

**The Bank has adopted the following Fair Practice code in relation to its lending activities**

**1 APPLICATION FOR LOANS AND THEIR PROCESSING**

- The Bank would have Loan application forms for retail advances and credit cards. These would include information about the fees/charges, if any, payable for processing, the amount of such fees refundable in the case of non- acceptance of application, pre-payment options and any other matter which affects the interest of the borrower, so that a meaningful comparison with that of other banks can be made and an informed decision can be taken by the borrower.
- As a part of the Wholesale Banking Business, the Bank has various segments through which credit facilities are provided for their business requirements. These include a wide range of customers and range from Small & Medium Enterprises (SME) to large corporate borrowers. The Bank has a process for identification of target customers to whom facilities can be provided, based on customer selection and risk assessment within each segment. Thus, the Bank will focus on contacting prospective customers and encouraging them to avail of banking services from Kotak Bank, rather than customers making applications to the Bank for facilities / services. Thus, for the Wholesale Banking segment, the Bank does not have any standardized application form to be submitted by prospective customers.
- The Bank would give an acknowledgement for receipt of all retail loan applications. Time-frame within which loan applications will be processed would be indicated in the acknowledgement of such applications.
- The Bank would verify the retail loan applications within a reasonable period of time. If additional details / documents are required, it would intimate the borrowers immediately.
- In the case of all borrowers seeking loans, the Bank would endeavor to convey in writing, the main reason/reasons which, in the opinion of the Bank after due consideration, have led to rejection of the loan applications. In case the proposal does not meet the internal risk parameters of the bank, the borrower would be intimated accordingly.

## 2 LOAN APPRAISAL AND TERMS/CONDITIONS

- The Bank would ensure that there is a proper assessment of credit applications submitted by borrowers. The assessment would be in line with the bank's credit policies & procedures and relevant regulatory guidelines.
- The Bank would convey to the borrower the credit limit along with the terms and conditions thereof and obtain the borrower's acceptance of these terms and conditions, given with his full knowledge on record.
- In respect of approved credit proposals, a copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement will be furnished to the borrower. Such copies may be hard copies or scanned soft copies.
- The sanction letter or the loan agreement would clearly state that the credit facilities are solely at the discretion of the Bank and that all drawings, including under the following circumstances will be solely at the discretion of the Bank.
  - Drawings beyond the drawing power / sanctioned limits.
  - Honouring of cheques issued for the purpose other than specifically stipulated in the sanction.
  - Drawings in an account, once it is classified as NPA.
  - No drawings in an account will be allowed in case of non-compliance of the terms and conditions by the borrower.
- Meeting further requirements of the borrower on account of growth in business will be subject to proper review of the credit limits. Any increase/additional limits/changes in facilities requested by the customer would be at the sole discretion of the Bank based on its internal policies and assessment.
- In the case of lending under consortium arrangement, the bank would endeavor to evolve procedures to complete appraisal of proposals in a time bound manner to the extent feasible, and communicate its decisions on financing or otherwise within a reasonable time, in co-ordination with other members of the consortium. The Bank will endeavour to communicate the decision within 2 months from the date of acceptance of credit application/request for facilities, subject to availability of all required data for appraisal & assessment. Declining of loan applications shall be communicated within 10 working days from decline date.

### **3 DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS**

- The Bank would ensure timely disbursement of loans sanctioned in conformity with the terms and conditions governing such sanction. It would give notice of any change in the terms and conditions including interest rates, service charges etc.
- Revisions to the Bank's Marginal Cost of Funds based Lending Rate (MCLR) are notified through the Bank's website. The Bank shall advise the customers who are charged floating rates of interest of every change in the MCLR. Any revisions in the MCLR are applicable to all facilities linked to the MCLR from the date of MCLR revision. For facilities linked to other benchmark rates, these are revised as per prior agreement with the customer; for all other facilities; any change in interest rates is with prior intimation to the customer. All revisions in other fees and charges are also informed to the customer in advance.

### **4 POST DISBURSEMENT SUPERVISION**

- The Bank would carry out post-disbursement supervision in accordance with normal banking practice, the terms of sanction, and the guidelines issued by the Reserve Bank of India from time to time.
- Before taking a decision to recall / accelerate payment or performance under the agreement or seeking additional securities, the Bank would give notice to borrowers, as specified in the loan agreement or a reasonable period, if no such condition exists in the loan agreement.
- The Bank would release all securities on receiving payment of loan or realization of loan subject to any legitimate right or lien for any other claim that it may have against the borrower. If such right of set off is to be exercised, the borrower shall be given notice about the same with full particulars about the remaining claims and the provisions under which the Bank is entitled to retain the securities till the relevant claim is settled/paid.

### **5 GENERAL**

- The Bank would refrain from interference in the day-to-day affairs of the borrower except for what is provided in the terms and conditions of the loan sanction documents (unless new information, not earlier disclosed by the borrower, has come to the notice of the Bank). This however does not imply that the Bank's right of recovery and enforcement of security under law as well as appointment of nominee directors, where required, is affected by this commitment.

- The Bank would not discriminate on grounds of sex, caste and religion in the matter of lending. However, this does not preclude the Bank from participating in credit-linked schemes framed for weaker sections of society.
- In the matter of recovery of loans, the Bank would not resort to undue harassment or use of force.
- In case of receipt of request for transfer of borrowal account, either from the borrower or from a Bank/financial institution, which proposes to take- over the account, the consent or otherwise i.e., objection of the Bank, if any, would be conveyed within 21 days from the date of receipt of request.

## **6 GRIEVANCE REDRESSAL MECHANISM**

In case of any complaint/grievance, the applicant/borrowers may contact the following:  
**Mr. Amit Kr, Vice-President-**

**Address:**

**Kotak Mahindra Bank Ltd,**

No.27, 2<sup>nd</sup> floor, Plot no.C-27, G Block, Bandra Kurla Complex, Bandra East,  
Mumbai - 400003

Telephone: (022) 61660287 (Direct); 61660001(Board); Mobile: 9820113818

Email: [amit.kr@kotak.com](mailto:amit.kr@kotak.com)

- The Bank will acknowledge receipt of such complaint within 3 working days, and will ensure that a response is provided within a period of 15 working days.
- Disputes arising out of decisions of the bank's functionaries would be disposed of at the next higher level within the Department concerned or at a central level in the bank.
- In order to enhance value and relevance to the borrowers this code would be under review from time to time. The Bank would, greatly value any suggestions for improvement.

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