change in accounting practices that would affect the customer, before implementation, in the media listed in para 3.2.1.

3.8 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 the 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 ;

- If our Bank is compelled by law
- If it is in the Public Interest to reveal the information
- If the interests of our Bank require disclosure.

3.9 Financial Distress

a. Our Bank would reckon cases of customer's financial distress and consider them sympathetically.

b. Customer would be encouraged to inform about their financial distress as soon as possible.

c. 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 their view.

d. In the event of default our bank will take every legal means for the recovery of the loans from the borrowers / guarantors / securities / other assets.

3.10 Grievance Redressal

a. The Branch Manager can be approached through letter or in person, who will attend to / give personal hearing to the grievances of the Credit Applicants on any working day during the Banking Hours. The findings will be communicated within one week to the aggrieved party.

b. If the customer is not satisfied with the reply, he can approach the Circle Head (whose name and office address are displayed in the branch) for redressal of the complaints / grievances. All Circle Heads or the nominated officer at the Circle Office will attend to the Complaints / grievances and also give personal hearing to the applicants. The decision will be communicated to the applicants within two weeks. The grievances can be represented in plain paper with all relevant particulars by the Applicant.