

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	250/-
2.	For loans upto Rs.2 lakhs	500/-
3.	For loans above Rs.2 lakhs and upto Rs.5 lakhs	1,000/-
4.	For loans above Rs.5 lakhs and upto Rs.10 lakhs	2,000/-
5.	For loans above Rs.10 lakhs and upto Rs.25 lakhs	5,000/-
6.	For loans above Rs.25 lakhs and upto Rs.50 lakhs	10,000/-
7.	For loans above Rs.50 lakhs and upto Rs.90 lakhs	20,000/-
8.	For loans above Rs.90 lakhs and upto Rs.150 lakhs	25,000/-
9.	For loans above Rs.150 lakhs and upto Rs.250 lakhs	30,000/-
10.	For loans above Rs.250 lakhs and upto Rs.300 lakhs	35,000/-
11.	For loans above Rs.300 lakhs and upto Rs.800 lakhs	0.15% of the loan amount with a ceiling of Rs.1 lakh
12.	For loans above Rs.800 lakhs and upto Rs.2000 lakhs	0.10% of the loan amount with a minimum of Rs.1 lakh and a maximum of Rs.2 lakhs
13.	For loans above Rs.2000 lakhs	5 lakhs

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

- a. 50% refund will be permitted if the loan application is rejected by the Corporation before sanction or withdrawn by the applicant before sanction if the Corporation has done any processing work.
- b. 80% refund will be permitted if the Corporation has not carried out 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 pre-closure premium at the applicable rate being the difference in interest rate between the current rate of interest at the time of pre-closure and documented rate of interest subject to a maximum of 1% p.a. for the pre-closure of term loans by borrowers on the pre-closed 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.

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(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. Additional details required for processing the loan application :

The system of calling for additional details immediately for processing the loan application is already in vogue/existence.

d. 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.

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

Our Corporation is already following this system.

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.**

Our Corporation is already following this system.

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 :**

We have been communicating to the institution wherever consortium arrangement is there.

(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.

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(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.

Suggestion is taken note of.

b. Foreclosure Notice / Acceleration of repayment schedule :

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

c. Return of security documents :

Our Corporation is returning the security documents to the borrowers on settlement of the loan account.

(v) **General :**

a. Interference in the affairs of the assisted units :

Our 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 :

Our 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 :

Our 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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