Suryoday Small Finance Bank Limited

Code of Bank's Commitment to Micro and Small Enterprises

Version: FY: 26-27/1.0

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Version Control Table

Version	Approval Date	Author	Maintained by
FY 16-17	Adopted as it is based on Banking Codes and Standards Board of India on 23rd January 2017		Risk & Policy
FY 25-26/1.0	22nd January 2026	Shankar Surendran (In consultation with all CBO's)	Risk & Policy
FY 26-27/1.0	28th October 2026	Shankar Surendran (In consultation with all CBO's)	Risk & Policy

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1 Introduction

This Code sets the minimum standards of banking practices that banks will follow when they are dealing with Micro and Small Enterprises (MSEs) as defined in the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 and as amended from time to time. It provides protection to customer and explains how banks are expected to deal with customer in day-to-day operations and in times of financial difficulty.

The Code does not replace or supersede regulatory or supervisory instructions issued by the Reserve Bank of India (RBI) and shall comply with such instructions / directions issued by the RBI from time to time. The provisions of the Code may have set higher standards than those prescribed in the regulatory or supervisory instructions and such higher standards will prevail, as the Code represents best practices agreed to by the Bank as our commitment to the customer.

1.1 Objectives of the Code

a. To give a positive thrust to the MSE sector by providing easy access to efficient and appropriate banking services.
b. To promote good and fair banking practices by setting minimum standards for dealings with the customer.
c. To increase transparency so that the customer can have a better understanding of what the customer can reasonably expect of the services.
d. To improve our understanding of customer's business through effective communication.
e. To encourage market forces, through competition, to achieve higher operating standards.
f. To promote a fair and cordial relationship between the Bank and the customer.
g. To ensure timely and quick response to customer's banking needs.
h. To foster confidence in the banking system.

The standards of the Code are covered by the key commitments mentioned in point 2 below.

1.2 Application of the Code

As defined in the MSMED Act, 2006 and as amended from time to time, MSEs cover Micro and Small Enterprises engaged in the manufacturing or production or processing or preservation of goods and those engaged in providing or rendering of services.

Unless it says otherwise, this Code will apply to all the products and services listed below, under current regulatory instructions, provided by our branches, subsidiaries, joint ventures or agents, whether across the counter, over the phone, by post, through interactive electronic devices, on the internet or by any other mode. However, all products discussed here may not be offered by the Bank.

a. Loans and other credit facilities which include fund based such as cash credit overdraft, cheque and bill purchase / discounting (both inland and foreign), negotiation under reserve of documents tendered under Letter of Credit (both inland and foreign) and non-fund based such as establishment of inland and / or foreign Letter of Credit (D/ P or D /A), issuing of Guarantee (both inland and foreign), inland or foreign bill or cheque for collection, Co-acceptance and avalisation of bills' buyer's credit, etc.
b. Foreign Exchange Services as permitted under Foreign Exchange Management Act, 1999 (FEMA) / Reserve Bank of India's guidelines, including money changing
c. Third party insurance and investment products marketed through our branches and / or our authorized representatives or agents

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d. Factoring services
e. Merchant Services

The meanings of technical terms are provided in the Glossary.

2 Key Commitments

2.1 Banks Key Commitments to the customer

2.1.1 To act fairly and reasonably in all Bank dealings with the customer by

a. Providing banking facilities of receipt and payment of cash / cheques at the Bank's counter.
b. Providing speedy and efficient credit and service delivery.
c. Meeting the commitments and standards set in this Code, for the products and services the Bank offers, and in the procedures and practices followed by the Bank
d. Making sure Banks products and services meet relevant laws and regulations in letter and spirit and are appropriate to customer needs.
e. Ensuring that Banks dealings with the customer rest on ethical principles of integrity and transparency.
f. Operating secure and reliable banking and payment and settlement systems.

2.1.2 To help the customer understand how Banks Financial Products and Services work by

a. Giving the customer information about Banks financial products and services in Hindi/English or concerned regional language.
b. Ensuring that Banks advertising and promotional literature is clear and not misleading.
c. Ensuring that customer's are given clear and full information about Banks products and services, the terms and conditions and the interest rates / service charges, which apply to them.
d. Ensuring that there is no mis-selling of our / third party products.
e. Giving information on the facilities provided to customer, how the customer can avail these facilities and whom and how the customer shall contact for addressing queries / grievances.

2.1.3 To help the customer use their Accounts or Service by

a. Providing regular appropriate updates.
b. Keeping the customer informed about changes in the interest rates, charges or terms and conditions.
c. Displaying the following information in branches:
    i. The services provided by the Bank.
    ii. Minimum balance requirement for Current Accounts and charges for non-maintenance thereof.
    iii. Name of the official at the branch whom the customer may approach in case of grievance.
    iv. Name and address of the Regional / Zonal Manager / Principal Nodal Officer (PNO) whom the customer can approach if grievance is not redressed at the branch.
    v. Name and contact details of the Banking Ombudsman under whose jurisdiction the branch falls.
    vi. List of policies / documents available in booklet form.

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d. Displaying following policies on Banks website:
   i. Comprehensive Deposit Policy
   ii. Policy on Cheque Collection
   iii. Customer Grievance Redressal Policy
   iv. Customer Compensation Policy
   v. Collection and Recovery Policy

2.1.4 To deal quickly and sympathetically when things go wrong by:

a. Correcting mistakes promptly and cancelling any bank charges that applied due to mistake.
b. Acknowledging receipt of customer complaint and handling complaints promptly.
c. Guiding customer on the process to be followed for taking the complaint forward, in case customer wishes to do so.
d. Providing suitable alternative avenues to alleviate problems arising out of technological failures of the Bank.

2.1.5 To treat customer's personal and business information as private and confidential:

The Bank shall treat the customer's personal and business information as private and confidential subject to matters mentioned in point no. 4 below.

2.1.6 To publicise the Code:

The Bank shall:

a. Provide with a copy of the code, on request, free of cost to the customer
b. Make available this code for perusal at every branch and on Banks website
c. Ensure that the staff are trained to provide relevant information about the code and to effectively put the code into practice
d. Take other steps to increase awareness of the customer's about the code and its provisions

2.1.7 To adopt and practice a Non-Discrimination Policy by:

Not discriminating on the basis of age, race, gender, marital status, religion or disability, if any, of the promoter / proprietor/ partner/ s of the enterprise.

3 Information – Transparency

The Bank shall provide information to customer's on interest rates, fees and charges through any one or more of the following:

a. Contacting branches or on Banks toll free no.
b. Through Banks website
c. Contacting Banks designated staff / help desk
d. Referring to the Tariff Schedule (as mentioned in point 3.2.2 and 3.2.3 below), which is available at branches and on Banks website

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3.1 General

The Bank shall:

a. Give information and explain the key features of loan and products, viz. cash credit, term loans, bill discounting / purchase, guarantees, letters of credit and fees and charges
b. Endeavour to customize the product and service that the customer choose, to suit their needs
c. Where possible, the Bank shall inform about the different ways products and services can be accessed (such as online, phone, or branch) and guide the customer on how to learn more about them
d. Make reasonable efforts to obtain the required information from the customer w.r.t. identity and address, to comply with legal, regulatory and internal policy requirements

3.2 Interest Rates

The Bank shall endeavour to give the following information on:

a. The interest rates applicable on deposit and loan accounts and the calculation thereof
b. In case of loans at fixed rate of interest, details of interest reset clause, if any, in the loan agreement and the effective date thereof
c. In case of loans at floating rate of interest, the reference rate to which the floating rate shall be linked and the premium or discount applied to the reference rate for determining the actual rate of interest on the loan
d. The availability of option to the customer, for converting loan from fixed rate to floating rate and vice versa and, if so, the charges therefor
e. Periodicity at which the Bank shall pay interest on deposits or charge interest on loan accounts

3.2.1 Changes in Interest Rate

The Bank shall inform the customer of changes in interest rates on loan products and changes in the reference rate to which the floating rate of interest is linked within a fortnight of the decision by any of the following means:

i. Letter
ii. E-mail
iii. SMS

Tariff Schedule

3.2.2 Fees & Charges

a. The Bank shall inform the customer on charges applicable to the products and services chosen by the customer.
b. The Bank shall ensure the fees and service charges for various services are approved by the competent authority as per the Bank's policy to take decisions in this regard and that they would be reasonable and non-discriminatory for similar class of customer's.
c. The Bank shall place tariff schedule on the Banks website and make a copy available at every branch for customer's perusal.
d. The Bank shall display the list of services on Banks website and in branches, which are rendered free of charge.
e. The Bank shall also provide information about the penalties leviable in case of non-observance / violation of any of the terms and conditions governing the product / services chosen by the

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customer.

3.2.3 Changes in Fees & Charges

In case of increase in any fee or charge or introduction of new fee or charge, the Bank shall notify the customer through E-mail/letter, SMS, one month prior to the revised charges becoming effective.

This information shall also be available on Banks website.

3.3 Terms and Conditions

a. The Bank shall advise customer the relevant terms and conditions for the products/ services customer have asked to provide.
b. All terms and conditions will be fair and will set out respective rights, liabilities and obligations clearly and as far as possible in plain and simple language

3.3.1 Changes to Terms and Conditions

In case of any changes in terms and conditions, the Bank shall notify the customer through any of the following means one month prior to the revised terms and conditions becoming effective:

i. Letter
ii. Statements of account
iii. SMS
iv. E-mail

If the change is applicable to customer's in general, such information will also be made available on the Notice Boards in branches and Banks website.

a. Normally, changes will be made with prospective effect giving notice of one month.
b. If the Bank has made any change without notice, the Bank shall notify the change within 30 days. If such change is to the disadvantage of the customer, the customer may within 60 days of the notice, close the account or switch to any other eligible account without having to pay revised charge or interest.

4 Privacy and Confidentiality

a. The Bank shall treat the customer's personal and business information as private and confidential (even when he/she is no longer a customer) and shall be guided by the following principles and policies. The Bank shall not reveal any information or data relating to customer's accounts, whether provided by customer or otherwise, to anyone, including other companies/ entities in the group, other than in the following exceptional cases:

    i. If the Bank has to disclose the information as required by law or if required by the banking regulator
    ii. If there is a duty towards the public to reveal the information
    iii. If our interests require Bank to give the information (for example, to prevent fraud). However, the Bank will not use this as a reason for giving information about customer or customer's accounts (including name and address) to anyone else

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iv. If customer authorises Bank to reveal the information

b. The Bank shall not use customer's personal and business information for marketing purposes by anyone including Bank unless customer specifically authorize Bank to do so.

4.1 Credit Information Companies

a. When customer apply for a credit facility, the Bank shall explain to customer the role of Credit Information Companies (CICs) as also the checks, the Bank may make with them and the effect that the information they provide, can have on Banks decision to grant credit facilities to customer's
b. When customer avail the credit facility from Bank, the Bank shall report the loan details to CIC/s
c. The Bank shall update customer's credit information with Credit Information Companies (CICs) at regular intervals as prescribed by the RBI, to ensure customer credit records remain accurate and up to date
d. Information reported to CIC/s will also include personal debts customer owe to the Bank even when:
   i. The customer has fallen behind in payments
   ii. The amount owed is in dispute
e. If customer's loan account has been in default and thereafter regularised, the Bank shall update this information with the CIC/s in the next report
f. The Bank shall keep the CIC/s updated of customer's account details when customer's account becomes 'standard' after a period of being 'sub-standard' and / or immediately after the account is regularized / closed to the Banks satisfaction
g. Customer may access customer's Credit Information Report directly from the Credit Information Companies. Bank shall guide customer on how to do so, if requested
h. The Bank shall explain to customer the repercussions of adverse credit information record with CIC and their impact on customer's ability to get credit in future from Bank or other banks, when customer make a settlement under One Time Settlement (OTS) with Bank and close their account/s with Bank
i. If customer request a correction in customer credit information and Bank is unable to accept the request, the Bank will inform customer of the specific reason(s) for the rejection, as per the standard list of reasons circulated by CICs. This will help the customer to better understand the issues in customer's credit report.
j. If Bank has taken possession of customer's secured assets under the provisions of the SARFAESI Act, 2002, Bank shall display relevant information about such assets and borrowers on Banks website, in the format prescribed by the RBI, and update this information on a monthly basis.
k. In case of delayed updation or rectification of customer credit information by Bank, the Bank shall compensate customer as per the framework prescribed by the RBI time to time.

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5 Lending

a. The loan policy of the Bank shall reflect the objectives and spirit of the Regulatory Prescription. The Bank shall endeavour to provide facilities through a Single Window Mechanism.
b. The Bank shall place the Policy relating to Rehabilitation of MSMEs on Banks website. On request the Bank shall make available a copy at a nominal charge.

5.1 Application

The Bank shall:

a. Make available, free of cost, simple, standardized, easy to understand, application form(s) for loans.
b. Provide customer with a 'check list' of documents to be submitted (compliant with legal and regulatory requirements) along with the loan application form to enable the customer to submit the application complete in all respects. If required, the Bank shall assist the customer in filling up loan application form.
c. At the time of making available application form the Bank shall also provide the information about the interest rates applicable, and the fees/charges, if any, payable for processing, pre-payment options and charges, if any, and any other matter which affects the interest of the customer, so that a meaningful comparison with those of other banks can be made and informed decision can be taken by the customer.
d. Acknowledge the receipt of the loan application, whether submitted manually or online.
e. Normally collect all particulars required for processing the application for credit facility at the time of application. In case the Bank needs any additional information, the Bank shall contact the customer within seven working days from receipt of application.
f. At the time of renewal of an existing loan facility, which has been satisfactorily conducted, the Bank shall endeavour to obtain only such additional information which are not in Banks possession.
g. Give the Sanction Terms & Conditions governing the loan / credit facility the customer have sought to avail.
h. Endeavour to enable the customer to know the status of the application
i. Dispose the loan application for a credit limit or enhancement in existing credit limit for loans up to ₹25 lakh within 14 working days from the date of receipt, provided application is complete in all respects and accompanied by documents as per the 'check list' provided. For loans above ₹25 lakh, timelines shall be as per the Board-approved sanction time norms

5.2 Credit Assessment

a. The Bank shall:
    i. Verify the details mentioned by the customer in the application by contacting the customer, through staff / agencies appointed by the Bank for this purpose at customer's business / residence address
    ii. Before lending any money or increasing overdraft or borrowing limit/s, the Bank shall carry out proper assessment of the loan application undertaking detailed due diligence and appraisal.
    iii. Satisfy themselves about the reasonableness of the projections made by the customer.

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b. The Bank may require the following information to enable the Bank to make a fair assessment:
   i. Purpose of borrowing.
   ii. Business plan of the customer
   iii. Business' cash flow, profitability and existing financial commitments supplemented, if necessary, by account statements.
   iv. Customer's personal financial commitments.
   v. How the customer has handled finances in the past.
   vi. Information from Credit Information Companies.
   vii. Ratings assigned by reputed credit rating agencies, if any.
   viii. Information from others, such as other lenders / creditors.
   ix. Market reports.
   x. Wherever Plant & Machinery or immovable property is offered as security, Valuation report and Legal Scrutiny report on the same will be required from Engineer / Advocate empanelled by the Bank.
   xi. Any other relevant information.

c. The Bank shall:
   Consider customer's request for suitable enhancement in the working capital limits in cases where the output exceeds the projections or where the initial assessment of working capital is found inadequate and the customer has provided necessary evidence thereof.

d. Guarantees

If the customer offers a guarantee or other security from someone else for the liabilities, the Bank shall seek customer's permission to give confidential information about finances to them or to their legal adviser. The Bank shall also

i. Encourage customer to take independent legal advice to make sure that they understand their commitment and the possible consequences of their decision (where appropriate, the documents the customer signs will contain this recommendation as a clear and obvious notice)
ii. Tell them that by giving the guarantee or other security they may become liable for the credit facilities availed of by their firm / them.

5.3 Sanction / Rejection

The Bank shall:

a. Not insist on compulsory deposit as 'quid pro-quo' for sanctioning credit facility/ies
b. While offering an overdraft, or an increase in the existing overdraft limit inform the customer if the overdraft is repayable on demand or otherwise
c. Put down in writing the terms and conditions and other caveats governing credit facilities agreed to and duly certify the same and give a copy thereof to the customer
d. Supply, at Banks cost, authenticated copies of all the loan documents executed by the customer, with a copy each of all enclosures quoted in the loan document and the list thereof
e. The Bank shall communicate, in writing, the reason(s) for rejection of the loan application. The Bank may communicate this through letter/ e-mail/SMS stating the reason(s) for such rejection of

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the loan application

f. Permit prepayment of fixed rate loans as per Banks policy, which may include applicable charges. The terms and conditions will be clearly communicated to the customer at the time of loan sanction

g. Permit prepayment of floating rate loans without levying any prepayment penalty for business purposes granted to individuals and MSEs:
   i. on all loans sanctioned or renewed from January 1, 2026 to October 31, 2026; and
   ii. on loans of up to ₹50 lakh sanctioned or renewed on or after November 1, 2026.
   Prepayment charges for all other loans shall be as per the Bank's policy and the terms of the loan agreement

h. Ensure disbursal of the loan sanctioned within five working days from the date of compliance with all terms and conditions governing such sanction

i. The Bank shall provide a Key Facts Statement (KFS) in the format prescribed by the RBI, to help the customer make an informed decision. The KFS will include the Annual Percentage Rate (APR), an amortisation schedule, and all applicable charges

j. The Bank shall ensure that the KFS is written in a language the customer understands, including in vernacular language wherever applicable. No charges beyond those mentioned in the KFS will be levied without explicit consent of the customer

k. Ensure periodic review and renewal of facility as per terms and conditions in the sanction letter given to the customer

5.4 Central Registry

When the customer avails loan facility involving immovable property, as primary or collateral security, the Bank shall advise the functioning of the Central Registry and the fact that their records will be available for search by any lender or any other person desirous of dealing with the property.

5.5 Post Disbursement

The Bank:

a. Refrain from interference into customer's business affairs except as may be required in terms of sanction of loan, loan agreement or when new / adverse information comes to Bank knowledge.

b. Endeavour to be constructive in monitoring process and sympathetically deal with genuine difficulties that the customer may face in their dealings with Bank.

c. Obtain the following information from customer on an ongoing basis:
   i. Stock and other statements at periodical intervals.
   ii. Progress on important aspects of customer's business plan.
   iii. Annual Accounts (including all supporting documents)
   iv. Age-wise break up of creditors and debtors and the amounts involved.

d. Allow drawals against the limits as per usual safeguards.

e. If the business circumstances change, talk to the customer about any new information the Bank might need from them

f. Convey Banks consent or otherwise within two weeks of receipt of a request for transfer of the borrowal account, either from the customer or from the bank / financial institution that proposes to take over the account.

g. The Bank shall release all original securities, property documents, removal of charges upon full

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repayment or settlement of the loan. In any case, this will be done within 30 days, as per regulatory guidelines. In case of delay attributable to the Bank, the Bank shall compensate the customer at the rate of ₹5,000 per day. If the documents are lost or damaged, the Bank shall assist the customer in obtaining certified copies and bear the associated costs.

h. In addition to providing periodical statements for operating accounts, provide the customer with an annual statement of account of term loans / demand loans.

i. Provide the with the loan statement, more often if required, at a cost which will be indicated in the Tariff Schedule.

j. Monitor the progress made by the customer towards fulfilment through following modes:
   i. Scrutinising periodic statements of stocks held by the customer
   ii. Watching the transactions in customer account
   iii. Visits by either Banks staff or authorised representative to customer's premises for verification of the stocks and / or assets financed
   iv. Obtain wherever necessary market reports on how the customer's business is going on

k. Endeavour to send a communication through letter/ mail or SMS about the status of the customer account before it becomes an NPA

l. Give notice to the customer, sufficiently in advance, if the Bank decides to recall / accelerate payment or performance under the agreement or seek additional securities.

5.6 Insurance

a. The Bank shall inform the customer if the Bank, as agents of any insurance company, offer any type of insurance.

b. The Bank shall ensure to have your written consent of the customer to avail of these insurance products.

c. In case of securities lodged with the Bank for loans availed by the customer, the Bank shall not insist on obtaining insurance cover from any particular provider.

5.7 Financial Difficulties

The Bank shall help in the following manner:

5.7.1 The Bank shall consider cases of financial difficulty sympathetically and positively.

5.7.2 The following are a few examples of what will be of concern to Bank, particularly when the customer does not inform to the Bank:
   a. Delay in commencement of commercial production and there is cost overrun etc.
   b. Inordinate delays in submission of periodic information like stock statement, renewal data, audited financial statements, etc.
   c. High incidence of cheque returns in Cash Credit / Current Accounts
   d. Exceeding sanctioned limits frequently
   e. Large changes in business turnover without proper clarification from the customer
   f. Any stoppage/ suspension of work for an unreasonably long time
   g. The business is incurring loss
   h. Sudden loss of a business partner or co-promoter or a key customer or employee.

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i. Change in the primary activity or sale of a large part of customer's business
j. Use of credit facility/ies for purposes other than those agreed with the Bank or diversion of the funds for purposes other than intended business
k. Not servicing interest at prescribed intervals
l. Failure to adhere to the agreed loan repayment schedule.
m. Bills drawn by the customer on their customer's are returned unpaid frequently.
n. Not honouring bills drawn on the customer by customer's suppliers frequently.
o. Guarantees issued by the Bank on customer's behalf are frequently invoked.
p. Increase in book debts / debtors out of consonance with turnover in the account.
q. Sale proceeds are not routed through the account.
r. Non-compliance with conditions set out in the loan agreement.
s. The agreed information is not furnished on time.
t. Any creditor bringing a winding-up petition or other legal action against customer's business.

The Bank shall try to help the customer to overcome financial difficulties

5.8 Nursing Sick MSEs and Debt Restructuring

5.8.1 The Bank may consider a nursing or debt restructuring program if the borrowal account remains classified as NPA for a significant period or if there is substantial erosion in net worth, subject to regulatory guidelines and internal policy.

5.8.2 For any request for rehabilitation or restructuring:

a. The Bank will evaluate viability of the unit/project based on its assessment and applicable norms.
b. If found viable, the Bank may formulate a restructuring plan in line with RBI guidelines, subject to customer's contribution and other conditions.
c. If the unit is assessed as unviable, the Bank's decision shall be final and communicated to the customer.

5.8.3 If restructuring is not considered feasible, the Bank will inform customer of its decision.

5.8.4 In case of withdrawal of support, the Bank will provide prior intimation as per applicable norms.

5.9 One Time Settlement

a. In case the Bank comes out with a "One Time Settlement" scheme, wide publicity will be given by placing it on the Bank's website and through other possible means of dissemination.
b. In case the Bank offers a One Time Settlement (OTS) for repayment of dues, the Bank shall explain the details of the offer.
c. The Bank shall spell out, in writing, the terms and conditions of the OTS offered to the customer.
d. The Bank shall allow reasonable time to submit the application and make payment of the dues so that customer may avail of the benefits of the scheme.
e. If the OTS proposal is agreed to, Bank shall explain to the customer the implications of such settlement on credit history maintained by the Credit Information Companies (CICs).

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5.10 Securitisation of Loans / Dues

a. In case Bank securitises (sell) customer's loans/ dues to another entity, the Bank shall advise the name and contact details of such entity along with the amount of loan / dues transferred to them. In the normal course, loans / dues, which are not standard are considered for sale to an Asset Reconstruction Company (ARC) through assignments.
b. In such a case, the customer shall be liable to pay the entire amount due to the entity to which the loan / dues have been transferred.
c. The entity to which the loan / dues have been transferred will continue to report the customer's credit information to the CICs.
d. The Bank shall endeavour to assist the customer in case of any grievance against the entity to which loan / dues have been transferred by the Bank.

6 Collection of Dues and Policy on Security Repossession

6.1 Collection of Dues

a. Whenever the Bank give loans, the Bank shall explain the repayment process viz. amount, tenure and periodicity of repayment. However, if the customer does not adhere to repayment schedule, a defined process in accordance with the laws of the land will be followed for recovery of dues.
b. The Bank shall have a Board approved policy for Collection of Dues and Security Repossession as also appointment of Recovery Agents.
c. All relevant laws, regulations, guidelines and conditions of approval, licensing or registration will be taken into account when appointing Recovery Agents.
d. The Bank shall ensure that the Recovery Agents are properly trained to handle their responsibilities with care and sensitivity. The Bank shall also ensure that they do not exceed their brief.
e. The process will involve reminding the customer by sending a notice or by making personal visits before any decision to repossess the security is taken.
f. In case of default, the Bank may refer the case to the recovery agent. The Bank shall inform the customer that recovery proceedings have been initiated.
g. On initiating recovery proceedings, the Bank shall also inform the customer that in case customer has a complaint to make in this regard the customer may contact Banks helpline number.
h. The Bank shall investigate complaints about unfair practices by Banks recovery agents. In the event of receipt of any complaint from the customer that the Bank's representative / recovery agent has engaged in any improper conduct or acted in violation of the Code, the Bank shall investigate the matter and communicate the findings to the customer within one month from the date of receipt of complaint and wherever justified, compensate the customer for losses if any.

6.2 Policy on Collection of Dues and Security Repossession

The Bank shall follow the collection of dues and security repossession policy in consonance with the law. The policy shall be displayed on Banks website.

a. The collection policy is built on courtesy, fair treatment and persuasion. The Bank believes in fostering customer confidence and long-term relationships. As part of Banks policy –
    i. The Bank shall provide with all the information regarding customer dues and shall endeavour

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to give sufficient notice for payment of dues.

ii. The Bank shall intimate the customer right to you when Bank initiates recovery proceedings against customer and shall inform the customer the name of the recovery agency/agent, to whom the case has been passed on, as also their address and telephone numbers.

iii. The Bank shall post details of the recovery agency firms/companies engaged by Bank on Banks website.

iv. The Bank shall also make available, on request, further details about the recovery agency firms/companies at branches.

v. Banks staff or any person authorized to represent the Bank in collection of dues or / and security repossession will identify himself/herself and display the authority letter issued by the Bank and upon request display to the customer his/her identity card issued by the Bank or under Banks authority.

vi. The Bank shall have a system of checks before passing on a default case to collection agencies so that customer's are not harassed on account of lapses on Banks part.

b. All the members of the staff or any person authorised to represent the Bank for collection or /and security repossession who would be subjected to due diligence, will follow the guidelines set out below:

i. Customer would be contacted ordinarily at the place of business/occupation or abode if unavailable thereat, at residence, in the absence of any specific place specified by the customer other than these places, for contacting, by authorised representative's choice.

ii. Their identity and authority to represent the Bank would be made known to the customer.

iii. Customer privacy and dignity would be respected.

iv. Interaction with the customer would be in a civilised manner.

v. Normally Banks representatives will contact customer during working hours

vi. Customer's requests to avoid calls at a particular time or at a particular place would be honoured as far as possible.

vii. Time and number of calls and contents of conversation would be documented.

viii. All assistance would be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.

ix. During visits to customer place for dues collection, decency and decorum would be maintained. Banks officials / agents will not resort to intimidation or harassment of any kind, either verbal or physical against any person, including acts intended to humiliate the customer or intrude into the privacy of family members, referees and friends, making threatening and anonymous calls or making false and misleading representations.

However, it is customer's responsibility to keep updating the contact details. In case the Bank is still unable to contact customer, the Bank will access information available from public sources and approach customer's friends / relatives to trace the customer.

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Glossary

- **Avalisation**
  To add an Aval is the specific endorsement on a Bill of Exchange or Draft by a bank, which guarantees payment, should the Drawee (the Importer) default on payment of the bill at maturity.

- **Bank Guarantee**
  A promise by a Bank on behalf of its customer to a third party to pay an amount specified in the guarantee deed in case the customer fails to perform the obligation as stipulated in the deed.

- **Banking Ombudsman**
  An independent dispute resolution authority set up by the RBI to redress customer complaints against deficiency in certain banking services.

- **Bills**
  Financial negotiable instruments such as Bills of Exchange or Promissory Notes.
  - Bill of Exchange: Issued by a seller to a buyer directing payment for goods/services.
  - Promissory Note: Issued by a buyer to a seller undertaking payment for goods/services.

- **Bill Purchase / Discounting**
  Modes of extending credit to the seller of goods who has raised demand/usance bill of exchange. Demand bills are purchased and usance bills are discounted.

- **Cash Credit / Overdraft**
  A credit facility with a pre-arranged limit allowing the borrower to withdraw funds as needed. Interest is charged on the outstanding balance. The limit works as a revolving line of credit.

- **Customer Compensation Policy**
  Policy followed by a Bank for compensating customer's for financial losses due to acts of omission or commission by the Bank.

- **Credit Facilities/Bank Loan**
  Credit may be in the form of a term loan, overdraft, or cash credit extended for a specified period. Interest is charged on the outstanding balance.

- **Credit Information Companies (CICs)**
  Companies registered under the Companies Act, 2013 and certified by RBI to collect and disseminate credit data from member institutions.

- **Factoring**
  A financial option for managing receivables by converting credit sales into cash.

- **Fixed Rate of Interest**

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Interest rate remains fixed for the entire loan period or is reset at specified intervals as per the loan terms.

- **Floating Rate of Interest**
  Interest rate is linked to a Reference Rate and varies with changes in that rate.

- **Guarantee**
  A promise given by a person.

- **Micro and Small Enterprises**
  As defined by RBI and Ministry of MSMED Act and as ammended from time to time.

- **Net Worth**
  Sum of capital and free reserves minus accumulated losses and intangible assets.

- **Non-Performing Asset (NPA)**

A loan or advance is classified as NPA when:

- Interest and/or principal remain overdue for more than 90 days in respect of a term loan.
- The account remains 'out of order' for more than 90 days in respect of an Overdraft/Cash Credit (OD/CC).
- The bill remains overdue for more than 90 days in case of bills purchased and discounted.
- Interest and/or principal remain overdue for two harvest seasons but not exceeding two half-years for agricultural loans.
- Any other amount to be received remains overdue for more than 90 days.

- **'Out of Order' Status**

An account is treated as 'out of order' if:

- The outstanding balance remains continuously in excess of the sanctioned limit/drawing power.
- If the balance is within limits, but no credits are received for 90 days, or credits are not sufficient to cover interest debited during the same period.

- **Overdue**
  Any amount due under a credit facility is considered 'overdue' if it is not paid on the due date fixed by the bank.

- **Payment and Settlement System**
  System for transferring money between suppliers and users of funds, typically by exchanging debits or credits among financial institutions.

- **PIN**
  A confidential number used with a card to access banking services like payments, withdrawals, and electronic transactions.

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- **Reasonable**
  Governed by sound thinking and common sense; not excessive or extreme.

- **Reference Rate**
  Benchmark interest rate of a bank to which floating loan rates are linked. Determined or modified by banks as per their policies.

- **Repossession**
  Process by which a creditor takes possession of secured assets (e.g., house, car) if the debtor defaults on repayment.

- **Rehabilitation Package**
  Package for rehabilitating a sick unit, typically includes:
  i. Working Capital with interest relaxation
  ii. Funded Interest Term Loan
  iii. Working Capital Term Loan
  iv. Term Loan
  v. Contingency Loan Assistance

- **Security**

Assets used to support a loan.

  - Primary Security: Asset created from the credit facility or directly associated with the business/project.
  - Collateral Security: Additional security offered (e.g., jewellery, house mortgage).

- **Services**
  - For small/micro service enterprises: Includes transport operators, small businesses, professionals, and self-employed persons.
  - Bank services: Includes remittance, cash handling, note exchange, foreign exchange, etc.

- **Sick Unit**
  A unit whose borrowal account remains NPA for 3+ months or has net worth erosion of 50% due to accumulated losses in the previous accounting year.

- **Tariff Schedule**
  Schedule of charges levied by a bank for its products and services.

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