

**Utkarsh Small Finance Bank**

**Doorstep Banking Policy**

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## **1. Introduction**

Utkarsh Small Finance Bank Limited (USFB) is a wholly owned subsidiary promoted by Utkarsh Micro Finance Limited. It aims to provide affordable & accessible banking services which are process centric, technology enabled and people oriented resulting in a reliable, scalable and sustainable institution, facilitating socioeconomic change. The purpose is to provide banking products and services to the unserved and underserved sections of the society, which includes small and marginal farmers, micro and small industries, and other organized sector entities, at an affordable cost. The vision of the Bank is to be the trusted financial service provider to over 10 million customers by 2021.

USFB endeavors to empower customers with self-service channels. While the bank will have network of ATMs, a best in class mobile banking application and a secure and robust internet banking, we also realize in certain cases of emergency or otherwise customer might need services at his/her/their Doorstep.

### **1.1. Background**

Till March 2005 banks were not permitted to extend any banking facilities at the premises of their customers without obtaining permission from RBI. Subsequently, the restriction was relaxed to a limited extent by permitting banks to provide doorstep banking services only to Government Departments. Later, RBI decided to permit banks to extend doorstep banking to all types of customers including individuals. Though banks need not seek the permission of RBI for extending the Scheme, the bank needs to follow the general principles and broad parameters laid down by RBI in this regard (vide RBI letter no. DBOD. BL. BC. 59 /22.01.010/2006-2007 dated February 21, 2007).

Banks are further advised by RBI to:

- I. Prepare a scheme for offering "doorstep" banking services to their customers with the approval of the Boards.
- II. Take into account the various risks that may arise to customers directly or through agents and take effective steps to manage the same.
- III. Review the Scheme on a half-yearly basis, during the first year of its operation and subsequently on an annual basis.

In accordance with the guidelines, the Bank is required to set forth a Policy on offering Doorstep Banking, duly approved by the Bank's Board. The policy is presented in ensuing paragraphs.

## 1.2. Definitions

"Doorstep banking" services offered by the Bank refers to 'pickup and delivery' of cash, cheques, demand drafts and banking documents, at the premises of the customer, by accepting the instructions from eligible customers.

## 1.3. Applicability

- This policy provides the framework for Doorstep Banking services to its clients. (The contents of this policy will be applicable to all accounts/customers designated as eligible account by the Bank for the purposes of availing the aforesaid Services.
- Bank will make concerted effort to provide basic banking facilities to senior citizens of more than 70 years of age and differently abled or infirm persons (having medically certified chronic illness or disability) including those who are visually impaired, at his/her doorstep. The basic banking facilities will include pick up of cash and instruments against receipt, delivery of cash against withdrawal from account, delivery of demand drafts, submission of Know Your Customer (KYC) documents and Life certificate at the premises/residence of such customers.

## 1.4. Objective

The policy envisages following objectives:

- I. Designing a Scheme for offering "doorstep" banking.
- II. Accounting for the various risks and their management in offering this scheme.
- III. Review mechanism of the Scheme.

## 2. DOORSTEP BANKING POLICY

### 2.1 Services Offered under the Scheme:

- I. Pick up of Cash
- II. Pick up of Cheques and other instruments
- III. Delivery of Cash / Drafts at the doorstep of eligible customers either against Cheques received at the counter or requests received through any secure convenient channels such as phone banking / internet banking.
- IV. Point II and III are subject to adopting technology and security standards and procedures as envisaged by Reserve Bank of India (RBI).
- V. Submission of Know Your Customer (KYC) documents and Life Certificate (Only for senior citizens of more than 70 years of age) and differently abled or infirm persons (having medically certified chronic illness or disability) including those who are visually impaired.

## 2.2 Delivery Channel

- Delivery of the services shall be done either through our employees (Only for cheque, Demand Drafts & Documents) or by engaging Business Facilitators/Service Providers.
- While engaging the services of Business Facilitators/ Service Providers, it would be ensured that the terms/parameters as set out in the relevant Policy of the Bank as approved by the Board with reference to selection of Business Facilitators/Service Providers and payment of fee/commission, etc., are strictly adhered to.

## 2.3 Delivery Process

- I. Cash collected from the customer should be acknowledged by issuing a receipt on behalf of the Bank.
- II. Cash collected from the customer should be credited to the customer's account on the same day or next working day, depending on distance and time of collection.
- III. The customer should be informed of the date of credit by issuing a suitable advice.
- IV. Delivery of demand draft should be done by debit to the account on the basis of requisition in writing/ cheque received and not against cash or instruments collected at the doorstep.

Cash delivery services may be offered to the Individuals, Corporate Clients, PSUs, Government Departments and Bodies against receipt of cheque only and not against telephonic request.

## 2.4 Service Charges

All the services rendered under the 'Doorstep Banking' are subject to Commercial and Operational viability for the Bank. The service charges as decided by the Bank, quantum of which shall be fixed at the time of entering into the arrangement with the customer taking into account the place of collection/delivery and such other criteria. The service charges will be decided on the basis of -:

- Amount of cash involved (as per slabs)
- Distance from the branch and frequency
- Cost incurred in Doorstep Banking Services; and
- Overall business relationship.

## 2.5 Operational Procedure

1. The customer who intends to avail Doorstep Banking services should make a request in writing to the concerned Bank Branch, which would inter-alia contain the services opted, place of collection/delivery, etc.
2. It is solely the discretion of the Bank either to accept or reject request of the customer for extending doorstep services.
3. The concerned Branch will have to submit a proposal along with the customer's request to the competent authority seeking approval/sanction for Doorstep banking service/s to the applicant.
4. The proposal should, amongst other things, contain:
  - a. The cost benefit analysis of providing the service ; and
  - b. Operational and logistical arrangements necessary to provide the service by the branch.
5. The competent authority shall process the proposals considering business as well as operational aspects and communicate his/her decision.
6. The approval apart from covering the commercial aspects will also have the clause of time period by which the doorstep banking arrangement will be reviewed.
7. On receipt of approval from the competent authority, branches have to enter into an agreement with the respective customer in the prescribed format as approved by Legal and Compliance departments of the Bank.

## 2.6 Minimising Risks and Precautions to Be Taken

The risks which are likely to emerge may become specifically known once the Scheme is put into operation. To give a specific example, if cash is to be delivered at the doorsteps and the person who has tendered the cheque is not available for receiving, whether the transactions should be proceeded with need to be specified. Therefore, the guidelines to mitigate such risks will be incorporated in the agreement.

### Prescribed Precautions:

1. The security aspects with regard to cash movement shall be governed by the guidelines prescribed in the Bank.
2. Before accepting a request for cash pick up/delivery, branches should ensure that proper security infrastructure is available with them to carry out the service as requested by a customer.

3. In case the branch expects that the cash balance may exceed their Cash Retention Limit by the picked up cash, then they may also have to ensure proper arrangement for remittance on the same day.
4. The insurance policy of the Bank will have a clause covering collection/delivery of cash at the doorsteps of the customers.

## 2.7 Customer Grievance Redressal

The Bank's customer grievance redressal mechanism would also involve handling of Doorstep Banking related grievance/service request. The Bank would ensure that any grievance is resolved within pre-defined timelines.

## 2.8 Operations Procedure

The detailed process is contained in process note approved in PPMC. Necessary Circular will be issued subsequently.

## 3. REVIEW OF THE POLICY

Review mechanism of the Scheme on a half-yearly basis, during the first year of its operation and subsequently on an annual basis. However, in the event of a change in regulatory guidelines, necessary changes will be effected as and when required with the approval of the Board.

## 4. CONFIDENTIALITY CLAUSE

The information in this policy is strictly confidential to the company and should not be disclosed to any other person. It may not be reproduced in whole, or in part, nor may any of the information contained therein be disclosed without the prior consent of the Compliance Department in pdf format.

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