



## **Fair Practices Code**

**April 2023**

## **Fair Practices Code of ICICI Bank**

The Fair Practices Code of ICICI Bank seeks to provide transparency and clarity to the Bank's borrowers regarding their transactions with the Bank. These guidelines relate only to the domestic banking business of ICICI Bank. The guidelines for international business will be separately framed in line with lenders' liability laws and regulations applicable in countries where ICICI Bank has or proposes to establish a presence.

### **1. Loan Applications and Processing**

The loan application forms will include information about processing fees and other charges, fees refundable in the case of non-acceptance of application, pre-payment options and charges, if any, penalty for delayed repayments, if any, conversion charges for switching loans from fixed to floating rates or vice versa, existence of any interest reset clause and any other matter that affects the interest of the borrower. Further, such information will also be available to the customer through product information brochures and all communication containing product related features, in addition to being an integral part of the facility terms. The Bank will also inform the all-in-cost to the customers.

A system will be devised to provide acknowledgment for receipt of loan application forms. In case of loans to non-individual borrowers where the credit proposals have originated through detailed interaction with the borrowers, an application/acknowledgment process may not be followed. However, request from the borrower will be obtained for availing the facility.

The Bank will ordinarily verify the loan applications/requests received, within <2> months from the date of receipt and intimate borrowers if additional details/documents are required. The Bank will convey in writing the decision (approval/rejection) of loan application/request within <2> months from the date of submission of all information by the customer, required by the Bank to process the loan application/request.

### **2. Loan Appraisal and Terms/Conditions**

The Bank will ensure proper assessment of credit requirement and creditworthiness of borrowers. Stipulation of margin and security will be based on due diligence and creditworthiness of borrowers, in line with Bank's existing Credit Policy. Assessment methodologies have been detailed in the Bank's policy/product notes. Assessment will be based on all credit related and other information as may be called for/collected by the Bank.

The Bank will convey to the borrower the credit limit and details of facilities along with terms and conditions and keep the borrower's acceptance on record. Terms and conditions and other caveats governing credit facilities given by the Bank will remain in writing between the Bank and the borrower and communicated to the borrower under authorised signatories. A copy of the facility terms along with related documents will be provided to the borrower.

As far as possible, the facility terms will stipulate terms and conditions relating to the credit facilities solely at the Bank's discretion, include approval or disallowance of facilities like drawings beyond sanctioned limits, honouring cheques issued for purposes other than those specifically agreed to in the credit sanction and disallowance of drawing on a borrower Account, on its classification as nonperforming asset or in the event of default or on account of non-compliance with the terms of sanction. The Bank will not have an obligation to meet further requirements of the borrowers on account of growth in business etc. without proper review of credit limits.

In case of lending under consortium arrangement where the Bank is a participant, the Bank will try to complete appraisal of proposals in a time-bound manner to the extent possible and communicate to the customer the decision on financing or rejection of proposal within reasonable time.

### **3. Disbursements of Loans including Changes in Terms and Conditions**

The Bank will ensure timely disbursement of loans sanctioned, conforming with terms and conditions governing such sanction.

The Bank will give intimation of any change in terms and conditions including interest rates, service charges etc. and ensure that changes in interest rates and charges are effected only prospectively (unless otherwise required by regulation/law).

### **4. Post Disbursement Supervision**

The post disbursement supervision by lenders, particularly regarding loans up to INR <0.2> million will be constructive, taking care of 'lender-related' genuine difficulty if any, of the borrower. Inappropriate occasions such as bereavement in the family or events of similar nature will require being avoided for calls or visits.

Before taking decision to recall/accelerate payment or performance under facility terms or seeking additional securities, the Bank will give notice to borrowers, as specified in the facility terms or a reasonable period if no such condition exists in facility terms (unless the security is in jeopardy).

The Bank will release all securities on receiving payment of loan or realisation of loan, subject to any legitimate right or lien for any other claim that lenders may have against borrowers. If such right of set off is to be exercised, borrowers will be given notice about the same and the documents under which lenders are entitled to retain the securities.

### **5. General**

In case of request for transfer of borrower Account, either from the borrower or from a bank which proposes to take over the Account, the consent or otherwise i.e. objection of the Bank, if any, will be conveyed within <21> days from the date of receipt of request.

The Bank reserves the right to enforce security for recovery of dues in the form and manner and on the terms and conditions stipulated in the facility terms, in case of default in payment or any other default. For recovery of loans, the Bank will not resort to undue harassment like persistently bothering the borrowers at odd hours or use of force.

The Bank will not intervene in the borrowers' affairs except as provided in the terms and conditions of the facility terms, unless the Bank has noticed new information, not disclosed by the borrower.

The Bank will not discriminate on grounds of sex, caste and religion in the matter of lending.

An appropriate grievance redressal mechanism will be established for disputes arising out of the decisions of the Bank's functionaries.