

FAIR PRACTICE CODE FOR LENDERS

In order to set out Fair Lending Practices in a transparent manner, as per RBI guidelines, our Bank has decided the following as Lenders' Fair Practices Code:-

- ✓ Applications for loans and their processing.
- ✓ Loan appraisal and terms / conditions
- ✓ Disbursement of Loans including changes in terms and conditions
- ✓ Post disbursement supervision
- ✓ General
- ✓ Grievance Redressal Mechanism

Application for loans and their processing:-

At the time of applying for the loan, we will provide information about the interest rate applicable, charges for processing of proposals, pre-payment charges, documentation charges, commitment charges, godown verification charges, charges for placing notes for modification in terms & conditions, commission for non-fund based limits and any other matter which affects the interest of the borrower. We will also inform the 'all-in-cost' to the customer with regard to the loan requested.

On receipt of completed application in all aspects, the received application forms will be duly acknowledged. If additional details / documents required, we would intimate the same to the applicant.

The loan applications will be disposed as detailed below:-

Upto Rs.25,000/-	Within 2 weeks
Beyond Rs.25,000/- and upto Rs.1.00 crore – fresh limits and increase in limits for existing units	Within 3 weeks
Above Rs.1.00 crore and upto Rs.5.00 crore – fresh limits and increase in limits for existing units	Within 5 weeks
Above Rs.5.00 crore – fresh limits and increase in limits for existing units	Within 6 weeks
For Adhoc limits	Within 2 weeks

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

The bank reserves the right to either sanction or reject the loan applications. In case of rejection of loan application irrespective of category of loans, the reason for the same would be intimated to applicant.

The applicable processing charges will be collected in two stages, i.e., 50% at the time of appraisal and remaining 50% at the time of execution of documents. If the proposal is rejected by the sanctioning authority, 50% proposal processing charges collected at the time of appraisal will be refunded.

Loan appraisal and terms and conditions:-

In accordance with bank's prescribed appraisal norms under various aspects, the loan application will be considered based on the merits of the request. The bank's extant guidelines on quality of appraisal will not be diluted.

On sanction of credit limits, the same would be communicated to the applicant along with the terms and conditions. If the applicant accepts all the terms and conditions, the applicant and guarantor should sign on the copy of the sanction communication as a token of their acceptance. Modifications in the terms and conditions will be considered based on the request received from the applicant on merits.

The copy of the loan agreement along with all enclosures quoted in the loan agreement would be furnished to the borrower at the time of sanction / disbursement of loans.

There is no obligation to consider further requirements of the borrowers without proper review / assessment.

In case of lending under consortium arrangement, the participating banks will evolve procedures to complete appraisal of proposals in a time bound manner to the extent feasible and communicate the decision within a reasonable time.

Disbursement of loans including changes in terms and conditions:-

The sanctioned loans will be disbursed immediately on total compliance of terms and conditions and execution of loan documents governing such sanction.

We will also provide the information about the penalties liable in case of non-observance / violation of any of the terms and conditions governing the loan enjoyed.

We will inform the change in rate of interest and changes in fees and charges and same will be effected only prospectively. The same will be displayed in the branch's notice board / bank's website.

Post Disbursement Supervision:-

The business place and godowns are verified as per the bank's extant guidelines periodically in such a way that, it will not affect the day-to-day operations of the business. All the assets hypothecated / pledged / mortgaged are subject to inspection as per bank's guidelines.

Before taking decision to recall / accelerate payment or demand performance under the agreement or seeking additional securities, the bank would give reasonable notice to the borrower.

Once all the loan accounts are closed and if there are no direct and indirect liabilities from the borrower / guarantors all the securities would be released subject to obtention of permission from appropriate authority. If the borrower has any other direct or indirect liability to the bank, the right of set off will be exercised after giving due notice to the borrower in writing which gives the full particulars about the liabilities and securities entitled to be retained till the relevant claim is settled.

General

Bank would restrain from interference in the affairs of the borrowers except for what is provided in the terms and conditions of the loan sanction documents. This is not applicable to the borrowers who have not disclosed vital information to the bank which will affect the lending decision.

Bank would not discriminate the applications on grounds of sex, caste and religion in the matter of lending.

In the matter of recovery of loans, the bank functionaries will take appropriate steps for recovery of the loan in such a way that there is no undue harassment to the borrower. The recovery proceedings would be made within the legal framework.

In case of receipt of request for transfer of borrowal accounts, either from the borrower / from Bank / Financial Institution, which proposes to take-over the account, the Bank's consent or otherwise shall be conveyed within 21 days from the date of receipt of request subject to applicable penalties.

Grievance Redressal Mechanism:-

In case of any grievance / complaint, the applicant / borrowers can inform in writing to the Regional Manager in the respective Region and General Manager (Credit) at Head Office. The compliance / grievance would be resolved as per the bank's extant guidelines within a period of 45 days.

In order to enhance the value and relevance to the borrowers, this code would be reviewed from time to time.
