

**CUSTODY AND DISPOSAL OF UNREQUIRED DOCUMENTS OF CUSTOMERS**

Internal Audit Report to the Board Audit Committee (BAC) reveals that Branch Managers are holding on to the documents of customers , that need not be kept at the Branch as the purpose of lodgment of such document do not exist.

**1. Savings Pass Book**

As per regulatory Directive we are required to issue a pass book to customers duly completed which will disclose among others Debit .Credit transactions and the balance lying to his/her credit. The pass book should not be held at the Branch. It should be handed over to the customer after recording his transactions which involves recording either a Credit / deposit to the account or a Debit / withdrawal from the account.

However, if a credit facility is granted against the balance lying to the credit of the savings account of the borrower , having marked Lien on the balance on the system. the passbook should be lodged with the other security documents relating to the credit facility. The pass book should be handed over to the customer on full settlement of the facility, (Obtain acknowledgement from, customer)

**2. Fixed Deposit Receipt (FD)**

As per regulatory Directive we are required to issue a Receipt titled “Fixed Deposit Receipt” to the depositor duly completed which will disclose. among others, the Face value of the deposit lying to his credit. The Receipt should not be held at a branch and should be handed the depositor duly completed after the Fixed Deposit account is opened on the system.

However, if a credit facility is granted against the Fixed Deposit account the “Fixed Deposit Receipt” , having marked the Lien on FD module of the system , should be lodged with the other security documents relating to the credit facility . The “Under lien” rubber seal should be placed on the face of the FD receipt before lodgment with the securities. On full settlement of the facility the FD receipt should be returned to the borrower recording the cancellation of the “under lean’ seal placed on the receipt. (Customer should acknowledge receipt)

**3. Post Dated Cheques**

All postdated cheques accepted from borrowers should be recorded on the “Post Dated Cheque Register” as required in the Credit Policy & Procedures Manual and flow the procedures therein on full settlement of a facility (Loan / Lease) if there are any extra / unrequired cheques they should be returned to the customer, having obtained an acknowledgment from the customer.




#### 4. Rectification of Audit Findings


As we need to report to Board Audit Committee (BAC) the action taken to rectify audit findings Branch Managers should confirm compliance with the requirements herein to the Manager Internal Audit by 5<sup>th</sup> July 2024.


#### 5. Report to BAC

Manager internal Audit should report to BAC if any Branch Manager fails to confirm compliance by the aforesaid date, to consider appropriate disciplinary action against him/her.

Branch Managers are required to explain the contents herein to their staff members and ensure compliance with immediate effect.

  
Head of Leasing

  
Deputy General Manager (Credit)

  
CEO/ Executive Director