

FAIR PRACTICES CODE ON MICROFINANCE LOANS

Fair practices code (FPC) adopted with respect to Microfinance Loans as per Direction provided by RBI vide RBI/DOR/2021-22/89 DoR.FIN.REC.95/03.10.038/2021-22 dtd 14.03.2022.

General

The FPC will be displayed in vernacular language in all branch/office premises and in our website. Staff/outsources employees handling microfinance loans will be trained to make the borrower fully aware of the procedures and systems related to loan /other products. The procedure for application of Loan and disbursement procedure will be adequately simple and the pre-determined time structure will be adhered to. The rate of interest charged and grievance redressal mechanism will be displayed in all branch/office premises in vernacular language and in the bank's website.

Bank will not discriminate on grounds of gender, caste and religion in the matter of lending.

Loans will be of collateral free nature and will not be linked with a lien on the deposit account of the borrower.

Bank will ensure that there is proper assessment of credit requirement of borrowers. The credit limit, which may be sanctioned, will be mutually settled.

Bank will invariably furnish a copy of the loan agreement along with a copy of each of all enclosures quoted in the loan agreement to all the borrowers.

Bank will be submitting information regarding household income to the Credit Information Companies(CIC), as per the frequency approved by the Board.

With regard to limit on loan repayment obligations, ROI and charges RBI directions in this regard will be strictly followed.

Disclosures in loan card

A loan card in vernacular language will be issued to the borrower which will include the following details:

- i. Information which adequately identifies the borrower;
- ii. Simplified factsheet on pricing;
- iii. All other terms and conditions attached to the loan;
- iv. Acknowledgements by the bank of all repayments including instalments received and the final discharge; and
- v. Details of the grievance redressal system, including the name and contact number of the nodal officer of the bank.

Issuance of non-credit products shall be with full consent of the borrowers and fee structure for such products shall be explicitly communicated to the borrower in the loan card itself.

Recovery of Loans

Recovery of loans and engagement of recovery agents in line with RBI guidelines will be taken care of by Collection and Recovery Dept.

Bank or its agent will not engage in any harsh methods towards recovery as mentioned as per RBI guidelines.

Redressal Mechanism

If a complaint is in respect of a particular branch, customers may contact the Branch Manager directly or by phone, e-mail or any other means, to get their grievance redressed. (For mail-id, phone number, name of the Branch Manager/ Regional Office, customers can visit the link: <http://southindianbank.com/branch/branchlist.aspx>) BM shall strive to resolve the complaint within the next working day at the branch level itself.

If the complaint is not redressed at the branch level itself within the prescribed time period, a complaint may be lodged. In order to ensure an effective complaint redressal mechanism, the bank has put in place a three tier complaint redressal system for all channel complaints.

- **Tier 1: Complaint Registration with Customer Care:**

Customers desirous of lodging complaint may take up the same with Bank's Customer Experience Group [customercare@sib.co.in,18004251809/18001029401] who will then take up the same with business unit concerned for resolution.

The complainant will receive an auto acknowledgement instantaneously with a reference number on receipt of the complaint at Bank's end. Based on the nature of complaint and business unit handling the same, it will undergo three levels of internal escalation.

Level 1: Complaint will be handled by the Official designated for the same in the business unit concerned. On exceeding the stipulated TAT it will get auto-escalated to immediate supervisor of the official at Level 1.

Level 2: On breach of TAT, the supervisor of official at Level 1 will be intimated. A specified number of days will be allotted at this level for resolution post which the complaint will be internally escalated to the next level.

Level 3: On breach of TAT, the supervisor of official at Level 2 / the head of business unit concerned will be intimated. A specified number of days will be allotted at this level for resolution post which the complaint will be escalated to nodal department, i.e. Facility Management Group.

- **Tier 2: Escalation to Nodal Officer – Facility Management Group**

In case of dissatisfaction with resolution provided at Stage 1 or the complaint remaining unresolved within stipulated period of 15 days, it shall be escalated to Facility Management Group for redressal. The complaint will be redressed within 10 days, from the date of escalation.

Nodal Officer : An official at the level of AGM & above at FMG.

Facility Management Group –Customer Relations

South Indian Bank Ltd.

Head Office Mission Quarters,

Thrissur –680001Tele : 0487-2420020, Extn: 687

• **Tier 3: Escalation to Principal Nodal Officer:**

In case of dissatisfaction with resolution provided at Stage 2, a complaint may be escalated to Bank's Principal Nodal Officer who shall be an official of the cadre of General Manager / above.

Principal Nodal Officer : An official at the level of GM & above.

South Indian Bank Ltd.,

Head Office, Mission Quarters,

Thrissur -680001

Tele : 0487-2420020, Extn: 564

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