Credit Circular 2024/….

26th June 2024

CUSTODY AND DISPOSAL OF UNREQUIRED DOCUMENTS OF CUSTOMERS

Internal Audit Report to the Board Audit Committee 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 the balance lying to his credit. The pass book should not be held at a branch. It should be handed back to the customer after recording his transactions with the company, which involves 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 Lean on the balance on the system. the passbook should be lodged with the security documents of the credit facility and returned to the customer on full settlement of the facility.**

1. **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 Lean on FD module on the system , should be lodged with the security documents of the credit facility . The under lean rubber seal should be placed on the face of the receipt before lodgment with the securities. On full settlement of the facility the FD receipt should be returned to the borrower having recorded the cancellation of the “under lean’ seal placed on the receipt. (*Customer should acknowledge receipt)***

1. **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. 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.**

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

**Signed Signed**

**Head of Leasing Deputy General Manager (Credit)**

**Signed**

**CEO/ Executive Director**