



## **Fair Practice Code (Commitment to Customers)**

*(Revised in terms of RBI Cir.RBI/2023-24/60 dated 13.09.2023 and subsequent guidelines received from RBI)*

This Fair Practice Code sets minimum standards of banking practices followed by the bank while dealing with customers.

| Sr. No. | Accepted norms   |
|---------|--|
| 1.      | <p><b>Customer service:</b></p> <ul style="list-style-type: none"><li>a) Members of the staff are available at their respective counters at least 15 minutes before the commencement of business hours at all branches of the Bank</li><li>b) All the customers who enter the banking hall before the close of business hours shall be attended to.</li><li>c) No counter remains unattended during the business hours and uninterrupted service is rendered to the customers.</li><li>d) To maintain proper hygiene (general cleanliness) proper furniture and facilities for drinking water for customers.</li><li>e) All branches shall have 'Enquiry' or 'May I help you? Counter, either exclusively or combined with other duties, located near the entry point of the banking hall.</li><li>f) Providing minimum banking facilities of receipt and payment of cash, cheques, remittances, exchange of soiled notes etc. at bank's counter.</li><li>g) Customers are given complete information about our products and services, minimum balance requirements, the interest rates and service charges, besides the terms and conditions applicable to them in a transparent manner through the following methods as per their preference.<ul style="list-style-type: none"><li>• By sending SMS or e-mails</li><li>• Through electronic or print media</li><li>• Display on our website</li><li>• Display on branch notice board</li><li>• Display on website</li></ul></li><li>h) Adequate &amp; appropriate Training imparted to staff attending to customers to be always prompt and courteous to deal quickly and sympathetically with a view to mitigate possibilities of complaints.</li></ul> |
| 2       | <p><b>Deposit and other Accounts:</b> The Bank shall carry out due diligence as required under "Know your customer" (KYC) guidelines and ask for necessary documents or proofs in this regard.</p>   |



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- a) **Term Deposit/Recurring Deposit accounts:** The Bank accepts deposits repayable on demand and at fixed maturities which are repayable normally after the expiry of fixed periods. Demand deposits include Saving & Current accounts. Options of payment of interest on monthly, quarterly or on due date. Customers can avail facility of loans/overdrafts against their term deposits.
- b) **Rights of Transgender Persons-Changes in Bank Forms/Applications:** In case of a person claiming to be transgender, the person will be recognized as "Third Gender" and the details shall be accepted in the AOFs/ or other applicable forms as such. The salutation of such person shall be "Mx". All transgender customers shall be treated equally to other male/ female customers without any discrimination and all kinds of banking services/products will be made available to them.
- c) **Issuance of Pass Books & Statement of Accounts:** Full address/telephone number, MICR Code, IFSC Code of the branch on all Pass Books / Statement of Accounts issued to customer. Pass Books facility is extended free of cost to all account holders. Pass Books are updated on an ongoing basis and are generally updated immediately on submission.
- d) **Remitter's details** are furnished in Pass Books/Statement of Account in case of credits received by customers through NEFT/RTGS/ECS.
- e) **Brochures and Pamphlets:** Bank has made available bilingual brochures/pamphlets to its customers giving details of various schemes available and terms & conditions thereof.
- f) **Nomination Facility:** Nomination facility available on all deposit & locker accounts. In cases of nomination, cancellation and/ or variation of nomination, the receipt of the duly filled nomination form shall be acknowledged by the Bank in writing irrespective of whether the same is demanded by the customer.
- g) **Recording of nomination:** When an account holder has availed himself of nomination facility, the same shall be recorded on the face of the passbook / term deposit advice with the legend "Nomination Registered". In addition to the legend, the Bank shall also indicate the name of the nominee on customer's request.
- h) **Income tax provisions applicable:** As per prevailing provisions of income tax on interest accruing on deposits, the Bank accept Form 15 G or 15 H as applicable from its customers at the time of application if they are not liable to tax on interest income. The Bank also issue interest certificates as required.
- i) **Standing Instructions:** The Bank provides facility of standing instructions to its customers in all deposit accounts, locker facility and loan accounts.
- j) **Accounts of Minors:** Minors above the age of 10 and having ability to sign uniformly shall normally be allowed to open and operate savings account independently.
- k) **Illiterate persons, blind persons, mentally challenged, old & incapacitated persons:** The Bank may open savings and term deposit accounts in the names such persons provided they met the criteria and after completing necessary formalities.



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|   | <p>l) <b>Undesirable accounts:</b> In cases where the operations in savings or current accounts are not satisfactory, the Bank may decide to close the account and pay the balance in the account to the depositor after giving due notice.</p> <p>m) <b>Claims in respect of missing persons:</b> The settlement of claims in respect of missing persons would be governed by the provisions of Section 107 / 108 of the Indian Evidence Act, 1872.</p>   |
| 3 | <p><b>Deposit Insurance:</b> Deposit Insurance &amp; Credit Guarantee Corporation, a wholly owned subsidiary of the Reserve Bank of India, has raised the limit of insurance cover for depositors in insured banks from the present level of Rs.1 lakh to Rs.5 lakh per depositor with effect from February 4, 2020 with the approval of Government of India subject to certain limits and conditions.</p>   |
| 4 | <p><b>The Depositor Education and Awareness Fund Scheme, 2014 (DEAF):</b> RBI has established The Depositor Education and Awareness Fund (the Fund). Under the provisions of Fund the amount to the credit of any account with the Bank which has not been operated upon for a period of ten years or any deposit or any amount remaining unclaimed for more than ten years shall be credited to the Fund, within a period of three months from the expiry of the said period of ten years.</p>  |
| 5 | <p><b>Safe deposit lockers:</b> Existing customers of the Bank who are fully compliant with CDD criteria and the customers who are not having any other relationship with the bank may be given the facilities of safe deposit locker/safe custody article facility after complying with CDD criteria under Know Your Customer (KYC) Master Directions, 2016 and subject to ongoing compliance. Due diligence shall be carried out for all the customers in whatever rights and capacities they may be hiring the locker.</p> <p><b>Fixed Deposit as Security of Lockers:</b> The bank shall obtain a term deposit, at the time of allotment of locker, which would cover three years' rent and the charges for breaking open the locker in case of such an eventuality. If locker rent is collected in advance, the proportionate amount of advance rent collected shall be refunded to the customer In the event of surrender of a locker.</p> |
| 6 | <p><b>Cheque collection / clearing:</b></p> <p><b>Instant credit:</b> Facility of instant credit of outstation cheques upto Rs. 5,000 in satisfactorily conducted accounts to be provided.</p> <p>a) <b>Delay in collection</b> of outstation cheques to be compensated by paying interest at 2% p.a. above savings bank rate, if such interest payable is Rs. 5/- or more. However, if the proceeds are to be credited to the borrowal accounts, like cash credit/over-draft/loan, etc. banks have to pay at the minimum lending rate that will be stipulated by RBI from time to time.</p> <p>b) <b>Dishonoured instruments</b> to be returned/dispatched to the customer within 24 hours.</p>   |



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|   | <p>c) <b>Alterations/corrections</b> are not allowed on cheques forms (with exception of date) as per RBI guidelines. A fresh cheque is to be issued in lieu thereof. Branches must return the cheques prima-facie which are having alterations/corrections except for date validation purposes.</p> <p>d) <b>Stop payment facility:</b> The Bank provides stop payment facility in respect of cheques issued by its customers and duly acknowledge such requests as and when received.</p>  |
| 7 | <p><b>Submission of Information to CICs:</b></p> <p>In terms of RBI directives, w.e.f. <b>01.01.2025</b>, CICs and the bank shall keep the credit information collected/maintained by them updated regularly on a <b>fortnightly basis (i.e., as on 15th and last day of the respective month) within (7) calendar days of the relevant reporting fortnight and CICs shall ingest credit information data received from the bank within (5) calendar days, as against 7 calendar days at present.</b></p> <p>Bank shall send alerts through SMS / email to customers while submitting information to CICs regarding default/ Days Past Due (DPD) in existing credit facilities, wherever the mobile number/email ID details are available.</p> <p><b>Compensation Framework &amp; strengthening of customer service:</b> In terms of RBI guidelines, the bank shall compensate the customers for delayed updation/rectification of credit information, whereby the complainants shall be entitled to a compensation of Rs.100/- per calendar day in case their complaint is not resolved within a period of thirty (30) calendar days from the date of the initial filing of the complaint by the complainant with the bank. The compensation amount shall be credited to the bank account of the complainant within five (5) working days of the resolution of the complaint.</p> <p>A CIC shall also pay compensation to the complainant if it failed to resolve the complaint within thirty (30) calendar days of being informed by the complainant or the bank, despite the bank having furnished the updated credit information to the CIC within twenty-one (21) calendar days of being informed by the complainant or the CIC.</p> <p>Bank may reject the request received for data correction and shall inform the customers the reasons for the rejection of their request for data correction, if any, to enable such customers to better understand the issues in the CIR.</p> <p>The complainant can approach RBI Ombudsman, under the Reserve Bank - Integrated Ombudsman Scheme, 2021, in case of wrongful denial of compensation by the bank or CICs. In case of wrongful denial of compensation by bank which are yet to be covered under the Reserve Bank - Integrated Ombudsman Scheme, 2021, the complainant can approach Consumer Education and Protection Cell (CEPC) functioning from Regional Offices (ROs) of Reserve Bank of India.</p> <p>However, the compensation framework shall not be applicable in complaints pertaining to disputes/ grievances regarding the computation of the credit score/ credit score model and complaints that have been decided by or are already pending in other fora such as Consumer Disputes Redressal Commission, Courts, Tribunals, etc.</p> |



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| 8  | <p><b>Grievances/redressals &amp; feedback</b></p> <ul style="list-style-type: none"><li>a) Customers may register their complaints by sending email at <b><i>ipbank@ipbankonline.com</i></b> for general queries and complaints. Complaints received through email shall be acknowledged and resolved in a time bound manner depending upon the nature of complaint.</li><li>b) Customers can also submit their grievances by post to the Bank at its branches and Head Office.</li><li>c) For complaints, additional information &amp; assistance related to Debit Card/Internet Banking/Mobile Banking, customer may contact our Customer Care No. <b>9625300213</b>. IT team specializes in resolving complaints related to digital products.</li><li>d) A complaint box is available at all branches of the Bank which shall be opened by the authorized officials on weekly basis. Requisite records are to be kept in a register and prompt action is taken by the bank/branch to resolve the issue, if any.</li><li>e) Complaint book with perforated copies is available with the Branch Manager who will instantly provide an acknowledgement to the customer with an intimation to the Head office.</li><li>f) Complaint Register is maintained at branches &amp; Head Office to record details of complaints/grievances received and their closure after redressal is updated.</li><li>g) Grievance Redressal Policy document of the Bank has been placed on its Website.</li><li>h) The Bank is covered under Integrated Ombudsman Scheme of RBI.</li></ul> |
| 9. | <p><b>Loans and advances:</b></p> <ul style="list-style-type: none"><li>a) <b>Loan application &amp; processing:</b> The Bank extends secured and unsecured loans to its members. <b>Non-members</b> are not eligible for any credit facility of the Bank except against the security of their deposits with the Bank or to stand as surety for any credit facility sanctioned by the Bank.</li><li>b) All Application Forms shall be comprehensive and shall include complete information about the rate of interest and various other charges of the bank, and also incorporate the conditions for allowing pre-payment of the Loans by the borrower.</li><li>c) Loan Applications received are acknowledged and are disposed-off in a time bound manner.</li><li>d) All requests of credit facilities are to be disposed-off within a maximum period of 30 days.</li><li>e) Reason of rejection of any Loan Application shall be recorded clearly and shall be provided to the applicant on demand.</li></ul>   |



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f) All Credit Proposals are to be properly appraised by the branches to arrive at the need based requirements of finance.

ff) The Reserve Bank of India has now issued directives to review the practices regarding mode of disbursal of loans, application of interest and other charges and take corrective action, including system level changes, as may be necessary, with regard to unfair / non-standard practices of charging interest which are not in consonance with the spirit of fairness and transparency while dealing with customers. Some of the unfair practices are briefed as under:

- Charging of interest from the date of sanction of loan or date of execution of loan agreement and not from the date of actual disbursement of the funds to the customer;
  - Similarly, in case of loan disbursement by cheque, interest was charged from the date of the cheque whereas the cheque was handed over the customer several days later;
  - In case of disbursal or repayment of loans during the course of the month, REs were charging interest for the entire month, rather than charging interest only for the period for which the loan was outstanding;
  - In some cases, REs were collecting one or more instalments in advance but reckoning the full loan amount for charging interest; and
- Other such non-standard practices of charging interest which are not in consonance with the spirit of fairness and transparency while dealing with customers.

**B) Disbursement:** Disbursement of all sanctioned credit facilities ensured within a maximum period of two working days, after the execution of Loan Documents and compliance of all the terms and conditions of sanction by the borrower.

- g) Post disbursement follow up shall be in a customer friendly manner so as to ensure that no undue hardship is caused to the borrower.
- h) A notice of a minimum period of 15 days shall be given to the borrower in case of any change in sanctioned terms & conditions or to recall the credit facility in case of defaults.
- i) Credit reports of the borrowers are to be updated regularly and no instances of repayment including that of the last instalment are left unreported.

**C) Reset of Floating Interest Rate on Equated Monthly Instalments (EMI) based Personal Loans:**

- j) At the time of sanction, the Bank shall clearly communicate to the borrowers about the possible impact of change in benchmark interest rate on the loan leading to changes in EMI and/or tenor or both. Subsequently, any increase in the EMI/ tenor or both on account of the above shall be communicated to the borrower immediately through appropriate channels.
- k) The Bank shall always provide the option to the borrowers to switch over to a fixed rate at the time of reset of interest rates.
- l) The borrowers shall also be given the choice to opt for:



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- m) enhancement in EMI or elongation of tenor or for a combination of both options; and
- n) to prepay, either in part or in full, at any point during the tenor of the loan. Levy of foreclosure charges/ pre-payment penalty shall be as per guidelines.
- o) All applicable charges for switching of loans from floating to fixed rate and any other service charges/ administrative costs incidental to the exercise of the above options shall be transparently disclosed in the sanction letter and also at the time of revision of such charges/ costs by the Bank from time to time.
- p) Bank shall ensure that the elongation of tenor in case of floating rate loan does not result in negative amortisation.
- q) Bank shall share / make accessible to the borrowers, through appropriate channels, a statement at the end of each quarter which shall at the minimum, enumerate the principal and interest recovered till date, EMI amount, number of EMIs left and annualized rate of interest / Annual Percentage Rate (APR) for the entire tenor of the loan. It shall further be ensured that the statements are simple and easily understood by the borrower.

## **D) Release of Movable / Immovable Property Documents**

1. The Bank shall release all the original movable / immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/ settlement of the loan account.
2. The borrower shall be given the option of collecting the original movable / immovable property documents either from the banking outlet / branch where the loan account was serviced or any other office/branch of the Bank where the documents are available, as per her / his preference.
3. The timeline and place of return of original movable / immovable property documents shall be mentioned in the loan sanction letters issued on or after the effective date.
4. In order to address the contingent event of demise of the sole borrower or joint borrowers, the procedure and guidelines for return of original movable / immovable property documents to the legal heirs shall be the same as is applicable to settlement of deceased claim cases in respect of deposits and safe custody articles.

## **E) Compensation for delay in release of Movable / Immovable Property Documents**

1. In case of delay in releasing of original movable / immovable property documents or failing to file charge satisfaction form with relevant registry beyond 30 days after full repayment/ settlement of loan, the Bank shall communicate to the borrower reasons for such delay. In case where the delay is attributable to the Bank, it shall compensate the borrower at the rate of ₹5,000/- for each day of delay.
2. In case of loss/damage to original movable / immovable property documents,





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|  | <p>either in part or in full, the Bank shall assist the borrower in obtaining duplicate/certified copies of the movable / immovable property documents and shall bear the associated costs, in addition to paying compensation as indicated at paragraph 1 above. However, in such cases, an additional time of 30 days will be available to the Bank to complete this procedure and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).</p> <p>3. The compensation provided under these directions shall be without prejudice to the rights of a borrower to get any other compensation as per any applicable law.</p> <p><b>F) Display of information –Secured Assets possessed under SARFAESI Act</b> - The Bank shall display information in respect of the borrowers whose secured assets have been taken into possession under the SARFAESI Act, 2002 on its website in the prescribed format and which shall be updated on monthly basis.</p> <p><b>G) Penal Charges:</b></p> <p><b>Nature of Charges:</b> Penalties for non-compliance with essential terms of the loan contract shall be regarded as 'penal charges'. There shall be no capitalization of penal charges i.e. these charges will not be compounded further with interest. However, this change will not affect the usual process of interest compounding in the loan account.</p> <p><b>Reasonable Quantum:</b> The Bank shall recover penal charge @2% from defaulting borrowers in respect of all the fresh loans availed/ renewed w.e.f. 01.01.2024.</p> <p><b>overdue instalments / overdue amount</b> - in case of default in payment of instalment(s) in Term Loans (overdue) and 'out of order' in case of Cash Credit / Overdraft limits on overdue amounts;</p> <p><b>Short review / limits expired but not renewed</b> – The Bank shall recover penal charges @2% on outstanding balance in case of short review of limits and limits expired but not renewed.</p> <p><b>Non-compliance of terms of sanction:</b> The Bank shall recover penal charge of @2% of outstanding balance of limits on non-compliance of terms of sanction.</p> <p><b>Non-submission of stock statement, debtors list and financials:</b> The Bank shall recover penal charges @2% on outstanding balance of credit limit or Rs.5,000/- whichever is less.</p> <p>The Bank shall not discriminate within a specific loan or product category so far as penal charges are concerned. However, no penal charge shall be levied for loans up to Rs.25,000/- sanctioned under priority sectors.</p> <p><b>Transparency in Disclosure:</b> The Bank shall disclose the quantum and rationale for penal charges in the loan agreement, as well as in the most important terms &amp; conditions. These details shall also be prominently displayed on the website of the Bank under the "Interest Rates and Service Charges" section.</p> <p><b>Communication of Charges:</b> At the time of issuing reminders to borrowers for non-compliance, it shall be ensured that relevant penal charges are also communicated. Additionally, instances of imposing penal charges and the reasons behind them shall be communicated to borrowers.</p> |
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| 10. | <p><b>Customer education/awareness:</b></p> <ul style="list-style-type: none"><li>a) It is mandatory to register your mobile number as per RBI guidelines;</li><li>b) Sending SMS / e-mails on registered mobile numbers / email ids of customers about activating mobile banking, providing necessary URLs / customer care / help line numbers;</li><li>c) Do and don'ts for customers on use of electronic banking have been displayed on website of the bank;</li><li>d) The Bank never asks for your account details such as account number, login ID, password, PIN, UPI-PIN, OTP, ATM / Debit card / credit card details. Never share such details with anyone.</li><li>e) An Alert / message is sent by the bank ATM channel for every transaction at the ATM on registered mobile number of the customer.</li><li>f) The Bank follows the Security Standards appropriate to the complexity of services offered as per regulatory guidelines.</li><li>g) Appropriate risk mitigation measures like transaction limit, fraud checks, AML checks are taken by the bank.</li><li>h) Bank asks for KYC updation in all accounts and may freeze operations in such accounts where KYC documents have not been submitted by customers.</li><li>i) The Bank has instituted adequate risk control measures to manage risks on account of breach of secrecy, denial of services. Bank maintain secrecy and confidentiality of customers' accounts.</li></ul> |
| 11  | <p><b>The Unlawful Activities (Prevention) Act, Combating Financing Terrorism (as amended from time to time):</b> In terms of provisions of Prevention of Money-laundering Act, 2002 and Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, as amended from time to time by the Govt. of India, the Bank is under an obligation to follow certain customer identification procedures while undertaking a transaction either by establishing an account-based relationship or otherwise monitor its transactions and in the process shall take steps to implement the provisions of the Act including operational instructions issued.</p> <p>Further, As per Master Directions on Know Your Customer of RBI, it shall be ensured that in terms of Section 51A of the Unlawful Activities (Prevention) (UAPA) Act, 1967, the Bank do not have any account in the name of the individuals/entities appearing in the lists of individuals and entities, suspected of having terrorist links, which are approved by the periodically circulated by the United Nations Security Council (UNSC).</p>   |
| 12  | <p><b>Positive Pay:</b> The Reserve Bank of India had announced introduction of Positive Pay System for Cheque Truncation System (CTS) which involves a process of reconfirming key details of large value cheques. Under this process, the issuer of the cheques are required to submit electronically, through channels like SMS, Mobile app, internet banking etc. certain minimum details of that cheques (like date, name of the beneficiary/payee, amount etc.) to the drawee bank, details of which are cross checked with the presented cheques by CTS. Any discrepancy is flagged by CTS to drawee bank and presenting bank, who would take redressal measures.</p>   |



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**Time norms for specialized business transactions shall be as under, which should be displayed predominantly in the banking hall**

| S.No. | Nature of Business   | Maximum Time    |
|-------|--|-----------------|
| 1.    | Deposit of Cash<br>(* Depending upon amount & denomination of Currency Notes)  | * 05 to 15 min. |
| 2.    | Cash withdrawal from Saving Bank Account , Current Account etc.  | 5 - 10 min.     |
| 3.    | Issuances of Cash Orders, Demand Drafts etc .  | 10 - 15 min.    |
| 4.    | Transfer of funds against deposit of cheque by the customer from one account to another, subject to availability of funds in the respective account. | 5 - 10 min.     |
| 5.    | Issuances/Renewal of Fixed Deposit Receipt against deposit of cash or transfer from other account  | 10 - 15 min.    |
| 6.    | Opening of Saving Bank and RD Account  | 15 - 20 min.    |
| 7.    | Opening of Current Account   | 15 - 20 min.    |
| 8.    | Operation of Safety Deposit Locker   | 5 -10 min.      |
| 9.    | Acknowledgement of clearing / transfer cheques deposited for collection by the customer.   | On the spot     |
| 10.   | Updation of Saving Bank/ RD / Pass Book  | 5 - 10 min.     |
| 11.   | Issuance of Statement of Accounts  | 5 - 10 min.     |
| 12.   | Issuance of Cheque Books (personalized)  | 7 – 10 days     |
| 13.   | Issuance of Balance / Interest Certificate   | 10 - 15 min.    |

***Note :- Above time norms shall not be applicable under abnormal circumstances , like;***

***Power or Systems failure , etc.***