

MALWA GRAMIN BANK
HEAD OFFICE, SANGRUR

CITIZENS' CHARTER - Codes of Standards and Fair Practices for the Services provided by Regional Rural Banks

Malwa Gramin Bank strongly believes that a satisfied customer is the most important factor for growth of its business”

I. This document called the “Citizens’ Charter of Malwa Gramin Bank” provides key information on various facilities/ services provided to customers in branches of Malwa Gramin Bank. The Citizens’ Charter, together with Code of Fair Practices, will thus, ensure high standards of accountability, responsibility and transparency in the bank’s dealings with customers. The Charter also provides comprehensive information on bank’s grievances redressal mechanism.

II. This is not a legal document creating rights and liabilities. Loans and advances may also have specific terms and conditions not mentioned in the Charter. However, all terms and conditions will comply with the principles and commitments undertaken by the bank in the Code.

III. Copies of the Citizens’ Charter and Code will be available on request to all our customers at our Branches and Controlling Offices. We will ensure that all our staff members are aware of the commitments contained in these documents and faithfully implement the same.

IV. The Charter provides essential information in transactions relating to savings, current and fixed deposit accounts, safe deposit lockers, grievances redressal, etc. For further details and complete information on terms and conditions of service visit our branches or write to us at Head Office.

V. The bank will endeavour to update the information regularly but please contact the nearest branch/ Area Office /Controlling Office for the latest changes, if any. "

Chapter 1

Code of Fair Practices for RRBs

This is a voluntary code. This sets minimum standards of banking practices for banks to follow when they are dealing with the customers

1.1 Objectives of the Code

The Code has been developed with a view to achieving the following objectives a. promote good and fair banking practices by setting minimum standards in dealing with the customers ;

b. increase transparency so that the customers can have a better understanding of what they can reasonably expect of the services, and

c. promote a fair and cordial relationship between the customers and their bank

1.2 Application of Code

Unless it says otherwise, all parts of the Code apply to all the products and services listed below, whether they are provided across the counter, over the phone, by post or by any other method.

- a. Current accounts, savings accounts, term deposits and all other deposit accounts.
- b. Payment services such as pension, payment orders, remittances by way of Demand Drafts and all electronic transactions e.g. NEFT, RTGS, Internet Banking, Mobile banking etc.
- c. Collection of cheques, safe deposit locker facility.
- d. Loans and overdrafts and guarantees.
- e. Third party insurance and investment products sold through RRBs' branches.
- f. Card products including Rupay KCC cards, ATM cards and services

1.3 Key Commitments to customers

- i. We promise that we will act courteously, fairly and reasonably, based on the ethical principles of integrity and transparency in all our dealings.
- ii. We promise that our products and services meet relevant laws and regulations in letter and spirit.
- iii. We will not discriminate on the basis of age, race, gender, marital status, religion or disability, unless explicitly instructed by the Regulator or by any law in force.
- iv. We will make sure that our documents and procedures are clear and not misleading and that they give clear information about our products and services.
- v. When you have chosen an account or service, we will give you clear information about how it works, the terms and conditions and the interest rates which apply to it.
- vi. We will help you use your account or service by sending you regular statements (where appropriate) and we will keep you informed about changes in the interest rates, charges or terms and conditions.
- vii. We will deal quickly and sympathetically with things that inadvertently go wrong by correcting mistakes quickly, handling complaints quickly and reversing any bank charges applied erroneously.
- viii. We will treat all your personal information as private and confidential, and operate secure and reliable banking and payment systems.

1.4 Deposit Accounts

1.4.1. Terms and Conditions

- i. The bank will advise a customer the relevant terms and conditions governing the operations of the deposit account when the account is opened for the first time.
- ii. Change in terms and conditions
 - a. If the bank has made any change without notice it will notify the change within 30 days. If such change is to customer's disadvantage, the customer may within 60 days and without notice, close his/ her account or switch it without having to pay any extra charges or interest.
 - b. If bank has made a major change or a lot of minor changes in any one year, the bank will, on request, give the customer a copy of the new terms and conditions or a summary of the changes.

1.4.2. Changing of account

i. If the customer wants to transfer his /her account to another branch of the bank, it will do so. Customer's account at the new branch will be operationalised on the same/ next day of receiving his/her request, subject to customer's complying with the required KYC formalities at the new branch. Bank will intimate the customer as soon as the account is operationalised.

1.4.3. Closure of accounts

Under normal circumstances, bank will not close customer's account without giving the customer, at least, 30 days notice. Examples of circumstances, which are not 'normal', include improper conduct of account, non KYC compliant etc. In all such cases, the customer will be required to make alternative arrangements for cheques already issued and desist from issuing any fresh cheques on such account.

1.4.4. Closure or shifting of branch

If the bank plans to close a branch or if the bank shifts the branch, the bank will give to the customers:

- i. notice of three months if there is no other branch of any bank functioning at that centre and inform the customer how the bank will continue to provide banking services to the customer; and
- ii. Notice of two months, if there is a branch of any other bank functioning at that centre.

1.5 Types of deposit accounts

1.5.1. A depositor may open the following types of the account with the bank:

- i. Savings Bank Account
- ii. Current Deposit Account with or without overdraft facility.
- i ii. Term Deposit Account

1.5.2. The bank before opening any deposit account will carry out due diligence as required under 'Know Your Customer' (KYC) guidelines issued by the RBI. If the decision to open an account of a prospective depositor requires clearance at a higher level, reasons for any delay in opening of the account will be informed to him/her and the final decision of the bank will be conveyed at the earliest to him/her.

1.5.3. The due diligence process, while opening a deposit account will involve satisfying about the identity of the person, verification of address, satisfying about his/her occupation and source of income and obtaining recent photograph. However, the bank will be following the guidelines/ instructions of the RBI in regard to opening of 'Basic Saving Bank deposit account' under the Financial Inclusion Scheme.

1.6 Saving Bank Deposit Accounts

1.6.1. These accounts are designed to help the individuals to inculcate habit of saving money to meet their future requirements. It helps customers to keep minimum cash at home besides earning interest on the amounts kept in the account. The amounts can be deposited /withdrawn from these accounts by way of cheques/withdrawal slips. These accounts can be opened by eligible person/s and certain organizations/agencies (as approved by the RBI.)

1.6.2. Before opening such accounts, the bank would like to satisfy itself about the identity of the person/s desiring to open the account/s including verification of address/es. This will help in protecting the prospective customers, members of the public and the bank against frauds and likely misuse of the banking system by any unscrupulous elements. The details required for opening a Savings Bank Account are as follows :

i. The bank is required to obtain Permanent Account Number (PAN) or General Index Register (GIR) Number or alternatively obtain declaration in Form No.60 or 61 as per the Income Tax Act (vide section 139 A) from the person/s opening the account/s (i.e. including partners of Registered/Un-registered partnership as also registered/Incorporated bodies/companies).

ii. The bank will provide to the prospective customers details of the documents required for identification of the person/s opening the account/s. Documents normally accepted are the current telephone/electricity bill and voter's identity card or driving licence or passport, Aadhar Card etc.

1.6.3. Who can open the account:

1.6.4. a) A person in his/her own name.

b) By two or more persons in their joint names and account to be operated as under:-

i. both or all of them or the survivor/s or survivor/s of them; or

ii. Either or any one of them or more of them or the survivor/s or survivor/s of them; or

iii. former/latter or survivor or a particular person during his/her life time or survivors jointly or survivor/s.

c) Account may be opened in the names of illiterate or blind persons or in the names of, or on behalf of minors either singly or jointly. The special provision applicable to such account may be ascertained from the bank.

d) Accounts may, in approved cases, be opened in the names of associations, clubs, or similar other non-trading institutions for the purpose of depositing savings, provided the relevant bye-laws, rules, etc. are found acceptable to the bank.

1.6.5. Interest @ 4.00% p.a. on daily balance paid at half yearly intervals, provided it works out to minimum Rs.1/-. Any changes in the rates, which are governed by the directives of the RBI, are notified through advertisement in the newspapers.

1.6.6. How to open an account:

- i. The applicant will be furnished with a copy of rules and will be required to sign the prescribed form of application to be filled in and the appropriate declaration(s) thereof in respect of accounts in joint names completed by him. The application should be presented at the bank with an initial deposit. The applicant should attend the bank personally for completion of the formalities for opening the account.
- ii. Every depositor will be required to furnish to the bank specimen of their signatures/thumb impression for record. The signature must be legible and well formed. All withdrawals, cheques and letters to the bank in connection with the account must be signed strictly in accordance with such specimen.
- iii. Each account is given a distinctive number which will be mentioned in the passbook supplied to the account holder. This number must be invariably quoted in all pay-in slips/cheques/withdrawals and correspondence with the bank.

1.6.7. Pass-Book :

- i. The bank will issue a pass-book for the account opened. The pass-book must be presented for withdrawal other than by cheques. Deposits may be made without production of pass-book, but the pass book should be sent to the bank for completion as soon as possible. When pass-book is returned duly completed, the depositor should examine the entries carefully and draw the bank's attention to any error or omission that might be discovered.
- ii. Pass-book should, as far as possible, be collected from the bank by the account holder immediately or on the same day. However, if due to any contingency, the pass-book is required to be retained overnight, the branch will issue a receipt in the form of a paper token. The pass-book should be collected against this token within a week; otherwise, the same will be delivered to the depositor by registered A.D. post at his/her cost to ensure the safe receipt of the pass-book.
- iii. The depositors are advised to keep their pass-books in a safe place. The bank shall not be held responsible for any loss or incorrect payment attributable to the neglect of this rule. Any change in the address of the depositor should be immediately intimated to the bank in his/her own interest.
- iv. In case of loss of the pass-book, the customer can obtain duplicate pass-book paying a service charge as specified by the bank.

1.6.8. Mode of depositing money :

A depositor may deposit money as often as he/she wishes. The amount should be deposited along with pay-in-slip duly completed when the counterfoil of the pay-in-slip will be returned to the tendered duly receipted.

1.6.9. Mode of withdrawing money other than by cheque :

- i. When a depositor wishes to withdraw money, other than by cheque , he/she shall present his pass-book personally along with a withdrawal form prescribed by the bank duly completed.
- ii. Payment of Savings Bank withdrawal forms to third parties even if they are accompanied by pass books is not permitted. However, certain relaxations have been allowed for the Savings Bank Accounts of pensioners/old/sick/incapacitated customers who cannot come to bank personally to withdraw money.

iii. As far as possible, only clean notes will be issued to the customers.

1.6.10 Withdrawal by cheque:

i. In the case of cheque book operated accounts, withdrawals are allowed in the cheque forms supplied by the bank. Cheque books will normally be issued to a depositor against an application signed by him/her on the bank's requisition slip from the cheque book in his /her use. Withdrawals are also allowed on withdrawal forms in cheque book operated accounts upto certain limits.

ii. Normally, the bank will be supplying one cheque book to Savings Bank account holder free of charge in a calendar year. For additional cheque books at such notified centre, charge will be levied by the bank as prescribed from time to time.

iii. The bank may refuse payment of cheques that have been altered. Cheque should be drawn in such a way as to prevent alteration after issue and the drawer's signature should conform with that on record at the bank.

1.6.11. Limitations on deposit and withdrawals:

i. A small sum as specified by the bank can be accepted at the time of opening a Savings Bank Account and thereafter, no deposit for less than Rs.10/- shall be accepted. However in case of Basic Saving Bank Deposit account under Financial Inclusion, requirement of minimum initial deposit is waived

ii. Cheques, drafts, dividend warrants and other instruments drawn in favour of the depositor will be accepted for credit of accounts. Third party instruments endorsed to the depositors will not be collected on behalf of the Savings Bank Account holders.

iii. A Saving Bank Account holder will not be permitted more than 30 debits on his/her account in a half-year. The bank will levy charge at a specified rate per debit for exceeding stipulated 30 debits in a half-year.

iv. A depositor cannot withdraw a sum less than ten rupees, nor any sum which is not in multiple of Rs.10/- unless the account is to be closed in which case entire balance at credit of the account will be withdrawn.

1.6.12 Transfer of account:

Accounts may be transferred to any other branch of the bank free of charges. Should the depositor wish to transfer his/her account, he/she should make a written application for the transfer to the branch where he/she wishes his account to be transferred.

1.6.13 Closing of an account:

A depositor wishing to close his/her account should present his/her pass book in order that amount of interest due on the account may be entered therein and the final balance struck. The amount will be then paid to the depositor and cancelled but completed pass book will be returned to him/her for his record. The unused cheque forms, if any, in his /her possession should also be returned to the bank.

1.6.14 The bank maintains strict secrecy with regard to every account and as such, account holder should either obtain information pertaining to his/her accounts personally or through his/her accredited representative only.

1.6.15 The bank will register instructions from drawer regarding cheque lost, stolen, etc. but cannot guarantee depositors against loss in such cases in the event of such cheques being paid. Charges for stop payment instructions will be levied as specified by the bank.

1.6.16 Accounting facility to visually challenged persons:

The bank will open a deposit account in the name of visually challenged persons to be operated singly or jointly with others or in the name of sole proprietorship concerns/firms/partnerships where a visually handicapped person/s is/are involved. The blind persons may operate the account singly (i.e. through Power of attorney) or jointly with any other person. The Power of Attorney should be duly notarized or attested by a Magistrate.

1.7 Current Deposit Account with or without overdraft facility

1.7.1 Current Accounts can be opened by individuals, partnership firms. Private limited companies, Hindu Undivided Family (HUF)/ specified Associates, Societies, trust, etc.

1.7.2 Before opening an account, the bank would like to satisfy itself about the identity of the person/s desiring to open an account including verification of address/es. This will help in protecting the prospective customers, members of public and the bank against frauds and likely misuse of the Banking system by any unscrupulous elements.

1.7.3 The bank requires a satisfactory introduction of the person/s opening the account, as per the RBI Directives.

1.7.4 The bank is required to obtain Permanent Account Number (PAN) or General Index Register (GIR) Number or alternatively obtain declaration in Form No.60 or 61 as per the Income Tax Act (vide section 139 A) from the person/s opening the account/s (i.e., including partners of Registered/Un-registered partnership as also Registered/Incorporated bodies/companies).

1.7.5 The bank will provide to the prospective customers details of the documents required for identification of the person/s opening the account in addition to a satisfactory introduction. Documents normally accepted are the current telephone/electricity bill or voter's identity card or driving license or passport, PAN Card, Aadhar Card etc.

1.7.6 Minimum balance stipulated from time to time will be required to be maintained.

1.7.7 No interest is paid on credit balances kept in the current account.

1.7.8 The bank will levy the following charges in the current account:-

i. Cheque -Book Charges:

Per leaf / book charges as may be prescribed by the bank.

ii. Stop Payment instructions:

Charges per instrument as may be prescribed by the bank.

iii. Duplicate Statement

Charges per ledger page or part thereof or as may be prescribed by the bank.

iv . Non-maintenance of minimum balance:

In addition to the levy of ledger folio charges, a charge as specified by the bank on each occasion will be recovered when the balance falls below the minimum stipulated balance. vi. Return of Cheques sent in clearing or collection: When the cheque is returned due to insufficient fund, a charge as specified by the bank will be recovered from the account for every instrument returned in clearing, in addition to other charges.

1.8 Term Deposit Accounts

1.8.1 The bank has tailored various deposit schemes to suit the needs and expectation of investing people in every walk of life. A 'Term Deposit' means a deposit received by the bank for a fixed period and which is withdrawable only after the expiry of the said fixed period and shall include deposit such as Cumulative/Annuity/ Reinvestment deposits, and so on.

1.8.2 No term Deposit can normally be accepted for a period exceeding 10 years. However, bank may accept deposits for period exceeding 10 years in terms of competent Court's orders and in the case of minors where interests of minor are involved, provided bank is convinced that it is necessary to do so.

1.8.3 The bank will issue a Term Deposit Receipt indicating therein full details, such as, name of depositor/s, date of issue, period of deposit, due date, applicable rate of interest, maturity value and periodical rests at which interest is payable, etc.

1.8.4 Term Deposit account can be opened by individuals, partnership firms, private limited companies, HUFs, etc.

1.8.5 Before opening an account, the bank would like to satisfy itself about the identity of the person/s desiring to open an account including verification of address/es. This will help in protecting the prospective customers, members of public and the bank against frauds and likely misuse of the Banking system by any unscrupulous elements. For the purpose the bank will require completion of all the account opening formalities as stated in the para 1.6.2(ii) in the Savings Bank Deposit Account Section above.

1.8.6 Premature withdrawals are mandatory if requested by the depositors. However, the bank is free to prescribe penal rates for allowing the same. The RBI has, decided to give freedom to banks to exercise their discretion to disallow premature withdrawal of large deposits held by entities other than individuals and Hindu Undivided Families (HUF). The bank will, however, notify such depositors of its policy of disallowing premature withdrawals in advance, i.e. at the time of accepting such deposits.

1.8.7 Extant instructions for payment of interest on premature payment of term deposit are as under :

i . For deposits prematurely withdrawn before 14 days, no interest will be paid. ii. For term deposits older than 14 days, premature withdrawal will be allowed. Interest will be paid at the rate 1% below the rate applicable for the period for which the deposit remained with the bank.

1.8.8 Payment of Overdue Interest :

- i. If the Term Deposit is renewed within 14 days and the entire amount is renewed, the deposit will be renewed at the rate prevailing on the maturity date.
- ii If the overdue period exceeds 14 days, interest on the amount so placed as fresh deposit shall be paid for the overdue period at the applicable rate slab for the period it remained overdue at the rates prevailing on the maturity date or on the date of payment, whichever is less. The deposit shall be renewed from the date of actual payment at the rates prevalent on the date of such renewal.

1.8.9 Generally, loans/overdrafts against deposit are allowed as a matter of routine. Such loans are sanctioned by charging interest prescribed by the bank from time to time.

1.8.10 The deposits are renewed by the bank on due dates on request. As a measure of good customer service, the bank may intimate the depositor in advance regarding date of maturity.

1.8.11 Interest on deposits is payable either monthly at discounted value or quarterly or compounded quarterly (i.e. reinvestment of interest) or on the date of maturity at the option of depositor as applicable under particular deposit scheme.

1.8.12 Interest on overdue deposit is paid if the deposit is renewed, as prescribed by the bank from time to time.

1.9 General

1.9.1 Additions or Deletions of the Name/s of Joint Account Holder:

The bank at the request of all the joint account holders allows the addition or deletion of name/s of joint account holder/s if the circumstances so warrant or the bank may allow an individual depositor to add the name of another person as joint account holder. However, in no case should the amount or duration of the original deposit undergo a change in any manner in case the deposit is a term deposit.

1.9.2 Payment of Balance in Accounts of the Deceased Customers to Survivors/Claimants: i. If the depositor has registered nomination with the bank: The balance outstanding in the account of the deceased depositor will be transferred to the account of / paid to the nominee after the bank satisfies about the identity of the nominee, etc. The same procedure will be followed even in respect of a joint account where nomination is registered with the bank.

ii. In the absence of nomination and when there are no disputes among the claimants, the bank will pay the amount outstanding in the account of deceased person against application, notarized affidavit from two respectable persons not related to the claimants and indemnity by all legal heirs or the persons mandated by the legal heirs to receive the payment on their behalf along with two sureties, without insisting on legal documents. This is to ensure that the depositors are not put to any undue hardship on account of delays in completing legal formalities. As directed by the RBI, the bank may not insist on succession certificate from legal heirs irrespective of the amount involved. However, the bank will adopt such safeguards in settling of claims as it may consider appropriate including accepting an indemnity bond.

iii. In case of Term Deposits, the interest will be paid in case of deceased constituent as under:-

- a. at the contracted rate on the maturity of deposit.
- b. In the event of payment being claimed before maturity date, the bank will pay interest as applicable for the period of the Term Deposit on the date of issue without charging the penalty indicated therein.
- c. However, in the case of death of the depositor after the date of maturity of the deposit, the bank shall pay interest at saving deposit rate obtaining on the date of maturity till the date of payment.

1.9.3 Rounding off of the transaction

All transactions including payment of interest on deposit /charging of interest on advances should be rounded off to the nearest rupee i.e. fraction of 50 paise and above shall be rounded off to the next higher rupee and fraction of less than 50 paise shall be ignored. However, cheques issued by the clients containing fraction of a rupee should not be rejected.

1.9.4 Tax deduction at source:

- i. Interest on bank deposits is exempt from income tax up-to a limit specified by the Income Tax authorities from time to time. Presently, if the total interest on deposit, per depositor, per branch, per financial year exceeds Rs.10000/-, the same is subject to Tax Deduction at Source (TDS) at the rate stipulated by the Income Tax Authority.
- ii. The depositor may furnish declaration in Form No. 15 G/H (as the case may be) preferably at the commencement of the financial year for receiving interest on deposits without deduction of Tax. However, extant instructions do not allow this declaration to be filed if the interest accrued or earned in an financial year is above the cutoff limit prescribed by the Income Tax authorities.
- iii. The bank will issue TDS certificate for the tax so deducted

1.9.5 Standing instructions:-

Standing Instructions for payment of insurance premia, loan installments, Cumulative Deposit installment, etc. will be accepted in all Saving Bank accounts. If the transaction involves an upcountry centre, remittance charges at the prescribed rate and the actual postage shall be recovered additionally.

1.9.6 Nomination facility

Nomination facility is available for all deposit accounts. Nomination is available for all accounts opened in individual capacity (i.e. single/joint accounts as well accounts of a sole proprietary concern) only, i.e. not for accounts opened in representative capacity. Nomination can be made, cancelled, or varied by the account holders any time during his/her life time. While making nomination, cancellation or variation, witness is required and all other account holders should sign request. Nomination can be made in favour of minor also. For the existing accounts where nomination is not made, the account holder/s can do so by filling up form available with the branches.

1.9.7 Time limit for settlement of claims:

The bank will endeavour to settle the claims in respect of deceased depositors and release payments to survivor(s)/ nominee(s) within a period not exceeding 15 days from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claim(s), to the bank's satisfaction.

1.9.8 Insurance cover for deposits (wherever applicable):

All bank deposits are covered under the insurance scheme offered by Deposit Insurance and Credit Guarantee Corporation of India (DICGC) subject to certain limits and conditions. At present, this cover is upto Rs.1.00 lakh per depositor.

1.9.8 Dormant accounts:

Accounts which are not operated for a period of two years (or as specified by the bank) are marked inoperative/dormant accounts.

1.9.9 Power of attorney

At the request of the depositor, the bank will register mandate/ power of attorney given by him authorizing another person to operate the account on his behalf.

1.9.10 Secrecy of Customer's Account

i. The bank will not disclose details/ particulars of the customer's account to a third person or party without the expressed or implied consent from the customer. However, there are some exceptions, viz., disclosure of information under the compulsions of law, where there is a duty to public to disclose and where interest of the bank requires disclosure.

ii. The customers' information collected from the customers shall not be used for cross selling of services or products by the bank. If the bank proposes to use such information, it should be strictly with the consent of the account holder/s.

1.9.12 Change in fees and charges

If the bank increases any of the charges or introduces a new charge, it will be notified .

1.10 Safe Deposit Lockers

This facility is not offered through all branches of the bank and wherever the facility is offered, allotment of safe deposit locker will be subject to availability and compliance with other terms and conditions attached to the service. Safe Deposit lockers may be hired by an individual (not being a minor) singly or jointly with other individual(s), HUFs, firms, limited companies, associates, societies, trusts, etc. Nomination facility is available to individual(s) holding the lockers singly or jointly. In respect of lockers held in joint names, upto two nominees can be appointed. Joint locker holders can give mandate for access to the lockers in the event of death of one of the holders on the lines similar to those for deposit accounts. In the absence of nomination or mandate for disposal of contents of lockers, with a view to avoiding hardship to common persons, the bank will release the contents of locker to the legal heirs against indemnity on the lines as applicable to deposit accounts.

1.11 Redressal of complaints and grievances

Depositors having any complaint/ grievance with regard to services rendered by the bank has a right to approach to the General Manager/ Grievance Redressal Officer located at Head Office of the bank. (The details of the internal set up for redressal of complaints / grievances will be displayed in the branch premises). The branch officials will provide all required information regarding procedure for lodging the complaint. In case, the depositor does not get response from the bank within 60 days from the date of complaint or he is not satisfied with the response received from the bank, he has right to approach Banking Ombudsman appointed by the Reserve bank of India located at Reserve Bank of India New Office Building, Sector-17, Central Vista, **Chandigarh-160 017** . The address of the banking Ombudsman will be displayed at the branch premises / Notice Board.

Chapter 2

Model Fair Practices Code for Lenders

2.1 Short title and recital

The code set out below adopted by Malwa Gramin Bank in pursuance of directions shall be called the Fair Practices Code for Lenders adopted by Malwa Gramin Bank.

2.2 Applications for loans and their processing

a) Fees and other terms - To facilitate informed decision, regarding the fees/charges payable, if any, for processing, the amount of such fees non refundable/refundable in the case of non-acceptance of application, pre-payment options and any other matter which may affect the interest of the borrower, the borrowers can get the details from the Branch Manager.

b) Acknowledgement - Acknowledgement will be issued for receipt of all applications.

c) Time frame for disposal –

Bank has set up machinery for speedy disposal of loan applications. After getting all the required particulars/documents from the borrowers, the loan applications will be verified within a reasonable period of time and if additional details / documents are required, the same will be intimated to the borrowers immediately.

d) Communication of rejection with reasons - Applicants for all categories of loans irrespective of any threshold limits shall be conveyed in writing within the stipulated time, the main reason / reasons which, in the opinion of the bank have led to rejection of loan applications in the prescribed format.

2.3 Loan appraisal and terms and conditions

a) Communication of sanction - Sanction of the credit limit will be conveyed to the borrower along with the terms and conditions thereof, for which the borrower's acceptance of the said terms and conditions given with his/her full knowledge will be obtained and kept on record.

b) Terms and Conditions of sanction - The letter of sanction containing the terms and conditions and other covenants governing credit facilities will be issued to the borrower signed by the authorized official. A copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement will also be furnished to the borrowers.

2.4 Disbursement of loans including changes in terms and conditions

Timely disbursement of loans sanctioned in conformity with the terms and conditions governing such sanctions will be ensured. Notice will be given in respect of any change in the terms and conditions including interest rates, service charges, etc. For this purpose, a notice on the Notice Board of the bank's branches, and offices and website of the Bank shall be deemed to be sufficient notice. Changes in interest rates and charges will be effected only prospectively.

2.5 Post disbursement supervision

a) Post- disbursement Supervision - Post-disbursement supervision shall be constructive with a view to taking care of any "lender related" genuine difficulty that the borrower may face.

b) Recall / Accelerated Payment - Decision to recall / accelerate payment or performance under the agreement or seeking additional securities, lenders shall be preceded by notice to borrowers, as specified in the loan agreement or a reasonable period, if no such condition exists in the loan agreement.

c) Release of Securities - On receiving payment of loan or realisation of loan subject to any legitimate right or lien for any other claim against the borrower, all securities will normally be released to the borrower. Where right of set off is to be exercised, borrowers will be given notice about the same with full particulars about the remaining claims and the documents under which bank is entitled to retain the securities till the relevant claim is settled / paid.

2.6 General

a) Non- interference - The bank will not interfere in the affairs of the borrowers except for what is provided in the terms and conditions of the loan sanction documents, unless new information, not earlier disclosed by the borrower, has come to the notice of the bank.

b) No discrimination - The bank will not discriminate on the grounds of sex, caste and religion in the matter of lending. However, the bank may participate in creditlinked schemes framed for weaker sections of society.

c) No unfair measures for recovery - In the recovery of loans, the bank will not resort to undue harassment viz., persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc.

d) Issue of No-Objection Certificate - In case of receipt of request for transfer of borrowal account, either from the borrower or from a bank, which proposes to take over the account, the consent or otherwise i.e. objection of the bank, if any, will be conveyed within 21 days from the date of receipt of request.

2.7 Grievance Redressal Mechanism

Bank may formulate the grievance redressal mechanism as under:

For the loans sanctioned by the Branch Manager, Controlling Office / Regional Manager under whose jurisdiction the branch falls will have to look into any complaints received

against the branch and dispose of the same. For the loans sanctioned by the Controlling Office / Regional Manager, General Manager will dispose of the complaints received. For the loans sanctioned by Head Office -Chairman will dispose of the complaints received.

2.8 Borrowers' Covenants

To be entitled to the above provisions of the Fair Practices Code, the borrower agrees that:

- a) Abide by the assessment of credit application carried out by the bank and shall not expect the use of margin and security stipulations as a substitute for due diligence on credit worthiness of the borrower.
- b) The limits sanctioned and other terms and conditions are purely at the discretion and subject to modification as may be prescribed by the bank.
- c) The interest rate stipulated for the limit is as per the existing guidelines. Appropriate interest will be charged taking into account the changes that may be effected by the bank from time to time.
- d) Allowing drawings beyond the sanctioned limits, honouring of cheques issued for the purpose other than specifically agreed to in the credit sanction remain at the discretion of the bank.
- e) The bank does not have an obligation to meet further requirements of the borrower on account of growth in business etc. without proper review of credit limits.
- f) The bank does not have the obligation to nurse / finance the account in the case of sickness.
- g) In the event of account becoming NPA, full details of the account can be disclosed to public and the borrowers undertake to sign the disclosure clause.