

Bandhan Bank Fair Practices Code:

The Bank has formulated fair practice code for its microfinance borrowers, which aims to achieve synchronization of best practice while dealing with customers. Bank declares and undertakes:

- To provide professional, efficient, courteous, diligent and speedy services.
- To render necessary assistance to customers applying for loans.
- To not discriminate customers based on religion, caste, sex, descent, financial status, etc.
- To provide loans under micro finance products as defined by Reserve Bank of India from time to time.
- To provide collateral-free nature of the microfinance loans to borrowers.
- To Charge the interest/fees on micro finance loan according to the standardised simplified factsheet and to disclose the pricing related information to a prospective borrower.
- To ensure that any fee charged/ to be charged to the microfinance borrower by the Bank or its partner shall be explicitly disclosed in the factsheet.
- To ensure that there is no pre-payment - on microfinance loans. In case of any penalty being charged for delayed payment, the same shall be applied only on the overdue amount and not on the entire loan amount.
- To ensure better customer service, the minimum, maximum and average interest rates charged on microfinance loans will be displayed on the notice boards in the Banking Unit Offices for the clear understanding of the borrowers and on including Bank's website.
- To ensure that any change in interest rate or any other charges to the borrower shall be informed to them on priority and all such changes shall be applied prospectively only.
- To display the fair practices code on the notice board and on the Bank's website in a language understood by the borrower.
- To have a standard form of loan agreement and loan card for microfinance loans in a language understood by the borrower.
- To provide the factsheet and Loan Card of loans to the borrowers in all cases, which shall incorporate the following:
 - (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 redressed system, including the name and contact number of the nodal officer of the Bank.
- To issue non-credit products with full consent of the borrowers and fee structure for such products shall be explicitly communicated to the borrower in the loan card itself.
- To provide a timely grievance redressal mechanism to the micro finance borrowers, for grievance relating to any aspect of loan including recovery and reporting any inappropriate behaviour by the Bank's employee or employees of the outsourced agency.
- To ensure that recovery shall be made at a designated/ central designated place decided mutually by the borrower and the Bank. However, field staff shall be allowed to make recovery at the place of residence or work of the borrower if the borrower fails to appear at the designated/ central designated place on two or more successive occasions.

- To ensure that Bank or any staff of the Bank shall not engage in any harsh methods towards recovery. Without limiting the general application of the foregoing, following practices shall be deemed as harsh:
 - (i) Use of threatening or abusive language
 - (ii) Persistently calling the borrower and/ or calling the borrower before 9:00 a.m. and after 6:00 p.m.
 - (iii) Harassing relatives, friends, or co-workers of the borrower
 - (iv) Publishing the name of borrowers
 - (v) Use or threat of use of violence or other similar means to harm the borrower or borrower's family/ assets/ reputation
 - (vi) Misleading the borrower about the extent of the debt or the consequences of non-repayment
- To be fair and honest in disclosures, dissemination of information and presentation while releasing information to public and marketing of loan products.
- To provide acknowledgement of the loan application and in case of rejection, convey the reason thereof.