



***North East***  
***Small Finance Bank***

North East Small Finance Bank

## Citizen's Charter

October 2017

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## **PREFACE**

We have a strong belief that a satisfied customer is the foremost factor in developing our business. The ability of the banking industry to achieve the socio-economic objectives and in the process bringing more and more customers into its fold will ultimately depend on the satisfaction of the customers.

A need was felt by us at North East Small Finance Bank Limited (the "Bank") that in order to become more customer friendly the Bank should come out with charter of its services for the customers. This document highlights the Bank's commitments towards customer satisfaction, thus ensuring accountability and responsibility amongst its officials and staff.

This charter for customers not only explains the Bank's commitment and responsibilities along with the redressal methods but also specifies the obligation on the part of customers for healthy practices in customer-banker relationships.

The charter has been prepared to promote fair banking practices and to give information in respect of various activities relating to customer service.

We maintain constant consultations with our customers through various interactions, customer meets, etc. to evaluate, improve and widen the range and quality of services to customers. However, all our customers are requested to keep us informed of their experiences about the various services rendered by the Bank and feel free to comment on this charter.

Copy of the Citizen's Charter will be available in a comprehensive information booklet at all our branches and on our website.

## **NOTE**

Information given in this booklet is as of October 17, 2017, which is subject to change/ revisions.

This booklet should not be considered as a legal document creating rights and obligations. It is for promoting better understanding between customer and banker.

Only key information on various services/ facilities is given in this booklet. Each service has its own detailed terms and conditions; which are displayed on the Bank's website or can be made available on request.

For further details/ information, visit your nearest North East Small Finance Bank branch or call our phone banking number or visit our website [www.nesfb.com](http://www.nesfb.com)

## **1. Applicability of Charter**

This Charter applies to all products and services provided by the Bank whether provided by branches or other channels of the Bank, that may be availed across the counter, by post, by phone or through interactive electronic devices and through technology (electronic channels).

All our offerings of products and services can be viewed on our website.

## **2. Common Practices followed by Our Branches**

1. Display business hours.
2. Render courteous services.
3. Attend to all customers present in the banking hall at the earliest and before the close of business hours.
4. Provide separate 'Enquiry' or 'May I Help You' counter at large branches manned by Customer Care Representatives.
5. Offer nomination facility to all deposit accounts (i.e. account opened in individual capacity as well as deposits held in the name of a sole proprietary concern.).
6. Provide assistance to customers in handling banking relationship across life events
7. Assist customers for putting in their transactions using various channels such as ATMs, especially those new to banking transactions
8. Display interest rates for various deposit schemes from time to time.
9. Notify interest rates/ service charges and changes in interest rates/ service charges from time to time
10. Provide details of various deposit schemes/ services of the Bank.
11. Issue Demand Drafts
12. Display Time - Norms for various banking transactions.
13. Pay interest for delayed credit of outstation cheques, as advised by Reserve Bank of India (RBI) from time to time.
14. Provide complaint/ suggestion box in the branch premises.
15. Display address of Head Office and Principal Nodal Officer (PNO) dealing with customer grievances/ complaints and details of the Banking Ombudsman.
16. Insure deposits of all customers with Deposit Insurance and Credit Guarantee Corporation of India up to Rs. 1 lakh

### **Customers are requested to**

1. Ensure safe custody of cheque book, debit cards and pass book.
2. Issue crossed/account payee cheques as far as possible.
3. Check the details of the cheque, namely date, amount in words and figures, crossing etc., before issuing it. As far as possible, issue cheques after rounding off the amount to nearest rupee.
4. Not to issue cheque without adequate balance
5. Not to sign blank cheque/s.
6. Maintain minimum balance as specified by the Bank from time to time for applicable products.
7. Bring pass book if availed of, while withdrawing cash from savings bank account through withdrawal slip and get pass book updated from time to time.
8. Use nomination facility.
9. Note down account numbers, details of Fixed Deposit Receipts (FDRs), etc., separately.
10. Inform change of address, telephone number, etc., to the Branch.

The customers shall provide the Bank with the updated proof of identity and address to enable the Bank to conduct revalidation of KYC in line with the frequencies as prescribed by the Bank from time to time.

11. Inform loss of demand draft, fixed deposit receipt, cheque leave (s)/book, debit card etc., immediately to the Branch.
12. Avail of standing instructions facility to repeat transactions.
13. Provide feedback on our services.
14. Pay interest, instalments and other dues on time.
15. Avail services such as ATM, ECS (including local, regional and National ECS), NACH etc., offered by the branch.
16. Bring any deficiency in services to the notice of the branch.
17. Not to introduce any person who is not personally known to you for the purpose of opening account.
18. Ensure that confidential information relating to your accounts including passwords/ PINs are not shared with any other person including staff of the Bank;
19. Ensure that all services and products offered by the Bank are availed of by you through direct interaction with Bank staff and not through any other intermediary and that no commission is paid to any intermediary with regard to availing of Bank services and products;
20. Ensure that the savings and current accounts that you have opened with the Bank are kept active through regular use;
21. Ensure that all accounts opened with the Bank are not used by any person other than the account holder(s)
22. Check your statement/ passbook regularly and inform us of any discrepancy immediately.
23. Change and memorize your PIN, password and other security information received by you
24. Change your PIN/Password at regular intervals.
25. Do not record your specimen signature either on passbook or on cheque book.
26. Give a written instruction in case you wish to stop payment of a cheque or cancel standing instruction or a direct debit.

### **3. Common areas of Customer-Banker Relationship**

#### **Savings Bank Account**

1. These accounts are designed to help the individuals to inculcate habit of savings and to meet their future requirement of money. The amounts can be withdrawn from these accounts by way of debit cards/ cheques/ withdrawal slips. Customers can deposit money in the account by cash, cheques or inward wire transfers. It helps the customers to keep their cash secure with the Bank and earning interest with only a minimum amount held at home to meet essential requirement.
2. The Bank shall make available 'Small Basic Savings Bank Deposit Account' (Small BSBD) to all customers, without the requirement of any minimum balance and provide minimum common facilities without any charges.
3. Savings Bank accounts can be opened by eligible person/s and certain organisation/ agencies (as approved by the Reserve Bank of India (RBI)).
4. As required by law, while opening this account we will satisfy ourselves about the identity, including verification of address of a person/s seeking to open an account, to assist in protecting the prospective customer/s, members of the public and ourselves against fraud and other misuses of the banking system.
5. The Bank is required to obtain two recent photographs of the person/s opening the account, as per RBI directives.
6. The Bank is required to obtain Permanent Account Number (PAN) or General Index Register (GIR) Number or alternatively obtain declaration in Form No. 60 as per the Income Tax Act (vide Section 139 A) from the person/s opening the account.
7. The Bank will provide to the prospective customers the details of documents required for identification of the person/s opening the account. Documents normally accepted are the Aadhaar card/ PAN card/ voter's identity card/ driving licence/ passport or Job card issued by NREGA.
8. The account holder is required to maintain certain minimum balance for specified accounts, as specified by the Bank from time to time. Non-compliance of this would attract penal charges.
9. The Bank shall credit interest on savings deposits at quarterly or shorter intervals and on regular basis irrespective of the operational status of the account.
10. The customer is advised to have a nominee in the case of every deposit account opened with the Bank

#### **Current Account**

1. Current Accounts can be opened by individuals, partnership firms, private and public limited companies, HUFs/ specified associates, societies, trusts, etc.
2. As required by law, while opening this account we will satisfy ourselves about the identity, including verification of address, of a person/s seeking to open an account, to assist in protecting the prospective customer/s, members of the public and ourselves against fraud and other misuse of the banking system.
3. The Bank is required to obtain two recent photographs of the person/s opening/ operating the account, as per RBI directives.
4. The Bank is required to obtain one certified copy of each of the documents i.e. Registration Certificate, Trust Deed, Officially Valid Document for identity in respect of the person holding a power of attorney
5. The Bank is required to obtain Permanent Account Number (PAN) from the person/s opening the account (i.e. including partners of Registered/Unregistered partnership as also Registered/Incorporated bodies/companies).
6. The Bank will provide to the prospective customers, details of the documents required for identification of the person/s opening the account. Documents normally accepted are Aadhaar card/ PAN card/ voter's identity card/ driving license/ passport/ or Job card issued by NREGA.
7. Minimum balance as stipulated from time to time will be required to be maintained.

8. No interest is paid on credit balances kept in current account.
9. **Service charges are levied in the following circumstances:**  
 Cheque books issued  
 Non-maintenance of minimum balance  
 Return of cheques, etc.
10. For opening special types of current accounts like for Executors, Administrators, Trustees, Liquidators etc., the Branch Manager may be contacted who will help in opening these type of accounts.
11. The Bank will not open accounts of those individuals, corporates etc whose names are on the banned list of Reserve Bank of India and other classified agencies

### **Term Deposit Account**

The Bank has tailored various deposit schemes to suit the needs and expectations of investing people in every walk of life.

Term Deposit accounts can be opened by individuals, partnership firms, private and public limited companies, HUFs/specified associates, etc.

1. As per KYC norms, while opening this account we will satisfy ourselves about the identity, including verification of address, of a person/s seeking to open an account, to assist in protecting the prospective customer/s, members of the public and ourselves against fraud and other misuses of the banking system.
2. The Bank is required to obtain two recent photographs of the person/s opening the account, as per RBI directives.
3. The Bank is required to obtain Permanent Account Number (PAN) or General Index Register (GIR) Number or alternatively obtain declaration in Form No. 60 as per the Income Tax Act (vide Section 139 A) from the person/s opening the account.
4. The Bank will provide to the prospective customer's details of the documents required for identification of the person opening the account Documents normally accepted are the Aadhaar card/ PAN card/ voter's identity card/ driving license/ passport/ or Job card issued by NREGA.
5. Premature withdrawals are allowed, unless specified otherwise, at the rate of interest applicable for the period for which the deposit has run or the contracted rate whichever is lower, subject to penalty, if any prescribed by the Bank. No interest will be paid on premature withdrawals of deposit which has remained with the Bank for less than 7 days.
6. Generally loans/overdrafts against deposits are allowed. Such loans are sanctioned by charging interest at rates as prescribed by the Bank in line with regulatory directives.
7. Deposits are renewed by the Bank on due dates on request. As a measure of good customer service, the Bank may intimate the depositor in advance regarding date of maturity.
8. The Bank shall calculate interest at quarterly intervals on term deposits and paid at the rate decided by the Bank depending upon the period of deposits. In case of term deposits with monthly interest pay-outs, the Bank shall calculate the interest for the quarter and pay the interest monthly at discounted value.
9. Interest on overdue deposit is paid if the deposit is renewed, as decided by the Bank from time to time.
10. Interest on bank deposits is exempt from income tax up to a limit specified by Income Tax authorities from time to time.
11. The Bank has statutory obligation to deduct tax at source (TDS) if the total interest paid/ payable on all term deposits held by a person exceeds the amount specified under the Income Tax Act.
12. The depositor may furnish declaration in Form No. 15 G/ 15 H preferably at the commencement of the Financial Year for receiving interest on deposits without deduction of tax.

13. The Bank will issue TDS Certificate for the tax deducted.

#### **4. Payment of Balance in Accounts of the customers to nominee/survivors/ claimants**

The Bank shall exercise due care and caution in establishing the identity of the survivor(s)/ nominee and the fact of death of the account holder, through appropriate documentary evidence as documented in the Bank's Deposit Policy. In case of deceased accounts with nominee or survivors, the Bank shall desist from insisting on production of succession certificate, letter of administration or probate, etc., or obtain any bond of indemnity or surety from the survivor(s)/nominee, irrespective of the amount standing to the credit of the deceased account holder.

The Bank shall confirm that there is no order from the competent court restraining the Bank from making the payment from the account of the deceased. The Bank shall inform the survivor(s)/ nominee that he/ she would be receiving the payment from the bank as a trustee of the legal heirs of the deceased depositor and that such payment to him shall not affect the right or claim which any person may have against the survivor(s) / nominee.

The settlement of claims pertaining to deceased accounts without nominee/ survivor shall be governed by guidelines provided in Bank's Deposit Policy.

The Bank shall collect all documents as per its Deposit Policy. We shall settle the claims in respect of deceased depositors and release payments to survivor(s) / nominee within a period not exceeding 15 days from the date of receipt of the claim subject to the production of proof of death and relevant documents as per Bank's Deposit Policy.

#### **5. Standing Instructions**

Standing instructions can be given to the Bank for transfer/remittance of funds from one account to other account/s maintained in the same branch, any other branch of the Bank or any other bank or any other third party.

#### **6. Nomination**

Standing instructions can be given to the Bank for transfer/remittance of funds from one account to other account/s maintained in the same branch, any other branch of the Bank or any other bank or any other third party.

Nomination facility is available for all deposit accounts. Nomination is available for accounts opened in individual capacity (i.e. single/joint accounts as well as accounts of a sole proprietary concern) only, i.e. not for accounts opened in representative capacity.

Nomination can be done in favour of one person only. Nomination can be made in favour of a minor also.

Nomination can be made, cancelled or varied by the account holder/s anytime during the subsistence of his/her account. While making nomination, cancellation or variation, witness is required only if the account holder provides thumb impression and the request shall be attested by the witnesses. There is no need of witness if the account holder signs while making, cancelling or changing the nomination.

For the existing accounts where nomination is not made, the account holder/s can do so by filling up form available with the branches.



Customers (new as well as existing) are advised to avail nomination facility, if they have not availed so far.

The Bank will provide an acknowledgement to the customer when a nomination is made on the deposit account. Facility of printing legend 'Nomination Registered' or 'Name of the Nominee' on the passbook/ deposit receipts is provided based on choice of account holder/s.

## **7. Remittance Services**

Customers may remit funds from one location to another location by Demand Draft or NEFT/ RTGS etc., by paying specified charges as per the Bank's rules.

### **Issue of Duplicate Demand Draft**

All Demand Drafts for an amount in excess of Rs 20,000 will be crossed Account Payee by the Bank. The Bank shall ensure that drafts drawn on its branches are paid immediately. The Bank shall issue a duplicate draft, in lieu of lost draft, up to and including Rs. 5,000/- to the purchaser on the basis of adequate indemnity and without insistence on seeking non-payment advice from drawee office.

### **Banker's Cheque**

Issue/payment of banker's cheque for Rs.50000/- and above is to be made only through the bank account. Validity period of banker's cheque is 3 months. This can be revalidated by the issuing branch on written request of the purchaser.

## **Collection Services**

In case of Local cheques, the Bank would give credit to the customer account on the same day on which the final clearing settlement takes place or at the most the next working day of their presentation in clearing.

In case of Outstation cheques, the Bank shall process cheques drawn on outstation CBS branches of a drawee bank in the Local Clearing under the Speed Clearing arrangement within T+1 working day like local cheques if the Drawee bank has a branch presence at the local centre.

However, the customers will have to bear the usual service charges and other associated costs. In case the cheque is returned due to no fault of the customer, the Bank shall not levy any cheque return charge.

All cheques (local and outstation) deposited by the customers are cleared by the Bank as follows:

**Local Clearing :** The Bank would give credit to the customer account on the same day on which the final clearing settlement takes place or at the most the next working day of their presentation in clearing.

### **National Clearing:**

Cheques drawn on Metro/Non-metro cities where the Bank has a branch, credit will be given on receipt of clear funds. Funds will be credited to the client account once in a day as part of the beginning of day credit release:

- a) Collection of other Bank cheques between metros and state capitals (other than those of North Eastern states and Sikkim): 7 working days for collection.
- b) Major cities: Maximum period of 10 working days.
- c) In all other centres where we have branches: maximum period of 14 working days. Cheques drawn on non-branch locations where we have a tie-up with correspondent bank, and where we do not have tie up with correspondent bank: maximum 14 working days. Customers are requested to deposit their cheques within the stipulated timeframe at the branches.

## **8. Interest on Deposits**

The Bank pays interest on deposits as per various deposit schemes. Interest rates are revised from time to time and made known to public.

Revised interest rates are applicable only to the renewals and fresh deposits while existing deposit continue to get interest at the contracted rate.

## **9. Service Charges**

The Bank provides various services to customers for which service charges are levied. The charges reviewed/revised from time to time shall be informed to the customer atleast 30 days in advance.

Service charges are levied for collection and remittance of funds, processing of loan proposals, issue of duplicate instruments/statements, etc. Details of service charges will be made available on account opening or on customer's request.

## **10. Non - Discrimination policy**

The Bank shall not discriminate between its customers on the basis of age, race, gender, marital status, religion, disability or financial status.

## **11. Lending**

- a) The Bank will have a Board approved Credit policy.
- b) The Bank will base lending decisions on a careful and prudent assessment of your financial position and capacity to repay.
- c) The Bank will not discriminate on grounds of sex, caste and religion in the matter of lending. However, this does not preclude the Bank from instituting or participating in schemes framed for specified sections of the society.

## **12. Loans**

### **General Information**

The Bank will:

- a) give customers the Most Important Terms and Conditions (MITC) governing the loan / credit facility you have sought to avail.
- b) Give customers information explaining the key features of our loans including applicable fees and charges while communicating the sanction of the loan.
- c) advise about the information / documentation we need from you to enable you to apply. We will also advise customers what documentation we need from customers with respect to customers identity, address, employment, etc. and any other

document that may be stipulated by statutory authorities (e.g. PAN details), in order to comply with legal and regulatory requirements.

- d) verify the details mentioned by customers in the loan application by contacting customers at their residence and / or on business telephone numbers and / or physically visiting customers residence and/or business addresses through agencies appointed by us for this purpose, if deemed necessary by us.
- e) offer customers an overdraft against Fixed Deposit, or an increase in customers' existing overdraft limit, tell customers if your overdraft is repayable on demand or otherwise. We will, if required, also advise about the method of calculation of overdrawn amount and also the computation of interest.

### **13. Special Customers**

The Bank shall ensure that banking facilities such as cheque book facility include ATM facility, net banking facility, retail loans, etc. are invariably offered to the visually and physically challenged without any discrimination.

The Bank shall allow opening of accounts of persons with Autism, Cerebral Palsy, Mental Retardation, Mental Illness and Mental Disabilities after appointing guardian/managers and shall also take note of the legal position and orders/certificates issued by the competent authority, under the acts applicable to such account holders.

The Bank shall provide infrastructure facilities within branches by providing adequate space, proper furniture, drinking water facilities, with specific emphasis on pensioners, senior citizens, disabled persons and such other categories. The branches shall make magnifying glasses available for the use of persons with low vision.

### **14. Collection of Dues**

The Bank shall explain the repayment schedule, viz. amount, tenure and periodicity of repayment at the time of sanction of loans and shall have a defined process for collection of dues. The Bank shall give the customer the option to let equated monthly instalments (EMIs) stay constant and changed tenure or vice-versa when the interest rate changes. The Bank shall explain the methodology for calculation of interest on loans.

### **15. Exchange of soiled/slightly mutilated currency notes**

All the branches of the Bank will exchange freely soiled/slightly mutilated currency notes and certain other types of mutilated currency notes of all denominations. The Bank's currency chest branches will exchange all categories of mutilated currency notes. Currency exchange facility is offered to the Bank's customers and others. The Bank follows RBI guidelines in this respect. RBI has permitted the banks to exchange mutilated currency notes which are genuine and where mutilations are such as not to cause suspicion or fraud.

### **16. Internet Banking**

The Bank will take all necessary steps to put in place security systems to enable safe access to and transacting through internet banking. The Bank will take appropriate measures to ensure that our Internet Banking system and technology are secure and are regularly reviewed and updated for this purpose.

Various initiatives to educate the customer on online security by way of periodic e-mails, will be undertaken through the Bank's website and at various customer touchpoints like ATMs, etc.

## 17. Mobile Banking

The Bank will take appropriate measures to ensure that our mobile applications are secure and regularly reviewed and updated for this purpose.

If the customer opts for mobile banking services the Bank will, prior to the registration for the service, inform him of:

- i. the security procedure adopted by the Bank for user authentication;
- ii. the applicability or otherwise of stop payment instructions and the terms and conditions for the acceptance, if any, for the same.

## 18. Time norms for various banking transactions

The following time norms etc. are indicative only.

Sr No.	Services	Time Norms
1	Cash Payment at Teller Counter	5-7 Minutes
2	Receipt of Cash at Teller Counter (Depending on Denomination)	5-7 Minutes
3	Issuance of Demand Draft	7-10 Minutes
4	Payment of Demand Draft	7-10 Minutes
5	Payment of Fixed Deposit	10 Minutes
6	Opening of New Account (Completion of Documentation) Activation of Savings Account	25-30 Minutes 2 Working Days
7	Transfer of Funds between NESF Bank Accounts (Transfer Cheques)	5-7 Minutes
8	Updation of Passbook	10 Minutes
9	Statement of Account	15-20 Minutes
10	Collection of Local Cheques	As per Clearing House Rules
11	Collection of Outstation Cheques	Upto 14 days depending on the Location
12	Processing of RTGS/NEFT	15 Minutes

## **19. Redressal of Complaints**

To enable the customers to voice their grievances or offer suggestions for improvement in customer service, "Customer Day" is observed at all the branches of the Bank on 15th of every month (next day, if 15th is a holiday). During specified hours on this day any customer can meet senior managers of the Bank without prior appointment.

In case of any complaint, the matter may be first brought to the notice of concerned Branch Manager for immediate redressal. If the complaint is not redressed to the satisfaction of the customer, the matter may be taken up with the Zonal Head. If the complaint is not resolved by Zonal Head, the customer can escalate his complaint to Principal Nodal Officer (PNO). The Bank has displayed detailed grievance redressal mechanism and contact details of Nodal Officers at all branches and on the website.

After exhausting all the above machinery/ channels, if the customer is not satisfied, he may write to Managing Director & Chief Executive Officer of the Bank and even after this he is free to take recourse to the Banking Ombudsman located in State Capitals under RBI's Ombudsman Scheme.

Anonymous complaints will not be entertained

