

**STATEMENT SHOWING COMPLIANCE OF GUIDELINES  
ON FAIR PRACTICES CODE FOR LENDERS ISSUED  
BY RBI / SIDBI**

**1. Applications for Loans and their Processing**

**(i) Processing Fees payable**

Sl.No	Amount of Term Loan Processing Fees	Rs.
1.	For Autorickshaw Loan *	500/-
2.	For loans upto Rs.2 lakhs	5000/-
3.	For loans above Rs.2 lakhs and upto Rs.5 lakhs	5,000/-
	For loans above Rs.5 lakhs and upto Rs.10 lakhs	5,000/-
	For loans above Rs.10 lakhs and upto Rs.25 lakhs	10,000/-
	For loans above Rs.25 lakhs and upto Rs.50 lakhs	10,000/-
	For loans above Rs.50 lakhs and upto Rs.100 lakhs	30,000/-
	For loans above Rs.100 lakhs and upto Rs.200 lakhs	40,000/-
	For loans above Rs.200 lakhs and upto Rs.300 lakhs	50,000/-
	For loans above Rs.300 lakhs and upto Rs.2000 lakhs	0.20% upto a maximum of Rs.2.00 lakhs.
	For loans above Rs.300 lakhs and upto Rs.800 lakhs	0.20% upto a maximum of Rs.2.00 lakhs.
	For loans above Rs. 2000 lakhs	Rs.5.00 lakhs

\* Registration fess is not applicable to Auto Rickshaw Loan

**(ii) Refund in the case of rejection of loan application :**

- a. Registration fees will not be refunded.
- b. 50% of second instalment paid (i.e., excluding Registration fess) will be refunded if the loan application is rejected by the Corporation before sanction or withdrawn by the applicant before sanction if the Corporation has done any processing work.
- c. In respect of loan application once sanctioned by the Corporation, no refund of investigation fees will be considered under any circumstances.

**(iii) Pre-closure Terms :**

The borrower shall pay preclosure premium of 1% p.a. for the preclosure of term loans by borrowers on the preclosed amount being the amount paid ahead of repayment schedule for the unexpired period excluding rebate for prompt payment if any.

**b (i). Acknowledgement of Loan Application :**

Acknowledgement is issued on receipt of loan application as detailed below.

Received from M/s..... an application for consideration of Term Loan of Rs.....lakhs.

**(ii) Time schedule within which loan applications upto Rs.2.00 lakhs will be disposed of**

Time schedule for disposal of loan application upto Rs.2 lakhs will be indicated in the acknowledgement as detailed below :

1. Received from M/s.....an application for consideration/ Sanction of Term Loan (Loan below Rs.2 lakhs)
2. Time schedule for disposal of Loan application upto Rs.2 lakhs - Maximum of 18 working days.

**c. Immediate communication of reasons for rejection of loan application :**

Reason(s) for rejection are communicated then and there within the stipulated time.

**(ii) a. Loan appraisal and terms and conditions :**

Margin and security stipulations are treated as part of compliance of certain norms for consideration of financial assistance. Promoters' credit worthiness is individually assessed by the Office based on the qualification, experience, networth statement of the promoters, banker's opinion, local enquiry about the promoters etc.

**b.A copy of the terms and conditions duly signed by the borrower :**

Soon after sanction the same is communicated to our clients. Only after acceptance further process starts.

**c. A copy of the loan agreement along with a copy of all enclosures quoted in the loan agreement should be furnished to the borrower.**

Corporation is providing a copy of all enclosures in the loan agreement to the borrower.

**d. Loan agreement should clearly stipulate credit facilities that are solely at the discretion of lenders and that the lender does not have an obligation to meet further requirements of the borrowers on account of growth in business etc. without proper review of credit limits.**

Henceforth, this has been included as one of the Terms and Conditions of loan sanction and advise the Project Department at Head Office and Branch /Regional Offices in this regard accordingly.

**e. Decisions on consortium financing :**

Whenever consortium financing is done, all agencies are consulted each other in all actions.

**(iii) (a) Disbursement of Loans :**

**Loan sanction is to be disbursed quickly; change in rate of interest, service tax etc. are to be informed to the borrowers and the same is to be effected prospectively.**

Subject to fulfillment of terms and conditions of sanction order, loan sanction is quickly disbursed after capital upfront clause is satisfied. Change in the rate of interest, service tax etc. are communicated to the borrowers individually and that the change in the rate of interest, levy of service tax, etc. are effected only prospectively.

**(iv) a. Post Disbursement Supervision :**

**Post disbursement supervision by lenders, particularly in respect of loans upto Rs.2 lakhs, should be constructive with a view to taking care of any "lender-related" genuine difficulty that the borrower may face.**

Being followed.

**b. Foreclosure Notice / Acceleration of repayment schedule :**

Foreclosure Notice/Acceleration of repayment schedule is done by giving due notice to the borrowers.

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**c. Return of security documents :**

Corporation is returning the security documents to the borrowers after repayment of the loan account.

(v) **General :**

**a. Interference in the affairs of the assisted units :**

Corporation is not interfering in the affairs of the borrowers except for those provided in the terms and conditions of the loan sanction.

**b. Discrimination in Lending :**

Corporation is not making any discrimination in lending on the grounds of sex, religion, caste etc.

**c. Harassment of borrowers at the time of recovery :**

Corporation is following a systematic procedure in respect of recovery and no borrower is harassed at the time of recovery.

**d. In case of swap / take over of loan, objection of the lender, if any should be conveyed within 21 days from the date of receipt of application.**

Instruction issued in this regard has been taken note of.

**e. Grievance Redressal Mechanism**

TIIC has already established a Grievance Cell and the Managing Director of the Corporation is hearing the grievance and disposing off the same.

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