

THE ASSAM CO-OPERATIVE APEX BANK LTD.: HEAD OFFICE: GUWAHATI
CODE OF STANDARDS AND FAIR PRACTICES

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FORWARD

In view of the reforms in Financial Sector and rehabilitation package undertaken by the Govt. of India including introduction of a number of systems and products, innovative financial products and services that led to major transformations in the Indian financial sector, more particularly the short Term co-operative credit structure (STCCS); to day the Indian STCCS, more particularly the Assam Cooperative Apex Bank Ltd. Is emerging as a vibrant competent as well as competitive financial service provider to the people of Assam.

The National Bank for Agriculture and Rural Development (NABARD) desired that this Bank should adopt a CITIZENS' CHARTER AND CODE OF STANDARDS & FAIR PRACTICES exclusively for the purpose of insuring high standards of accountability, responsibility and transparency in our dealings with our valued customers and constituents.

After a careful and intensive deliberation at appropriate level, the Bank has been able to formulate the desired CITIZENS' CHARTER and also the CODE OF STANDARDS FAIR PRACTICES FOR THE ASSM CO-OPERATIVE Apex Bank Ltd. In the line of the Model Guidelines on code of standards and fair practices for SCBs & DCCBs prepared by a working group constituted by NAFSCOB.

The Board of Directors of the Assam Cooperative Apex Bank Ltd. In their meeting held at Guwahati on 16.11.2010 dully approved the draft of the CITIZENS' CERTER for displaying in the notice boards of all offices and establishments under the Assam cooperative Apex Bank Ltd. And also the code of Standards & Fair Practices for circulation among all concerned.

I avail this opportunity to place this "CODE OF STANDARDS & FAIR PRACTICES" at your hand. I hope this will immensely help ensuring better customer services of the bank.

-sd/-

(Sri Gautam Ganguly)
Managing Director

CITIZENS' CHARTER

THE ASSM CO-OPERATIVE APEX BANK LTD. STRONGLY BELIEVES THAT A SATISFIED CUSTOMER IS THE MOST IMPORTANT FACTOR FOR GROWTH OF ITS BUSINESS

- I. The document called the CITIZENS' CHARTER of the Assam Co-operative Apex Bank Ltd. Provides key information on various facilities / services provided to customers in branches of the Assam Co-operative Apex Bank Ltd. The CITIZENS' CHARTER together with code of Standards and Fair Practices will thus ensure high standards of accountability, responsibility and transparency in the Bank's dealings with customers. The CHARTER also provides comprehensive information on Bank's grievances redressal mechanism.
- II. This is not a legal document creating rights and liabilities loans & Advances may also have specific terms and conditions not mentioned in the CHARTER. However, all such terms and conditions will comply with the principles and commitments under taken by the Bank in the code.
- III. Copies of the " CITIZENS' CHARTER" together with CODE OF STANDARDS & FAIR PRACTICES will be available to get our customers on request at our Head Office, Zonal Offices and branches. We will ensure that all members of our Administrative Council, Board of Director, Committees and staff are aware of the commitments of the bank contained in this document and faithfully implement them.
- IV. The CHAPTER provides information in transactions relating to Savings, Current and Term Deposit A/c, Safe Deposit Lockers, Loan & Advances, Recovery of Loans, grievances redressal etc.
- V. Information given in the CHARTER is updates up to 31.03.2010 and is subject to change / modification /revision. The Bank will endeavor to up date the information to changes that are made. However, please contact the nearest Brach / Zonal Office or the Head Office of the Assam Co-operative Apex Bank Ltd. For the latest changes, if any.

CODE OF STANDARDS AND FAIR PRACTICES

OF
THE ASSAM CO-OPERATIVE APEX BANK LTD.
HEAD OFFICE :: GUWAHATI -78000 (ASSAM)

3.1 INTRODUCTION

THE ASSAM CO-OPERATIVE APEX BANK Ltd. is pleased to inform you about the standards of Fair banking practices set by the Bank for individual customers. It provides valuable guidance to you for your day-to-day operations for availing various services of the Bank as listed below:

- (a) Current, Saving and all other deposit accounts
- (b) Payment orders, remittances by way of demand Drafts / Mail Transfer etc.
- (c) Collection of cheques and Safe Deposit Locker facility
- (d) Loans and overdrafts.
- (e) Third Party Insurance products offered through network of our branches.
- (f) Operations under All India Mutual Arrangement Scheme (AIMAS), for the time being operationalized through Guwahati Branch.
- (g) Other dealings / products meant for Co-operatives / Customers.

3.2 **DEFINATION:**

a) CODE

Model Guidelines on Code of Standards and Fair Practices for SCBs and DCCBs' – is a broad policy framework developed by the National Federation of State C-operative Banks (NAFSCOB) for and on behalf of member State Co-operative Banks and their affiliates such as DCCBs and other institutional customers. The member banks / affiliates shall formulate their own bank specific policy / Code on " Standards and Fair Practices'.

b) **CITIZENS' CHARTER**

A Charter of undertaking by the respective SCB/DCCB emphasizing the need, relevance as well as applicability of the Code.

c) **LENDERS CHARTER**

A Charter of undertaking to be called as "Fair Practices Code for lenders" to be adopted by each SCB and DCCB.

d) **'YOU and We'**

'You' denotes the customer and 'We' denotes the bank with which the customer deals.

e) **BANKS**

SCBs and DCCBs and their branches.

f) **"MASCULINE GENDER' includes 'FEMININE GENDER'**

g) **ATM**

An 'Automated Teller Machine ' (ATM) or freestanding machine, in which a customer can use their card to get each, information and other services.

h) **CARD**

Card is a general term for any plastic card which a customer may use to pay for goods and services or to withdraw cash. In this Code, it includes Debit, Credit or ATM cards.

i) **CUSTOMER**

A person who has an account (including a joint account with another person or an account held as an executor, trustee and institutions / individuals who have not been prohibited to open SB Account {as per RBI (DBOD) Manual of Instructions (June 1998 Para 9.1.3) } and / or a person who use the services of the bank, but does not include the accounts of sole traders, partnerships, companies, clubs and societies or who receives other services from a financial institution.

j) **OUT OF DATE (STALE) CHEQUE**

A cheque, which has not been paid because the date written on the cheque is too old (normally older than six months).

k) **PASSWORD**

A word or an access code which the customer has chosen to allow to use a phone or Internet banking service. It is also use for identification.

l) **PIN (Personal IDENTIFICATION number)**

A confidential number, which allows customers to buy things, withdraw cash and use other electronic services offered by the bank.

m) **SECURITY**

A word used to describe valuable items, such as title deeds to property, share certificates, insurance policies and so on, which represent assets used as support for a loan or other liability.

n) **OTHER SECURITY INFORMATION**

A selection of personal facts and information (in an order which only the customer knows) which is used for identification when using accounts.

o) **UNPAID CHEQUE**

Unpaid cheque is a cheque which, after being paid into the account of the person it is written out to, is returned 'unpaid' (bounced) by the financial institution whose customer has issued the cheque.

3.3 **OBJECTIVES:**

This code of standards and Fair practices for the Bank has been developed with a view to achieving the following objectives:

- (a) To ensure standardized services to customers.
- (b) To promote good and healthy banking practices by setting minimum standards which will be follow in dealings with customers.
- (c) To foster customer confidence in the banking system and –
- (d) To inculcate self – discipline among the affiliates with a view to promote healthy competition and ethical practices in respect of banking service.

3.4 **APPLICABILITY OF THR CODE:**

This code of standards and Fair practices, unless it says otherwise, shall be voluntary in nature, shall apply to all products and services rendered by the Bank, whether they are provided across the counter, over the phone, by post or by any other method. Further, this codes shall be supplementary to and shall not attempt to supplementary any relevant legislation ,codes, guidelines or rules applicable to the Bank under:-

- (i) The Negotiable Instruments Act,1881
- (ii) The Reserve Bank of India Act,1934
- (iii) The Banking Regulation Act,1949
- (iv) The National Bank for Agriculture & Rural Development Act,1981.
- (v) Right to Information (RTI) Act promulgated by the Govt. of Assam or any other Law in force in India governing the Banking Law and practice.

3.5 **COMMITMET TO CUSTOMERS:**

We promise to-

- a) Act fairly and reasonable in all our dealings with you by:
 - i) Meeting the commitments and standards in this code, for the products and services we offer, and in the procedures and practices our staff follow.
 - ii) Making sure our products and services meet relevant Laws and provisions of regulations, and-
 - iii) Our dealing with you will rest on ethical principles of integrity and transparency.

- b) Help you to understand how our financial products and services work by:
 - i) Giving you information about them in English and / or language (Assamese / Bengali)
 - ii) Explaining their financial implications and helping you choose the one that meets your needs.

- c) Deal quickly and systematically with things that go wrong by:
 - i) Correcting mistakes quickly.
 - ii) Handing your complaints quickly
 - iii) Telling you how take your complaint forward if you are still not satisfied and,
 - vi) Reserving any bank charges that we apply due to our mistake.
- d) Publicise this code, have copies availing for you on request at our Head office, Zonal Offices and branches and put it our on website.

3.6 **INFORMATION ON PRODUCTS AND SERVICES:**

- a) Helping you to chose products and services which meet your requirements.
- b) Before you become a customer, we will-
 - i) Give you clear information explaining the key features of the services and products you tell us you are interested in,
 - ii) Give you information on any type of account facility which we offer and may suit your needs,
 - iii) Tell you what information we need from you to prove your identity and address and to comply with legal and regulatory requirements and,

- iv) Request for additional information about you and your family to build a database but such information can be furnished by you only if you wish and we will not compel you to give this information for opening your account.
- c) We will tell you if we offer our products and services in more than 1(one) way and tell you how to find out more about them.
- d) Once you have chosen an account or service, we will tell you how it works.
- e) When you open a single account or a joint account, we will give you information on your rights and responsibilities.
- f) We recommend that you avail Nomination facility offered on all deposit accounts, articles in safe custody and Safe Deposit Lockers /vaults.
- g) We will guide you how we will deal with deposits and other assets held with us in the name of a deceased persons in the absence of Nomination.

3.7 **VARIOUS TYPES OF ACCOUNTS:**

a) Deposit Accounts

The bank has the clear cut policy in existence in the form of circulars issued from time to time and instructions as laid down in the Manual of Instructions of the bank to accept deposits from you for the purpose of lending under the following Deposit Schemes:

- i) Saving Deposit Account
- ii) Note to be included.
- iii) Current Deposit Account
- iv) Term Deposit Account under-
 - a) Recurring Deposit
 - b) Festival Deposit

- c) ABS Deposit
- d) Fixed Deposit
- e) Monthly Income FD
- f) Pragati Cash Certificate and
- g) Reinvestment Plan Deposit Scheme.

The Bank will advise you about the relevant terms and conditions governing the opening and operations of the above deposit accounts when the account is opened for the first time.

If you decide to close your deposit account, bank will close the account within 5(five) working days of receiving your instructions.

If you want to transfer you deposit account to another branch of the bank, the same will be allowed and your account at the new place / branch will be operationalized within 2(two) weeks of accepting your request subject to your complying with the required KYC formalities and AML measures issued by RBI/ NABARD from time to time, at the new branch.

In case of your improper conduct of the account, the bank may close your bank account by giving at least 30 days notice.

If the bank plans to close a branch or shift the branch to a new place / location, the bank will give-

- i) 3(three) months public notice if there is no other branch of any bank functioning at that centre.
- ii) Notice of 2(two) months, if there is a branch of any other bank functioning at that centre.

a) The Bank will provide you the relevant account opening form and other material at the branch of your desiring to open the deposit account which will contain details of information to be furnished and documents to be produced in compliance to "Know Your Customer" (KYC) norms and "Anti – Money Laundering" Measures as made applicable to the bank from time to time by RBI/ NABARD. The Bank official at the Branch will explain the procedural formalities and provide necessary classifications for opening a deposit account.

b) The Bank will normally stipulate certain minimum balancing to be maintained as part of terms and conditions governing operation of such accounts. Failure to maintain minimum balance in the account will attract levy of charges as specified by the bank from time to time.

c) For savings Bank account, the bank may place restrictions on the number of transactions, cash withdrawals etc. for a given period of time. The Bank shall also specify charges for issue of cheque books, additional statement of accounts, duplicate Pass Book, Folio charges for CD accounts etc. All such, details regarding terms and conditions for operation of the accounts and schedule of charges for various services provided will be communicated to you while opening the account.

d) Saving Bank account will be allowed to be opened in the name of eligible person/ persons, co-operative societies and also in the name of certain organizations/ agencies as may be allowed / approved by RBI/ NABARD from time to time.

e) Current Deposit Account will be allowed to be opened in the name of eligible person / persons / partnership firms / private and public limited companies/ HUFs / specified Associations/ Societies/ trust etc.

f) Term Deposit Accounts can be opened by those who are eligible to open a savings Bank or Current Deposit Account.

g) All Deposit Accounts can be opened by an individual singly in his/ her own name or jointly with any other person or persons.

h) Saving Deposit Account can also be opened in the name of a minor jointly with natural / Legal guardian to be operated by the guardian till the minor attains the age of major.

i) Minors above the age of 14 (fourteen) will be allowed to open and operate Saving Bank Account independently.

j) The Join Account so opened by more than one individual can be operated as per mandate given to the bank which shall be as follows:

i) Either or Survivor : If the account is held by any two individual during the live of both the account holder, both the saving and current account shall be operated by any one singly and in case of death of any one of the account holders, the final balance along with interest, if payable will be paid to the survivor.

ii) Anyone or Survivor(s): if the Deposit account is held by more than 2(two) individuals, during the live of any 2(two) of the joint account holders, the account shall be operated by any one singly and in case of death of any 2(two) of the joint account holders, the final balance along with interest, if applicable, will be paid to the survivor.

k) The mandate for operating the account can be modified with the consent of all the joint account holders.

l) In case of term Deposits, the mandate for operating the account given at the time opening the account will be applicable and become operational only on / or after the due date / date of maturity of the deposit.

m) The Bank shall register mandate / power of Attorney given by any account holder authorizing another person to operate the account on his behalf at his request.

n) You can also give instructions with regard to closure of your Term Deposit Account or renewal thereof for further period on the date of maturity. In the absence of such mandate, the Bank will seek instructions from you.

o) Nomination facility will be available on all deposit accounts opened by individuals and sole proprietorship concern. Nomination can be made in favour of 1(one) individual only. Nomination can also be changed / cancelled by you at any time. In the event of your death, the nominee would receive the balance outstanding in the account as a trustee of you legal heirs. You can also make nomination in favour of a minor.

p) A statement of Account will be provided to all CD account holders and a Pass Book be issued and provided to all Saving Bank account. Statement of Account to SB account holders may be provided at the request of the account holder.

3.8.1 **IN ORDER TO OPEN AN ACCOUNT :**

- 1) You will be required to physically present at the branch of the bank with which you would prefer to open the account.
- 2) You will be required to fill up and sign the prescribed forms of application to be completed in all respect. The application completed in all respect should be submitted at the branch with an initial deposit as may be prescribed by the Bank from time to time.
- 3) Each account holder will be required to furnish to the Bank, specimen of their signature for record. All withdrawals, Cheques, Instructions and letter to the Bank in connection with operation of the account must be signed strictly in accordance with such specimen.
- 4) The distinctive number allotted by the bank against each account must invariably quoted in all pay-in-slip/ cheques / withdrawals and correspondence with the Bank.
- 5) You must present the Pass Book issued against your Saving Bank Account for withdrawal of cash other than by Cheques. However, Pass Book be presented for recording transactions as frequently as possible.
- 6) When Pass Book or the statement of Account is issued by the bank recording transaction, you should examine the entries carefully and draw the bank's attention to any error or omission that might got noticed. You are requested to collect your Pass Book left with the bank on the same day or as early as possible.
- 7) Any change in you address for communication already given to the bank should be immediately intimated to the Bank in your own interest.
- 8) You are advised to keep Pass Book and the Cheque Book in your safe custody. The bank shall not be held responsible for any loss or incorrect payment for reasons attributable to your neglect.
- 9) In case of loss, you are entitled for duplicate Pass Book against payment of usual service charges as specified by the Bank.

3.8.2 **INTEREST PAYMENT ON DEPOSIT:**

- 1) When you become a customer, we will give you information on the interest rates which applies to your accounts and when we will pay interest on your deposits or debit interest on your loan account. You can also find out about our interest rates by:
 - i) Looking at the Notices in our branches.
 - ii) Phoning our branches
 - iii) Asking our designated staff
- 2) We will explain how we apply interest to your account and will bring to your notice any change in interest rates.
- 3) Interest on your Saving Bank Account will be paid at the rate specified by the RBI directives or as decided by the bank from time to time. As present interest @ 4% Pa is being paid half yearly provided it work out to a minimum of Rs.1/-
- 4) Interest on Term deposits are paid on quarterly basis and rates of interest on Term Deposit for various maturity period are decided by the Bank within the General guidelines issued by RBI from time to time.
- 5) In case of Monthly Income Deposit Scheme, the interest will be calculated for the quarter and paid monthly at discounted value.
- 6) It has a statutory obligation to deduct tax at source if the total interest paid / payable on all Term Deposit held by you exceeds the amount specified under the Income Tax Act which is presently stand at Rs.10,000/- during the Financial year. We will issue you a Tax Deduction at Source Certificate (TDS Certificate) for the amount of Tax so deducted. However, you are exempted from the liability to pay tax on your interest income on term Deposit held with us provided you are a registered shareholder of the Bank. Exemption from TDS can also be claimed by submitting declaration in the prescribed format at the beginning of every of every financial year.

3.8.3 **ACCOUNT OF LESS LITERATE / ILLITERARET AND VISUALLY CHALLENGED PERSON:**

The Bank may at its discretion open Saving Bank and Term Deposit Account (and not CD account) of illiterate / Less literate and visually challenged person. No cheque Book facility is provided for such Saving Bank Account. At the time of withdrawal / payment of deposit amount and / or interest, the account holder must personally calls on the bank accompanied by a witness who is well known to bank and you.

3.8.5. **FINANCIAL INCLUSIONS & NO FRILLS ACCOUNT:**

We will initiate necessary steps for vigorous "Financial inclusion" of vast section of population who has not been covered by the banking system. We will review our existing practices in the line and facilitate banking by opening "No Frills" Account with NIL or low minimum balances as well as service charges.

3.8.6 **CUSTOMER INFORMATION :**

We shall not use any information collected from you for cross selling of services or products by the Bank, without obtaining prior consent from you.

3.8.7 **SECRECY OF CUSTOMER'S ACCOUNTS:**

We shall not disclose details / particulars of your account (s) to any third party or person without obtaining your consent. However, there will be some, exception to this code viz, disclosure of information under compulsion of law, where there is a duty to public to disclose and where information of the Bank required disclose and where disclosure is required in the interest of the Bank.

3.8.8 PREMATURE WITHDRAWAL OF TERM DEPOSIT :

The Bank shall allow withdrawal of Term Deposits before completion of the period for which the deposit was agreed upon at the time of placing the deposit subject to penal interest as per Bank's policy for premature withdrawal of Term Deposit.

3.8.9 PREMATURE RENEWAL OF TERM DEPOSIT:

In case you desire to renew the deposit by seeking premature closure of an existing term deposit account ,we will permit the renewal at the applicable rate on the date of renewal. Interests on the deposit for the period it has remained with the bank will be paid at the rate applicable to the period and not at the contracted rate subject to maintaining the deposit for minimum prescribed period.

3.8.10 RENEWAL OF OVERDUE TERM DEPOSITS:

If request for renewal of Term Deposit is made after the date of maturity-

- i) Renewal with effect from the date of maturity at interest rate applicable on the due date of maturity will be allowed provided such request for renewal is received within 14(fourteen) days of maturity and-
- ii) In case the overdue deposit is renewed after 14 (fourteen) days from the date of the maturity, interest for the overdue period will be paid at the rate, applicable for the period of overdue and the renewed deposit will be counted for maturity from the date of renewal with applicable rate of interest for the term of deposit admissible as on the date of renewal.

3.8.11 ADVANCE AGAINST DEPOSITS :

Overdraft facility will be granted to you against your duly discharged Term deposits on execution of necessary security documents. The Bank may also consider overdraft against Term Deposits standing in the name of minor on the condition of furnishing a suitable declaration by the guardian stating that the loan is for the benefit of the minor.

3.8.12 SETTLEMENT OF DUES UNDER DECEASED DPOSITORS ACCOUNT:

a) If the depositor has registered nomination with the Bank – The balance with admissible interest in such deceased depositors account will be paid by issuing a Bankers cheque to the nominee on being satisfied with the identity of the nominee.

b) If the depositor has not registered nomination with the Bank and when there is no disputes among the claimants, the bank will pay the amount outstanding in the account of deceased depositor against joint application and indemnity by all legal heirs or the person authorized / mandated by the legal heirs to receive the payment on their behalf without insisting on legal papers & formalities up to the Threshold Limit approved by the Bank.

3.8.13 PAYMENT OF INTEREST PAYABLE ON TERM DEPOSITS OF DECEASED DEPOSITORS:

a) In the event of death of the depositor before date of maturity of the deposit and when the amount is claimed after the date of maturity, the bank shall pay interest at the contracted rate till the date of maturity. For the period from the date of maturity to the date of payment, the bank shall pay simple interest at rate applicable on the date of maturity, for the period for which the deposit remained with the Bank beyond the date of maturity.

b) In the event of death of the depositor after the date of maturity of the deposit, interest will be paid at Saving Bank Interest rate applicable on the date of maturity, for the period from the date of maturity till the date of payment.

3.8.14 INSURANCE COVER FOR DEPOSITS:

The bank have the policy and shall continue to adopt the policy for availing insurance cover to deposits under the Deposit Insurance ad Credit Guarantee Corporation of India(DICGC).

3.8.15 STOP PAYMENT FACILITY:

The bank will accept " STOP PAYMENT" instruction from you in respect of cheques issued by you on your CURRENT/ SAVINGS Deposit Account, Charges, as applicable will be realized.

3.8.16 INOPERATIVE ACCOUNT:

If your current or Saving Bank Account remains unoperated continuously for a period of 3(three) years , then such account will be transferred to Inoperative Account. However, you can request the bank to activate / allow operate the account again.

3.8.17 STANDING INSTRUCTION :

You can register your instruction for regular payment of Insurance Premium, Loan installment, RD Account installment, telephone Bills, Electricity Bills etc. from your Saving Bank Account . Bank will carry out such standing instruction on payment of applicable service charges.

3.8.18 SAFE DEPOSIT LOCKERS:

a) Safe Deposit Locker may be hired wherever such facility is offered, by an individual (not being a minor) or jointly with another person(s), HUFs, Firms, Companies, Association of Persons, Societies Trust etc. for safe custody of valuables.

b) Allotment of Safe Deposit Lockers will be made on the basis of application made for the purpose subject to availability and compliance with terms and conditions as laid down by RBI/ NABARD from time to time and policy on allotment followed by the bank.

c) Bank will charge rent for hire of lockers in accordance with the rules and regulations formulated by the Bank within the framework of guidelines issued by RBI/ NABARD from time to time with regard to the quantum of rent.

d) Annual rent for locker will be fixed for payment on a definite date and payment will be realized in advance for the year at the beginning to prevent / avoid delay / default in payment.

e) Nomination facility can also be availed by individuals holding the lockers singly or jointly.

f) In case of joint locker hirers, necessary mandates can be given for access to the lockers in the vent of death of one of the holders.

g) In absence of nomination or mandate for disposal of contents in lockers, the bank will release the contents of the lockers to the legal heirs against application ad indemnity on the line as applicable to deposit account.

3.8.19 **OPERATION OF ACCOUNTS:**

a) STATEMENTS: To help you manage your account and check entries on it, we will give you account statements at regular intervals unless this not appropriate for the type of account you have, otherwise, a Pass Book will be supplied. You can also ask us to provide you with account statements more often than is normally available on you type of account, but there may be a charge for this service.

b) **CASH TRANSACTION:** Cash in Indian currency only should be tendered at the cash counter of your branch for deposit with the bank. However, deposit into ABS Deposit Account shall have to be made to the Bank's authorized collection Agents against proper collection Receipt and repayment of dues against Loans can also be deposited with the Bank authorized officials against proper Money Receipt.

You should count notes and ensure correctness before leaving the cash counter.

Avoid writing anything on the body of the currency notes and please co-operate with us by remitting notes in unstapled / unstitched conditions as required under RBIs " CLEAN NOTE POLICY".

Notes / coins tendered by you, if found to have been forged/ counter feited they will be impounded under intimation to you and no value, there of would e paid, in accordance with RBI guidelines.

3.8.20 **COLLECTION SERVICE:**

We will undertake to arrange for collection of all local outstation instruments deposited by you for credit of your account.

We will tell you about the clearing cycle, including when you can withdraw money after loading instruments for collection.

We will also give immediate credit to you account for outstation cheques lodged by you and will allow you to draw against such instruments up to Rs.5000/- under collection where permissible as per prevailing RBI guidelines.

We will pay interest on funds involved with the outstation instruments lodged for collection, if collection is delayed beyond the normal period as stipulated by RBI/ NABARD.

3.8.21 **CHEQUES ISSUED BY YOU:**

We will keep original cheque paid from your account for such period of time as required by law.

If within a reasonable period after the entry has been made on you Account, there is a dispute about a cheque paid from your account, we will give you copy of such cheque as evidence.

We will tell you how we will deal with unpaid cheques and out of date (state) cheques.

3.8.22 **CHECKING YOUR ACCOUNT:**

We recommend that you check your statement or details of instruction in your account regularly. If there is an entry which seems to be wrong, you should tell us as soon as possible so that we can sort it out.

If we need to investigate a transaction on your account, you should co-operate with us and the policy or any other authority, if we need to involve them.

3.8.23 **TAKING CARE:**

Taking care of your cheques, Pass Book etc. and other security information is essential to help prevent fraud and protect your accounts. Please make sure that you follow the advices given below:

- (i) Do not keep your cheque Book & Pass Book together
- (ii) Do not keep blank cheque leaves signed.
- (iii) Never give your account details to any one.
- (iv) If you send your cheque through Post, it will help to prevent fraud if you clearly write the name of the person you are paying the cheque to. Write such cheque with carbon on the reverse to reduce scope of chemical alterations.
- (v) If you are paying a cheque into a bank account, always write on the cheque, the name of account holder. You should draw a line through unused space on the cheque so that unauthorized persons cannot add extra names or numbers of Bank a/c .

- (vi) It is essential that you tell us as soon as you can if you suspect or discover that your cheque Book has been lost or stolen in writing.

3.9 **ALL INDIA MUTUAL ARRANGEMENT SCHEME (AIMAS):**

(i) Our Guwahati Branch who is presently the only members of AIMAS shall abide by the rules and regulations as well as systems and procedures as laid down in the respective manuals and / or revised instructions issued from time to time either by NAFSCOBs or the Bank.

(ii) Our Guwahati Branch as member of AIMAS shall make special efforts to enlighten the customers about the remittance and clearing facility under the said schemes within the network of the members of the scheme within and outside the state.

3.10 **LOANS AND ADVANCES :**

(a) Before we lend you any money or increase your overdraft or other borrowings, we will assess whether you will be able to repay it.

If we offer you an overdraft / or an increase in your existing overdraft limit, we will tell you if your overdraft is repayable on demand or otherwise.

Wherever possible, reasons for rejection of loans will be conveyed to you.

(b) The Bank will formulate a " Fair Practice Code for Lenders" incorporating there in the types of various scheme / programmes eligible for loans, details of schemes, availability of Finance, rates of interest, terms and conditions of such loans etc.

3.10.1 **APPLICATIONS FOR LOANS AND THEIR PROCESSING:**

(a) The Bank will accept loan proposals from prospective customers in prescribed standard format for the relevant type of loan / financial Assistance. The Bank will provide information about the interest rates applicable as also fees / charges, if any, payable for processing, pre-payment option and charges, if any and any other matter which affects the interest of the borrower at the time of filing loan application forms.

(b) Normally all particulars required for processing the loan application will be collected by the Bank at the time of application.

(c) Acknowledgement for receipt of loan proposals will be issued, if sought for

(d) Sanction to the credit limit will be communicated along with terms and conditions thereof.

(e) The Bank will supply all authenticated copies of loan documents / security documents for execution at bank's cost.

(f) The bank will not discriminate on grounds of Sex, Caste creed or religion in the matter of lending. However, the Bank reserves the right to institute or participate in schemes/ programmes specially formulated for different sections of the society.

(g) Reasons for rejection of loans will be conveyed / explained to the applicant for loans assistance on demand.

(h) The borrower to whom sanction has been accorded shall have to furnish written acceptance to the said terms and conditions given with her / his full knowledge.

3.10.2 **DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS 7
CONDITIONS :**

Timely disbursement of loans sanctioned in conformity with the terms and conditions governing sanction of the loan will be ensured. Information notifying any change in the terms and conditions including interest rates, service charge etc. will be made available.

3.10.03 **POST DISBURSEMENT SUPERVISION:**

(a) Bank will conduct post disbursement supervision of loan with a view to take care of lender related genuine difficulty that the borrower may face.

(b) Decision to recall / accelerate payment or performance under the agreement or seeking additional securities will be notified as specified in the loan agreement or at reasonable period.

(c) All securities against the loans/ advances will normally be released to the borrower on receiving full payment of loan or realization of loan subject to any legitimate right or lien for any other claim against the borrowers.

3.11 **GENERAL:**

(a) We will not interfere in your affairs as borrowers except for what is provided in the terms and conditions of the sanctioning letter unless new information, not earlier disclosed by the borrower, has come to the notice of the Bank.

(b) We will not resort to any unfair measures for recovery of dues against loan or undue harassment like persistently bothering the borrowers at odd hours, use of muscle power etc.

3.12 **BORROWERS COVENANTS:**

(a) To be entitled to the above provision of the Fair Practices code, you will have to agree to –

(i) Abide by the assessment of credit appraisal carried out by the Bank and shall not expect the use of margin and security stipulations as a substitute for due diligence on your credit worthiness as borrower.

(ii) The Limits sanctioned and other terms and conditions are purely at the discretion of the bank and are subject to modification as may be prescribed by the Bank.

(iii) The interest rate stipulated for the limit shall be as per the existing guidelines. Appropriate interest will be charged taking into account the changes that may be affected by the bank from time to time.

(iv) Allowing drawal beyond the sanctioned limits, honouring of cheques issued for the purpose other than specifically agreed to in the limit /credit sanction shall remain at the discretion of the bank.

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

(vi) If the principal borrower fails to repay the loan, then the liability of guarantor will be up to the repayment of the whole outstanding and as equal as of it is for the principal borrower.

3.13 **RECOVERY MANAGEMENT:**

(a) The bank is having in operation an independent " RECOVERY DEPTT." To guide the Branch Manager and other recovery officials in their recovery efforts.

(b) The Recovery Deptt., will have close co-ordination and full co-operation of the Arbitration section and legal Machinery.

(c) Continuous recovery drive will be maintained by the bank through out the year.

(d) The bank will ensure all necessary legal steps to recover the NPAs and unlawful recovery methods will not be resorted to.

(e) The Bank will put in place an appropriate Arbitration process and execution process of awards by the Arbitrators.

The provisions of the Bengal Public Demand Recovery Act 1913 and also SARFAESI Act will be adhered to in the process of recovery of overdues.

3.14 **ANTI MONEY- LAUNDERING**

i) The Bank has put in place a proper frame –work ion Know Your Customer (KYC) norms and ANTI MONEY LAUNDERING (AML) measures in full compliance with relevant RBI/ NABARD's Circular on the subject.

ii) CUSTOMER ACCEPTANCE POLICY of the Bank based on the risk categorization will be governed by RBI/ NABARD's Circulars in this respect. Our branches will be advised to prepare suitable customer profiles containing information relating to customers identity, status, nature of business activity etc. with due diligence for high risk customers.

iii) As per provisions of Prevention of Money laundering act, the bank will continue to maintain records of more than Rs.10.00 Lakhs cash transactions, suspicious transactions, counterfeit currency transaction etc.

3.15 **ASSET LIABILITY MANAGEMENT:**

Bank will introduce effective ASSET LIABILITY MANGEMENT (AML) System to address the emerging issues particularly liquidity and interest rate risks.

On our way to implement AML we will-

- i) Take up a review of the availability of computer infrastructure in the bank.
- ii) Review availability of suitable manpower for smooth implementation of AML.
- iii) Designate Nodal Officer for implementing AML.
- iv) Get the AML policy approved by Board of Management.
- v) Constitute an Asset Liability Committee (ALCO) consisting of bank's Senior Management including the Managing Director to decide on the business strategy of the bank.
- vi) Upgrade Management Information System (MIS) of the Bank.
- vii) Take necessary steps for capacity building/ knowledge management of the Nodal Officer and other staff to be involved in ALM.

3.16 **ADVERTISING AND MARKETING:**

- i) We will make sure that all advertising and promotional material is clear, fair, reasonable and not misleading.
- ii) We will seek your specific a consent for giving details of your name and address to any third party for marketing purpose.
- iii) We would like to provide you with the entire range of financial services products, some of which are our own products, while some others are the products of our associate institutes or companies with whom we have tie-up arrangements and if we so desire, direct their staff/ agents for marketing their products.

3.17 **PRIZES AND GIFTS:**

We shall not give any prizes, gifts donation etc. or any direct or indirect benefits in the purchased price or in respect of any other transactions relating to securities, bonds etc. as consideration or with a view to getting or retaining a deposit and / or Advance Account.

Promotional Schemes duly approved by the Board of the Bank may however, be launched within the regulatory framework of RBI.

3.18 **CHIT FUNDS AND SPECULATIVE VENTURES:**

We shall not associate ourselves with Chit Fund Companies which conduct Lotteries, Gift Schemes etc. or any speculative ventures. We shall not encourage or lend our name to promote speculative ventures of any nature.

3.19. implementation , monitoring and grievances redressal mechanism:

i) The Bank will provide due publicity to this "CODE" inform our shareholders in the ANNUAL GENERAL MEETING or otherwise about the code and make available copies here of to the customer on request.

ii) The bank will designate a senior officer as NODAL OFFICER with adequate staff to implement and monitor the code as well to redress the grievances.

iii) The bank will ensure that the redressal machinery put in place is staffed by appropriate motivated personnel as well as take swift corrective action on the grievances of its customers to establish the credibility of the "Code of Fair Practices" adopted by the Bank.

iv) The staff of the bank at all level will be appropriately oriented towards the code and ensure that the same is implemented in its letter

v) The members of the Board of Directors/ Various committees of the bank will also be appropriately oriented in the Code of Fair Practices of the bank and will take initiatives for popularizing the code and work towards effective implementation of the same.

vi) If you want to make a complaint, our staff will help you with any questions you may have and also will tell you how to lodge the complaint.

vii) Within 2(two) weeks of receiving such complaints, we will send a written acknowledgement.

viii) After examining the matter, the bank will send you final response within 8(eight) weeks and the bank may inform you how to take your complaint further if you are still not satisfied.

ix) Our model of redressal mechanism shall be as under:

Branch : Branch Manager is the competent authority to address the complaints on performance / grievances with regard to Branch staff.

Zonal Office: Zonal Manager under whose jurisdiction the branch falls will look into any complaints received against the Branch and dispose of the same.

Head Office: Managing Director shall dispose of the complaints received against the Zonal Offices.

3.20 **INFORMATION ABOUT THE CODE:**

If you have any enquiries about the code, you may please contact:-

i) Md. Ahmed Hussain, IAS, Managing Director

OR

ii) Mr. Manish Choudhury, General Manager (Acctts. & Audit Deptt) Nodal Officer
for code of Standards and Fair Practices.

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