

**Kallapanna Awade Ichalkaranji Janata  
Sahakari Bank Ltd, Ichalkaranji.**

**Janata Bank Bhavan, Main Road, Ichalkaranji – 416 115**

**POLICY ON  
FAIR PRACTICE CODE FOR LENDERS**

**PREAMBLE**

In view of RBI Inspection, during 2012.13, Inspecting Officer suggested to formulate the Fair Practice Code for Lenders. Accordingly, Board of Directors have discussed & issued in length and decided to formulate the Fair Practice Code for lenders.

As directed by RBI vide circular UBD.MRO.PLAN.TAFCUB.2099/13.05.002/2006-07 dt. 28<sup>th</sup> Dec. 2007 for UCBs, policy is approved by Board of Director. The salient features of the policy are as below:

**1. APPLICATION AND PROCESSING OF LOAN APPLICATIONS:-**

- 1.1 The bank will give you detail information with key features of our bank loan products.
- 1.2 The bank will provide all information about fees, charges for processing etc. The amount of such fees shall be refundable in case of non acceptance of application, pre-payment options etc to prospective borrower.
- 1.3 The Bank will provide all information regarding the requirement of documents in respect of identity, employment, address, business/profession etc. & any other documents stipulated by statutory authority, in order to comply with all legal & regulatory requirements.
- 1.4 Applicant would be informed about the duration of processing the loan proposal. Bank will verify the loan application along with documents proceeded for loan proposal within a reasonable time.
- 1.5 The bank will inform the actual reason of rejection of application in writing to the applicant.

2. **LOAN APPRAISAL & SANCTIONING PROCEDURE**

- 2.1 The Bank will ensure proper assessment of loan application.
- 2.2 The will inform/convey to the borrower sanctioned credit limit along with terms & conditions thereof and keep the borrower's acceptance of sanctioned terms & conditions on record.
- 2.3 The Bank shall provide/deliver copy of Loan Agreement to the borrower on his own accord.
- 2.4 The Bank will scrutinize loan application within reasonable time.
- 2.5 The Bank would be made aware that following credit facilities are solely at the discretion of Bank:
  - a) Drawing beyond the sanctioned limits.
  - b) Honouring cheques issued for the purpose other than specifically agreed to in the loan sanction.
  - c) Disallowing drawing on borrower account on its classification as a non performing asset & on account of non-compliance of sanctioned terms & conditions.
- 2.6 In the case of consortium arrangement, the bank & other participating bank would evolve procedures to complete appraisal of proposals in the time bound manner to the extent feasible, and communicate their decisions on financing or otherwise within reasonable time.
- 2.7 The Bank will give notice to the borrower, if any change in sanctioned terms & condition including Interest rate, charges, instalment, tenure of loan etc.
- 2.8 The Bank will ensure acceptance of borrower for changes in sanctioned terms & conditions before disbursement of loan.

3. **DISBURSEMENT & POST DISBURSEMENT SUPERVISION OF LOAN:-**

- 3.1 The Bank will ensure timely disbursement of loans.
- 3.2 The Bank will be made aware of disbursement of loan as per sanctioned terms & conditions.
- 3.3 Borrower would be made aware of stock audit/ credit rating etc to be completed by external agencies & cost thereof borne by him.
- 3.4 Borrower would be made aware of submission of stock statements, financial statements etc to the bank and penalties will be charged in case of default by borrower.
- 3.5 The Bank will give notice to the borrower before taking a decision to recall/accelerate payment or performance under the agreement or seeking additional securities.
- 3.6 The bank will release all securities on receiving payment of loan or realization of loan subject to any legitimate right or lien for any other claim, the bank may have against borrower. If such right of set off is to be exercised, the bank will give notice about the same to the borrower with the full particulars about the remaining claims.

4. **GENERAL**

- 4.1 The bank will restrain from interference 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 lender.)
- 4.2 The bank will not discriminate on grounds of sex, caste and religion in the matter of lending. However, this does not preclude bank from participating in credit linked schemes framed for weaker sections of the society.
- 4.3 In the matter of recovery of loans, the bank will not resort to undue harassment such as persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc.

- 4.4 In the case of receipt of request for transfer of borrowal account, either from the borrower or from a bank/financial institution which proposes to take over the account, the consent or otherwise i.e. objection of the bank, if any, shall be conveyed within 21 days from the date of receipt of request.

5. **GRIEVANCE REDRESSAL MECHANISM**

The bank has formulated separate document for redressal of grievances and displayed on the website, wherein clear procedures for resolving disputes is explained.

**For Kallappanna Awade Ich.  
Janata Sah. Bank Ltd.,**

**GENERAL MANAGER**