

Fair Practice Code

Codes of Standards and Fair Practices for the Services provided by the Bank

A.1 Code of Fair Practices

A.1.1 Objectives of the Code

The Code has been developed with a view to achieving the following objectives:

- (1) promote good and fair banking practices by setting minimum standards in dealing with the customers;
- (2) increase transparency so that the customers can have a better understanding of what they can reasonably expect of the services, and
- (3) promote a fair and cordial relationship between the customers and their bank

A.1.2 Application of Code

- (1) Current accounts, savings account, term deposits, recurring deposit and all other deposit accounts.
- (2) Payment services such as pension, payment orders, remittances by way of Demand Drafts.
- (3) Collection of cheques, safe deposit locker facility.
- (4) Loans and overdrafts.
- (5) Third party insurance and investment products sold through bank branches.
- (6) Card products including KCC cards, ATM cards and services

A.2 Key Commitments to Customers

- (1) We promise that we will act courteously, fairly and reasonably, based on the ethical principles of integrity and transparency in all our dealings.
- (2) We promise that our products and services meet relevant laws and regulations in letter and spirit.
- (3) 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.
- (4) We will make sure that our documents and procedures are clear and not misleading

and that they are given clear information about our products and services.

- (5) 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.
- (6) 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.
- (7) We will deal quickly and sympathetically with things that go wrong by correcting mistakes quickly, handling complaints quickly and reversing any bank charges applied in erroneously.
- (8) We will treat all your personal information as private and confidential, and operate secure and reliable banking and payment systems.

A.3 Deposit Accounts

A.3.1 Terms and Conditions

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.

Change in terms and conditions:

- (i) Normally, changes will be made with prospective effect giving notice of one month.
- (ii) 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.
- (iii) If the 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.

A.3.2 Changing of Account

If the customer is not happy about his / her choice of current or savings account (except for term deposit account) within 14 days of making his first payment into the account, the bank will help the customer switch to another set of bank accounts or bank will give the

customer money back with any interest it may have earned. Bank will ignore any notice period and any extra charges.

If customer decides to close his / her current / savings account, the bank will close the account within five working days of receiving customer's instructions.

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 within two weeks of receiving his / her request, subject to customer's complying with the required KYC formalities at the new branch. The bank will intimate the customer as soon as the account is operationalised.

A.3.3 Closure of Accounts

Under normal circumstances, the 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, 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.

A.3.4 Closure or Shifting of Branch

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

- 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
- Notice of two months, if there is a branch of any other bank functioning at that centre.

A.4 Types of Deposit Accounts

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

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

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.

A.5 Saving Bank Deposit Accounts

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.

A.5.1 Who can open the Account

- (1) A person in his / her own name.
- (2) 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.

A.5.2 How to Open an Account

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.

Each account is given a distinctive number which will be mentioned in the passbook supplied to the accountholder. This number must be invariably quoted in all pay-in slips / cheques / withdrawals and correspondence with the bank.

A.5.3 Passbook

The bank will issue a passbook for the account opened. The passbook must be presented for withdrawal other than by cheques. Deposits may be made without production of passbook, but the passbook should be sent to the bank for completion as soon as possible. When passbook 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.

Passbook 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 passbook is required to be retained overnight, the branch will issue a receipt in the form of a paper token. The passbook 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 passbook.

The depositors are advised to keep their passbooks 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.

In case of loss of the passbook, the customer can obtain duplicate passbook paying a service charge as specified by the bank.

C.6.5 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 tenderer duly receipted.

C.6.6 Mode of withdrawing Money other than by Cheque

When a depositor wishes to withdraw money, other than by cheque book, he / she shall present his passbook personally along with a withdrawal form prescribed by the bank duly completed.

Payment of Savings Bank withdrawal forms to third parties even if they are accompanied by passbooks 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.

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

C.6.7 Withdrawal by Cheque

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.

Normally, Branches shall provide minimum 25 cheque leaves every year, if requested, in savings bank account, free of charge. For additional cheque books at such notified centre, charge will be levied by the bank as prescribed from time to time.

The bank may refuse payment of cheques that have been altered in any way unless the alteration is authenticated by the drawer under his / her signature. 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.

A.6 Current Deposit Account

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

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

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

A.6.1 Charges

1. Ledger Folio Charges:

- (1) Per ledger page containing 25 entries (40 in case of computer entries) as specified by the bank.
- (2) Current accounts maintaining good credit balance are given following exemption (Bank to specify exact amounts / folios from time to time; illustration is given below):

| Average Credit Balance | Free Folios (No.) |
|-------------------------------|--------------------------|
| Upto ₹25,000/- | Nil |

| | |
|-----------------------------------|------------------|
| Above ₹25,000/- & Up to ₹50,000/- | 3 |
| Above ₹50,000/- & up to ₹1 lakh | 5 |
| Above ₹1 lakh & up to ₹2 lakh | 10 |
| Above ₹2 lakh | No folio charges |

(3) The charges will be recovered during the month of March every year or at the close of account in case the account is closed earlier.

2. **Cheque - Book Charges:** Per leaf / book charges as may be prescribed by the bank.
3. **Stop Payment Instructions:** Charges per instrument as may be prescribed by the bank.
4. **Duplicate Statement:** Charges per ledger page or part thereof or as may be prescribed by the bank. For account maintained on computer, 40 entries (as specified by the bank) or part thereof be treated as one ledger page.
5. **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.
6. **Return of Cheques sent in Clearing or Collection:** When the cheque is returned due to insufficient funds, a charge as specified by the bank will be recovered from the account for every instrument returned in clearing, in addition to other charges.

Note: Latest Service Charges Schedule of the bank is available on bank's official website.

A.7 Term Deposit Accounts

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 Recurring / Cumulative / Annuity / Reinvestment deposits, and so on.

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

A.7.1 Power of Attorney

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

A.8 Model Fair Practice Code

A.8.1 Applications for Loans and their Processing

Fees and Other Terms - Loan application forms applicable to all categories of borrowers irrespective of loan amount, will contain information about the fees / charges payable, if any, for processing, the amount of such fees refundable in the case of non-acceptance of application, pre-payment options and any other matter which affects the interest of the borrower, to facilitate informed decision by the borrower.

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

Time Frame for Disposal - 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. The time frame for disposal of loan applications will be as per the Credit Policy of the Bank.

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. (Bank has to prepare its own list of standard reasons for rejection and make available / circulate / display the same for the information of the customers in the notice Boards of its branches).

A.8.2 Loan Appraisal and Terms and Conditions

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 their full knowledge will be obtained and kept on record.

Terms and Conditions of Sanction - The letter of sanction containing the terms and conditions and other caveats governing credit facilities will be issued to the borrower signed by the authorised official. A copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement shall also be furnished against a request in writing received from the borrower for the same.

A.8.3 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 shall be deemed to be sufficient notice aside of the notices sent individually. Changes in interest rates and charges shall be effected only prospectively.

A.8.4 Post Disbursement Supervision

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.

Recall / Accelerated Payment - Decision to recall / accelerate payment or performance under the agreement or seeking additional securities, bank 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.

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 shall be given notice about the same with full particulars about the remaining claims and the documents under which the bank is entitled to retain the securities till the relevant claim is settled / paid.

A.8.5 General

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.

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 credit-linked schemes framed for weaker sections of society.

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.

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, shall be conveyed within 21 days from the date of receipt of request.

A.8.6 Borrowers' Covenants

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

- (1) 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.
- (2) The limits sanctioned and other terms and conditions are purely at the discretion and subject to modification as may be prescribed by the bank.
- (3) The interest rate stipulated for the limit is as per the existing guidelines. Appropriate interest shall be charged taking into account the changes that may be effected by the bank from time to time.
- (4) The sanction of loan does not vest with anyone the right to claim any damages against any reason whatsoever.
- (5) 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.
- (6) 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.

- (7) The bank does not have the obligation to nurse / finance the account in the case of sickness.
- (8) 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.

A.9 Redressal of complaints and Grievances

Customer having any complaint / grievance with regard to services rendered by the bank has a right to approach / right 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 customer does not get response from the bank within 30 days from the date of complaint or he / she is not satisfied with the response received from the bank, he / she has right to approach Banking Ombudsman appointed by the Reserve bank of India located at Jammu (branches/offices to furnish the address of the relevant RBI Office at which the Ombudsman Office is located). The address of the banking Ombudsman will be displayed at the branch premises / Notice Board.