



FAIR PRACTICE CODE

GILTS

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1. Introduction

Reserve Bank of India (RBI) has prescribed guidelines on Fair Practices for all Non-Banking Financial Companies (NBFCs) on the basis of which Fair Practices Code (FPC) shall be put in place by NBFCs.

The Fair Practice Code of the Company has been prepared in accordance with the RBI master directions / circulars / notifications to the extent applicable.

2. Background

PNB GILTS LTD Limited (PNB GILTS/Company) is incorporated under the Companies Act, 1956 and is registered with RBI as a Primary Dealer. The Company is required to be registered with RBI under Section 45 IA of the Reserve Bank of India Act, 1934 as a non-deposit taking systemically important NBFC (NBFC-ND-SI) for undertaking the business of a Primary Dealer. The Company is also a Member of Primary Dealers Association of India (PDAI) and Fixed Income Money Market and Derivatives Association (FIMMDA) and abides by the code of conduct framed by them. This Code has been prepared in accordance with the guidelines as prescribed by RBI as well as the publications/code/general market practice guidelines released by FIMMDA/PDAI.

3. Organisation of the Company

The fundamental principle of maintenance of internal controls is the functional segregation of the front office and back office which undertakes the settlement functions. The present structure is as under:-

Function	Responsible for
Front office	Dealing (Cash & Derivatives) & Resource Mobilisation
Mid-Office	Risk management and management information
Back office	Deal Confirmations, settlement and reconciliation
Accounts Department	Accounting and Balance Sheet

4. Applicability

The general principles and procedures/market practices are applicable to financial instruments that the Company deals in. The major products that the Company currently deals in (indicative list) are:

- Call / Notice / Term Money
- TREPS/CROMS
- Ready Forward (Repo) Transactions
- Government Dated Securities including SDLs, FRBs & IIBs
- Treasury Bills (including Cash Management Bills)
- Commercial Paper (CPs) & Certificate of Deposit (CDs)
- Corporate Bonds / Debentures
- Interest Rate Derivatives
- Equity Cash & Derivatives

5. Management Controls

The Management has put in place suitable controls and internal procedures in respect of the dealings of the Company in the securities markets. The Company personnel who deal in the market and the other support staff follow the controls and internal procedures. The Management periodically reviews the controls and procedures.

The Company shall ensure that the individuals acting on its behalf are fully trained and completely aware of the rules and regulations, conventions, practices of the markets in which they deal and have the required skills and resources to perform their job with professional integrity and honesty. The Company shall maintain the highest standards of ethical & professional conduct so as to enhance the reputation of the markets in which it deals in. The Company shall ensure that all new individuals authorized to use the NDS OM System are trained for at least 15 days, before being allowed to handle the system.

The Company shall ensure that its authorized personnel conduct deals only from the normal place of dealing i.e. from the dealing room only on recorded telephone lines and off premise deals are avoided.

The Company shall ensure that only users duly authorized are able to access the NDS OM system. The Company shall ensure that procedures laid down to prevent unauthorized access to the system (User ID, passwords) etc. is properly followed to prevent abuse of the system.

6. Know your counterparty checks

The Company conducts basic due diligence and “Know Your Counterparty” checks before dealing with any counterparty.

7. Recording of conversations

The Company has a system in place of recording all calls to and from the dealing room. These are recorded as they prove to be invaluable in speedy resolution of differences and disputes. The recordings are kept for three months. Tapes relating to disputed/unconfirmed transactions will be retained until the disputes have been settled/confirmed. The access to the recording equipment will be strictly controlled so that they cannot be tampered with.

8. Dealing in the Fixed Income Markets:

8.1. Dealing Principles & Procedures

The Company shall ensure that all individuals who close deals on behalf of the Company in the OTC market adopt a healthy practice of stating all terms and conditions to which the deal will be subject to. The Company shall further ensure that any individual who commits on its behalf is acting within approved authority. The Company shall stand by the commitment made by an individual acting on behalf of the Company, the principle being “My Word is my Bond”.

The Company shall ensure that all individuals who transact on its behalf clearly state at the outset, prior to a transaction being executed, any qualifying conditions to which the deal will be subject to. Typical examples of qualifications include where a price is quoted subject to the necessary credit approval, limits available for the counterparty, inability to conclude a transaction because offices of the member in other centres are not open.

The Company shall not enter into any transactions which has intent of disrupting the market, distorting the prices, or artificially inflating trading volumes.

The Company shall ensure that all individuals who transact on its behalf communicate clearly whether the prices they are quoting are firm or merely indicative. In volatile markets, or when

some news is expected, the dealers quoting a firm price or rate will indicate the length of time for which their quote is firm.

The Company shall ensure that all individuals who transact on its behalf shall not make frivolous quotations with an intent to mislead the market participants either on any trading platform or in the OTC segment.

8.2. Communication: Channels, disclosures and transparency

The Company shall ensure that its trading personnel communicate through approved modes and channels of communication only. The Company shall further ensure that its trading personnel always communicate in unambiguous, transparent, accurate and professional manner to promote effective communication that supports a transparent market.

The Company has in place a Policy on Investment & Trading for its personnel to ensure that its personnel do not disclose sensitive information to external parties, and if required to do so, obtain necessary permissions.

The Company shall ensure that its trading personnel share a view on market outlook, general state of market or trends without disclosing designated confidential information. Further trading personnel will not intentionally disseminate false or misleading information with respect to the price or market for a security.

In case any official of the Company is a member of any committee (regulatory or otherwise) having some material non-public information, he/she will not disclose the same to others or use this for trading in market, till it is officially made public.

The Company shall ensure that all its client transactions fall within the guidelines of the Suitability and Appropriateness Policy as laid down by the Board.

8.3. Rates & Prices

The Company shall observe high standards of integrity and just and fair principles while trading either on its own account or on behalf of its clients. The Company abides by the NDS OM Code of Conduct while executing trades on NDS-OM and in the OTC Market.

The Company does not deal at rates, which are not market related. The Company shall ensure that proper procedures are in place, including the periodicity of taking rate scans. The Company ensures that the bids/offers placed on the NDS OM System, are free from market manipulation

and fraudulent practices. Examples of such bids and offers which the Company will scrupulously avoid are:

i) Simultaneously buying and selling the same securities at off market prices in order to create false or misleading signals regarding the supply of, demand for, or market price of securities

ii) Deliberately trying to manipulate the prices of infrequently traded securities at monthly/quarterly /annual closing dates.

iii) Entering into arrangements for sale or purchase of a Government security where there is no change in beneficial interests or market risk or where the transfer of beneficial interest or market risk is only between parties who are acting in concert or collusion.

iv) Entering into 'routing deals' i.e. purchasing a security at the instance of a third party who does not have funds to purchase the security, with an unwritten agreement to sell the same to the third party on a later date at a predetermined price which may not be market related.

v) Deliberately putting wide bids and offers on the NDS- OM for the infrequently traded securities, such that the party buying or selling at the price displayed commits a "big-figure" mistake.

FIMMDA has in place a Price/Yield range/band for trading on the NDS OM. The Head of Treasury is responsible for the internal discipline of ensuring that the FIMMDA trading bands are not breached under normal circumstances.

The Company has a Management approved Rate Scan Policy in place under which the Back office prepares a daily rate scan report for all deals covered under the Rate Scan Policy to ensure that the dealt rates for all such deals are within the bands stipulated for each product category.

8.4. Confirmations

Non SLR Deals closed by the traders shall be independently confirmed by the back-office. All deal confirmations shall include the trade date of the deal, settlement/value date of the deal, the name of the counterparty and all other details of the deal. The back office shall immediately take action on instances where confirmations received do not have a corresponding trade.

Any discrepancy between a confirmation and significant details of the trade, and even the existence of a trade, will be brought to the notice of the concerned officials. A written

confirmation of each deal is sent out and a return confirmation is asked for from the counterparty. The confirmation provides a necessary safeguard against dealing errors. Confirmations are checked promptly.

8.5. Settlement of deals

Deals in Government Securities and T-Bills may be conducted either on the NDS OM Trading platform or in the OTC market. Trades done outside the NDS OM Trading platform, are entered on the NDS OM Reporting platform within the stipulated time of conclusion of the trade. The approval of the deals is done within the stipulated time from the moment of conclusion of the deal. All Non SLR Bond trades are reported & settled on CBRICS (NSCCL) or ICDM (ICCL).

8.6. Reversal of erroneous trades

In case erroneous trade with a “big-figure” mistake trades get executed, Company shall ensure that no undue enrichment and/or losses occur to either itself or its counterparty. When the Company’s dealers notice the big-figure error, (irrespective of whether the Company has lost or gained due to the big –figure error) they will immediately inform the Head of Treasury who will in turn inform FIMMDA about such a deal. As far as possible, a reversal deal will be put through on the same day, on the NDS OM system, for the same security, same amount (face value), and at the same price. In case this is not possible; the difference will be settled in cash on the next working day.

8.7. Deals with/on behalf of CSGL (Gilt Account Holders)

The Company shall observe highest standards of integrity and just and fair principles while trading on behalf of or with its constituent accounts (Gilt Account Holders). The Company shall ensure fair and prompt deal execution practices, while acting as a principal or on behalf of its constituent accounts (Gilt Account Holders). The constituent account orders will not be discriminated and shall be dealt in the priority of receipt of the orders.

The dealers/ sales personnel shall disclose market conditions prevailing in the market to the best of their knowledge so as to enable their clients to make an informed investment decision.

The Company shall ensure that all individuals who transact on its behalf maintain utmost confidentiality with respect to client information and do not disclose/disseminate the same to any entity.

The Company shall adopt fair and prompt deal execution practices while acting on behalf of their clients. The client orders will not be discriminated and will be dealt in the priority of receipt of the orders.

9. Dealing in the Money Markets:

9.1. Borrowing & Lending in Call/Notice/Term Money Market

The Company is permitted to Borrow/lend funds in Call/Notice/Term Money market from/to specified participants viz. Banks and other Primary Dealers subject to dealing/exposure limits as fixed for the counter parties in accordance with relevant investment guidelines as approved by the Board of Directors of the Company from time to time and in accordance with the various rules and regulations. The Company will ensure that the rate of interest of all such transactions is market determined. The Company is also a member of Negotiated Dealing System (NDS)-CALL and all Call/Notice/Term money market deals are required to be reported on NDS-CALL platform. Thus, each deal is transparent and rates are market driven.

9.2. Borrowing & Lending in Repo Market

The Company is permitted to Borrow/lend in Repo Market. Repo transactions are undertaken only in securities as permitted by RBI from time to time. The dealing/exposure limits are fixed for the counter parties by the relevant investment guidelines as approved by the Board of Directors of the Company from time to time in accordance with the various rules and regulations. The Company will ensure that the rate of interest of all such transactions is market determined. The repo transactions in SLR securities are settled in Clearcorp Repo Order Matching System (CROMS) system through the SGL Account/CSGL Account maintained with the RBI with CCIL acting as a central counter party. Thus, each deal is transparent and rates are market driven. The repo transactions in non SLR securities are settled in Corporate Bond Reporting and Integrated Clearing System (CBRICS) of NSE and Indian Corporate Debt Market Reporting Platform (ICDN) of BSE which disseminates trade data of all deals reported thereby ensuring each deal is transparent and rates are market driven.

9.3. Borrowing/Lending in TREPS Market

CCIL provides an automated dealing system to all the members of TREPS segment of Clearcorp Dealing Systems Ltd to enable them to borrow and lend funds against collateral of Government Dated Securities, SDLs & STRIPS. CCIL acts as a central counterparty for both borrowers and lenders and there is no settlement risk involved as CCIL guarantees all the trades. The Company will ensure that the rate of interest of all such transactions is market determined. The Company is a member of TREPS segment and all deals are conducted on the electronic anonymous order matching system thereby ensuring that each deal is transparent and rates are market driven.

10. Grievance Redressal Mechanism

Clients can forward their grievances / complaints at the registered address / branch address of the Company. The Company has grievance redressal mechanism within the organization to resolve disputes with its clients. All grievances in respect of the Company's transactions in the market and in respect of this code will be addressed to the Head Treasury, who will be the nodal officer in respect of compliance with this code. All such complaints will be redressed within a month. Details of Nodal Officer is as under –

Head Treasury,
PNB Gilts Ltd.

Regd Office : 5, Sansad Marg, New Delhi – 110001

Email Id : v.sharma@pnbgilts.com

Tel No. : 011-23325759/23325779

In case the grievance is not satisfactorily addressed, the same may be escalated to the Managing Director of the Company. If the complaint/dispute is not redressed within a period of one month, the customer may apply to "The General Manager, Reserve Bank of India, Department of Non Banking Supervision, 6, Sansad Marg, New Delhi – 110001",.

The Company will periodically review the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such reviews shall be submitted to the Board, if any, at regular intervals.

11. Integrated Ombudsman Scheme

RBI has issued the Reserve Bank – Integrated Ombudsman Scheme – 2021 (the Scheme) which is applicable to NBFCs. Thus, the Company being an NBFC has adopted the integrated Ombudsman Scheme 2021 of RBI to resolve customer grievances in an expeditious and cost effective manner. The complete Scheme, its salient features alongwith details of Nodal Officer (Annexure A) and this Fair Practice Code shall be displayed on website of the Company.

12. Regulation

In case of any contradiction between the provisions contained in the Code and any other law or regulation/guidelines laid down by any other statutory authority like RBI, the latter shall prevail. In case of deals settled through CCIL, the bye-laws, rules and regulations of CCIL will be applicable.



रिजर्व बैंक - समेकित लोकपाल योजना, 2021

मुख्य विशेषताएँ

लोकपाल योजना में ग्राहकों का शामिल हैं

सभी डिपॉजिट लेने वाले एनबीएफसी के ग्राहक

संपत्ति आकार \geq ₹. 100 करोड़ + ग्राहक इंटरफेस वाले एनबीएफसी
(इनके अलावा: इन्फ्रास्ट्रक्चर फाइनेंस कंपनियाँ, कोर इनवेस्टमेंट कंपनियाँ, इन्फ्रास्ट्रक्चर डेट फंड और लिक्विडेशन के अधीन एनबीएफसी)

“सेवा में कमी” का अर्थ है नियमित संस्था द्वारा कानूनी या अन्य कारण से दी जाने वाली किसी भी आवश्यक वित्तीय सेवा में किसी तरह की कमी या अपर्याप्तता, जो ग्राहक के लिये आर्थिक नुकसान या हानी का कारण बन सकती है और नहीं भी

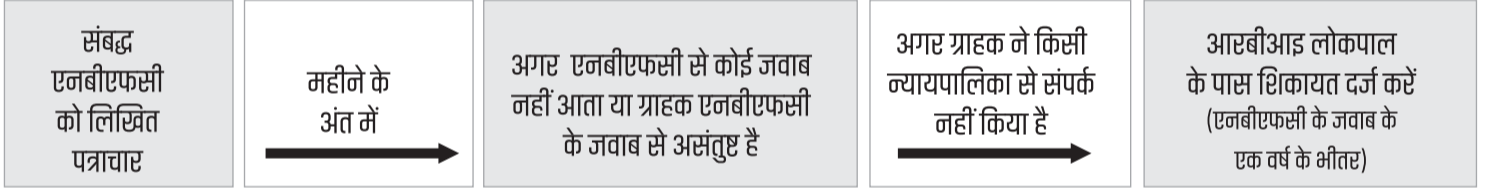
शिकायत का आधार

कोई भी ग्राहक किसी नियमित संस्था द्वारा सेवा की कमी का रूप लेने वाले कार्य या गलती की शिकायत इस योजना के अंतर्गत स्वयं या किसी प्राधिकृत प्रतिनिधि द्वारा “सेवा में कमी” की परिभाषा के अंतर्गत दर्ज कर सकता है

शिकायत के लागू न होने के आधार

इस योजना के अंतर्गत अस्वीकार की जाने वाली शिकायतों के बारे में जानने के लिये, कृपया **आरबीआइ लोकपाल योजना, 2021 का परिच्छेद 10** देखें

ग्राहक शिकायत कैसे दर्ज कर सकता है?



प्रिंसिपल नोडल अधिकारी का नाम और संपर्क विवरण

नाम : Vijay Sharma
टेलीफोन : 011-40729723
ईमेल आईडी : v.sharma@pnbgilts.com

लोकपाल का शिकायत दर्ज करनेवाला पोर्टल:

<https://cms.rbi.org.in>

सेंट्रलाइज्ड रिसीट एंड प्रोसेसिंग सेंटर (सीआरपीसी) के संपर्क विवरण

ई-मेल आयडी : crpc@rbi.org.in

पता : सेंट्रलाइज्ड रिसीट एंड प्रोसेसिंग सेंटर,
रिजर्व बैंक ऑफ इंडिया, 4थी मंजिल,
सेक्टर 17, चंडीगढ़ - 160017

टोल फ्री नंबर पर कॉल करें : 14448

सुबह 9:30 से शाम 5:15 के बीच

लोकपाल निर्णय कैसे लेता है?

- लोकपाल के समक्ष की प्रक्रियाएँ संक्षिप्त होती हैं
- समझौते द्वारा निपटान को बढ़ावा दिया जाता है → समझौता न होने पर फैसला/आदेश जारी किया जा सकता है

क्या लोकपाल के निर्णय से असंतुष्ट होने पर ग्राहक अपील कर सकता है?

हाँ, अगर लोकपाल का निर्णय अपील योग्य है, तो अपेलेट अधिकारी - इस योजना का संचालन करने वाले रिजर्व बैंक के विभाग के कार्यकारी निदेशक से संपर्क करें

ध्यान दें: • यह एक वैकल्पिक विवाद निपटान प्रणाली है

- ग्राहक किसी भी चरण पर समाधान के लिये किसी अन्य न्यायालय/न्यायपालिका/प्राधिकरण से संपर्क कर सकता है योजना से संबंधित अधिक जानकारी के लिये www.rbi.org.in देखें

THE RESERVE BANK - INTEGRATED OMBUDSMAN SCHEME, 2021

SALIENT FEATURES

The Ombudsman Scheme covers customers of

All deposit taking
NBFCs

NBFCs with assets size \geq Rs. 100 crores + customer interface
(Excluding: Infrastructure Finance Companies, Core Investment Companies,
Infrastructure Debt Fund, and NBFCs under liquidation)

“Deficiency in service” means a shortcoming or an inadequacy in any financial service, which the Regulated Entity is required to provide statutorily or otherwise, which may or may not result in financial loss or damage to the customer

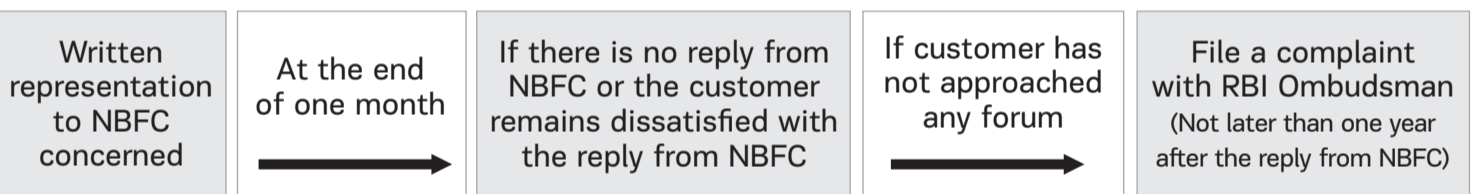
Grounds of complaint

Any customer may file a complaint about an act or omission of a Regulated Entity resulting in a deficiency in service may file a complaint under this Scheme either personally or through an authorized representative as defined under the “Deficiency in service”

Grounds for non-maintainability of a Complaint

To know about the complaints which are not maintainable under this Scheme, please refer to clause 10 of RBI Integrated Ombudsman Scheme, 2021

How can a customer file complaint?



The name and contact details of
Principal Nodal Officer

Name : Vijay Sharma

Telephone : 011-40729723

E-mail ID : v.sharma@pnbgilts.com

Contact details of Centralised Receipt and
Processing Centre (CRPC)

Complaint lodging portal of the Ombudsman:
<https://cms.rbi.org.in>

Address : Centralised Receipt and Processing
Centre, Reserve Bank of India, 4th Floor,
Sector 17, Chandigarh – 160017.

Call on the Toll Free number : 14448
between 9:30 am and 5:15 pm

How does Ombudsman take a decision?

- Proceedings before Ombudsman are summary in nature
- Promotes settlement through conciliation → If not reached, can issue Award/Order

Can a customer appeal if not satisfied with the decision of the Ombudsman?

Yes, if Ombudsman's decision is appealable, contact - The Appellate Authority - the Executive Director in charge of the Department of Reserve Bank administering this Scheme

Note: • This is an Alternate Dispute Resolution mechanism

- The customer is at liberty to approach any other court/forum/authority for the redressal at any stage

Refer to www.rbi.org.in for further details of the Scheme

THE RESERVE BANK - INTEGRATED OMBUDSMAN SCHEME, 2021

A Scheme for resolving customer grievances in relation to services provided by entities regulated by Reserve Bank of India in an expeditious and cost-effective manner under Section 35A of the Banking Regulation Act, 1949 (10 of 1949), Section 45L of the Reserve Bank of India Act, 1934 (2 of 1934) and Section 18 of the Payment and Settlement Systems Act, 2007 (51 of 2007).

CHAPTER I

PRELIMINARY

1. Short Title, Commencement, Extent and Application

- (1) This Scheme may be called the Reserve Bank - Integrated Ombudsman Scheme, 2021.
- (2) It shall come into force on such date as the Reserve Bank may specify.
- (3) It shall extend to the whole of India.
- (4) The Scheme shall apply to the services provided by a Regulated Entity in India to its customers under the provisions of the Reserve Bank of India Act, 1934, the Banking Regulation Act, 1949, and the Payment and Settlement Systems Act, 2007.

2. Suspension of the Scheme

- (1) The Reserve Bank, if it is satisfied that it is expedient so to do, may by order suspend for such period as may be specified in the order, the operation of all or any of the clauses of the Scheme, either generally or in relation to any specified Regulated Entity.
- (2) The Reserve Bank may, by order, extend from time to time, the period of any suspension ordered as aforesaid by such period, as it may deem fit.

3. Definitions

- (1) In the Scheme, unless the context otherwise requires:
 - (a) “Appellate Authority” means the Executive Director in-Charge of the Department of the Reserve Bank administering the Scheme;
 - (b) “Appellate Authority Secretariat” means the Department in the Reserve Bank which is administering the Scheme;

(c) “Authorised Representative” means a person, other than an advocate, duly appointed and authorised in writing to represent the complainant in the proceedings before the Ombudsman;

(d) “Award” means an award passed by the Ombudsman in accordance with the Scheme;

(e) “bank” means a ‘banking company’, a ‘corresponding new bank’, a ‘Regional Rural Bank’, ‘State Bank of India’ as defined in the Banking Regulation Act, 1949, a ‘co-operative bank’ as defined in Section 56 (c) of the Banking Regulation Act, 1949 to the extent not excluded under the Scheme, but does not include a bank in resolution or winding up or under directions or any other bank as specified by the Reserve Bank;

(f) “Complaint” means a representation in writing or through other modes alleging deficiency in service on the part of a Regulated Entity, and seeking relief under the Scheme;

(g) “Deficiency in service” means a shortcoming or an inadequacy in any financial service, which the Regulated Entity is required to provide statutorily or otherwise, which may or may not result in financial loss or damage to the customer;

(h) “Deputy Ombudsman” means any person appointed by the Reserve Bank as such under the Scheme;

(i) “Non-Banking Financial Company” (NBFC) means an NBFC as defined in Section 45-I (f) of the Reserve Bank of India Act, 1934 and registered with the Reserve Bank, to the extent not excluded under the Scheme, but does not include a Core Investment Company (CIC), an Infrastructure Debt Fund-Non-Banking Financial Company (IDF-NBFC), a Non-Banking Financial Company - Infrastructure Finance Company (NBFC-IFC), a company in resolution or winding up/liquidation, or any other NBFC specified by the Reserve Bank;

Explanation: The terms CIC and IDF-NBFC shall have the same meaning assigned to them under the RBI Directions.

(j) “Regulated Entity” means a bank or a Non-Banking Financial Company or a System Participant as defined in the Scheme, or any other entity as may be specified by the Reserve Bank from time to time; to the extent not excluded under the Scheme;

(k) "Settlement" means an agreement reached by the parties to the complaint by facilitation or conciliation or mediation, as per the provisions of this Scheme;

(l) "System Participant" means a person other than the Reserve Bank and a System Provider, participating in a payment system as defined in the Payment and Settlement Systems Act, 2007;

(m) "System Provider" means and includes a person who operates an authorised payment system as defined in Section 2 of the Payment and Settlement Systems Act, 2007;

(n) "The Reserve Bank" means Reserve Bank of India constituted under Section 3 of the Reserve Bank of India Act, 1934.

(2) Words and expressions used and not defined in the Scheme, but defined in the Reserve Bank of India Act, 1934, or in the Banking Regulation Act, 1949, or in the Payment and Settlement Systems Act, 2007 or in the Regulations or guidelines or Directions issued by the Reserve Bank in exercise of its powers conferred by the Acts referred to herein above, shall have the meanings respectively assigned to them.

CHAPTER II

OFFICES UNDER THE RESERVE BANK - INTEGRATED OMBUDSMAN SCHEME, 2021

4. Appointment and Tenure of Ombudsman and Deputy Ombudsman

(1) The Reserve Bank may appoint one or more of its officers as Ombudsman and Deputy Ombudsman, to carry out the functions entrusted to them under the Scheme.

(2) The appointment of Ombudsman or the Deputy Ombudsman, as the case may be, shall be made for a period not exceeding three years at a time.

5. Location of the Office of the Ombudsman

(1) The offices of the Ombudsman shall be at such places as may be specified by the Reserve Bank.

(2) In order to expedite disposal of the complaints, the Ombudsman may hold sittings at such places and in such manner as may be considered necessary and proper in respect of a complaint.

6. Establishment of a Centralised Receipt and Processing Centre

(1) The Reserve Bank shall establish the Centralised Receipt and Processing Centre at any place as may be decided by it to receive the complaints filed under the Scheme and process them.

(2) The complaints under the Scheme made online shall be registered on the portal (<https://cms.rbi.org.in>). Complaints in electronic mode (E-mail) and physical form, including postal and hand-delivered complaints, shall be addressed and sent to the place where the Centralised Receipt and Processing Centre of the Reserve Bank is established, for scrutiny and initial processing.

Provided that the complaints that are received directly in any of the offices of the Reserve Bank shall be forwarded to the Centralised Receipt and Processing Centre for further action.

7. Staffing of the Offices of Ombudsman and Centralised Receipt and Processing Centre

The Reserve Bank shall ensure that the offices of the Ombudsman and the Centralised Receipt and Processing Centre are adequately staffed and shall bear the cost thereof.

CHAPTER III

POWERS AND FUNCTIONS OF THE OMBUDSMAN

8. Powers and Functions

(1) The Ombudsman/Deputy Ombudsman shall consider the complaints of customers of Regulated Entities relating to deficiency in service.

(2) There is no limit on the amount in a dispute that can be brought before the Ombudsman for which the Ombudsman can pass an Award. However, for any consequential loss suffered by the complainant, the Ombudsman shall have the power to provide a compensation up to Rupees 20 lakh, in addition to, up to Rupees One lakh for the loss of the complainant's time, expenses incurred and for harassment/mental anguish suffered by the complainant.

(3) While the Ombudsman shall have the power to address and close all complaints, the Deputy Ombudsman shall have the power to close those complaints falling under clause 10 of the Scheme and complaints settled through facilitation as stated under clause 14 of the Scheme.

(4) The Ombudsman shall send to the Deputy Governor, Reserve Bank of India, a report, as on March 31st every year, containing a general review of the activities of the office during the preceding financial year, and shall furnish such other information as the Reserve Bank may direct.

(5) The Reserve Bank may, if it considers necessary in the public interest to do so, publish the report and the information received from the Ombudsman in such consolidated form or otherwise, as it may deem fit.

CHAPTER IV

PROCEDURE FOR REDRESSAL OF GRIEVANCE UNDER THE SCHEME

9. Grounds of Complaint

Any customer aggrieved by an act or omission of a Regulated Entity resulting in deficiency in service may file a complaint under the Scheme personally or through an authorised representative as defined under clause 3(1)(c).

10. Grounds for non-maintainability of a Complaint

(1) No complaint for deficiency in service shall lie under the Scheme in matters involving:

- (a) commercial judgment/commercial decision of a Regulated Entity;
- (b) a dispute between a vendor and a Regulated Entity relating to an outsourcing contract;
- (c) a grievance not addressed to the Ombudsman directly;
- (d) general grievances against Management or Executives of a Regulated Entity;
- (e) a dispute in which action is initiated by a Regulated Entity in compliance with the orders of a statutory or law enforcing authority;
- (f) a service not within the regulatory purview of the Reserve Bank;
- (g) a dispute between Regulated Entities; and
- (h) a dispute involving the employee-employer relationship of a Regulated Entity.

(2) A complaint under the Scheme shall not lie unless:

- (a) the complainant had, before making a complaint under the Scheme, made a written complaint to the Regulated Entity concerned and -
 - (i) the complaint was rejected wholly or partly by the Regulated Entity, and the complainant is not satisfied with the reply; or the complainant had not received any reply within 30 days after the Regulated Entity received the complaint; and
 - (ii) the complaint is made to the Ombudsman within one year after the complainant has received the reply from the Regulated Entity to the

complaint or, where no reply is received, within one year and 30 days from the date of the complaint.

- (b) the complaint is not in respect of the same cause of action which is already-
 - (i) pending before an Ombudsman or settled or dealt with on merits, by an Ombudsman, whether or not received from the same complainant or along with one or more complainants, or one or more of the parties concerned;
 - (ii) pending before any Court, Tribunal or Arbitrator or any other Forum or Authority; or, settled or dealt with on merits, by any Court, Tribunal or Arbitrator or any other Forum or Authority, whether or not received from the same complainant or along with one or more of the complainants/parties concerned;
- (c) the complaint is not abusive or frivolous or vexatious in nature;
- (d) the complaint to the Regulated Entity was made before the expiry of the period of limitation prescribed under the Limitation Act, 1963, for such claims;
- (e) the complainant provides complete information as specified in clause 11 of the Scheme;
- (f) the complaint is lodged by the complainant personally or through an authorised representative other than an advocate unless the advocate is the aggrieved person.

Explanation 1: For the purposes of sub-clause (2)(a), 'written complaint' shall include complaints made through other modes where proof of having made a complaint can be produced by the complainant.

Explanation 2: For the purposes of sub-clause (2)(b)(ii), a complaint in respect of the same cause of action does not include criminal proceedings pending or decided before a Court or Tribunal or any police investigation initiated in a criminal offence.

11. Procedure for Filing a Complaint

- (1) The complaint may be lodged online through the portal designed for the purpose (<https://cms.rbi.org.in>).
- (2) The complaint may also be submitted through electronic or physical mode to the Centralised Receipt and Processing Centre as notified by the Reserve Bank. The complaint, if submitted in physical form, shall be duly signed by the complainant or by

the authorised representative. The complaint shall be submitted in electronic or physical mode in such format and containing such information as may be specified by Reserve Bank.

12. Initial Scrutiny of Complaints

(1) Complaints which are in the nature of offering suggestions or seeking guidance or explanation shall not be treated as valid complaints under the Scheme and shall be closed accordingly with a suitable communication to the complainant.

(2) Complaints which are non-maintainable under clause 10 shall be separated to issue a suitable communication to the complainant.

(3) The remaining complaints shall be assigned to the offices of the Ombudsman for further examination under intimation to the complainant. A copy of the complaint shall also be forwarded to the Regulated Entity against whom the complaint is filed with a direction to submit its written version.

13. Power to Call for Information

(1) The Ombudsman may, for the purpose of carrying out duties under this Scheme, require the Regulated Entity against whom the complaint has been made or any other Regulated Entity which is a party to the dispute to provide any information or furnish certified copies of any document relating to the complaint which are or is alleged to be in its possession.

Provided that in the event of failure of a Regulated Entity to comply with the requisition without sufficient cause, the Ombudsman may draw an inference that the Regulated Entity has no information to furnish.

(2) The Ombudsman shall maintain confidentiality of the information or the documents coming to its knowledge or possession in the course of discharging duties and shall not disclose such information or documents to any person except as otherwise required by law, or with the consent of the person furnishing such information or documents.

Provided that nothing in this sub-clause shall prevent the Ombudsman from disclosing information or documents furnished by the parties to the proceedings to each other, to the extent considered necessary to comply with the principles of natural justice and fair play:

Provided further that provisions of this sub-clause shall not apply in relation to the disclosure made or information furnished by the Ombudsman to the Reserve Bank or filing thereof before any Court, Forum or Authority.

14. Resolution of Complaints

(1) The Ombudsman/Deputy Ombudsman shall endeavour to promote settlement of a complaint by agreement between the complainant and the Regulated Entity through facilitation or conciliation or mediation.

(2) The proceedings before the Ombudsman shall be summary in nature and shall not be bound by any rules of evidence. The Ombudsman may examine either party to the complaint and record their statement.

(3) The Regulated Entity shall, on receipt of the complaint, file its written version in reply to the averments in the complaint enclosing therewith copies of the documents relied upon, within 15 days before the Ombudsman for resolution.

Provided that the Ombudsman may, at the request of the Regulated Entity in writing to the satisfaction of the Ombudsman, grant such further time as may be deemed fit to file its written version and documents.

(4) In case the Regulated Entity omits or fails to file its written version and documents within the time as provided in terms of sub-clause (3), the Ombudsman may proceed *ex-parte* based on the evidence available on record and pass appropriate Order or issue an Award. There shall be no right of appeal to the Regulated Entity in respect of the Award issued on account of non-response or non-furnishing of information sought within the stipulated time.

(5) The Ombudsman/Deputy Ombudsman shall ensure that the written version or reply or documents filed by one party, to the extent relevant and pertaining to the complaint, are furnished to other party and follow such procedure and provide additional time as may be considered appropriate.

(6) In case the complaint is not resolved through facilitation, such action as may be considered appropriate, including a meeting of the complainant with the officials of Regulated Entity, for resolution of the complaint by conciliation or mediation may be initiated.

(7) The parties to the complaint shall cooperate in good faith with the Ombudsman/Deputy Ombudsman, as the case may be, in resolution of the dispute

and comply with the direction for production of any evidence and other related documents within the stipulated time.

(8) If any amicable settlement of the complaint is arrived at between the parties, the same shall be recorded and signed by both the parties and thereafter, the fact of settlement may be recorded, annexing thereto the terms of settlement, directing the parties to comply with the terms within the stipulated time.

(9) The complaint would be deemed to be resolved when:

- (a) it has been settled by the Regulated Entity with the complainant upon the intervention of the Ombudsman; or
- (b) the complainant has agreed in writing or otherwise (which may be recorded) that the manner and the extent of resolution of the grievance is satisfactory; or
- (c) the complainant has withdrawn the complaint voluntarily.

15. Award by the Ombudsman

(1) Unless the complaint is rejected under clause 16, the Ombudsman shall pass an Award in the event of:

- (a) non-furnishing of documents/information as enumerated in clause 14(4); or
- (b) the matter not getting resolved under clause 14(9) based on records placed, and after affording a reasonable opportunity of being heard to both the parties.

(2) The Ombudsman shall also take into account, in addition, the principles of banking law and practice, directions, instructions and guidelines issued by the Reserve Bank from time to time and such other factors as may be relevant, before passing a reasoned Award.

(3) The Award shall contain, *inter alia*, the direction, if any, to the Regulated Entity for specific performance of its obligations and in addition to or otherwise, the amount, if any, to be paid by the Regulated Entity to the complainant by way of compensation for any loss suffered by the complainant.

(4) Notwithstanding anything contained in sub-clause (3), the Ombudsman shall not have the power to pass an Award directing payment by way of compensation, an amount which is more than the consequential loss suffered by the complainant or Rupees 20 lakh whichever is lower. The compensation that can be awarded by the Ombudsman shall be exclusive of the amount involved in the dispute.

(5) The Ombudsman may also award a compensation not exceeding Rupees one lakh to the complainant, taking into account the loss of the complainant's time, expenses incurred, harassment and mental anguish suffered by the complainant.

(6) A copy of the Award shall be sent to the complainant and the Regulated Entity.

(7) The Award passed under sub-clause (1) shall lapse and be of no effect unless the complainant furnishes a letter of acceptance of the Award in full and final settlement of the claim to the Regulated Entity concerned, within a period of 30 days from the date of receipt of the copy of the Award.

Provided that no such acceptance may be furnished by the complainant if he has filed an appeal under sub-clause (3) of clause 17.

(8) The Regulated Entity shall comply with the Award and intimate compliance to the Ombudsman within 30 days from the date of receipt of the letter of acceptance from the complainant, unless it has preferred an appeal under sub-clause (2) of clause 17.

16. Rejection of a Complaint

(1) The Deputy Ombudsman or the Ombudsman may reject a complaint at any stage if it appears that the complaint made:

(a) is non-maintainable under clause 10; or

(b) is in the nature of offering suggestions or seeking guidance or explanation

(2) The Ombudsman may reject a complaint at any stage if:

(a) in his opinion there is no deficiency in service; or

(b) the compensation sought for the consequential loss is beyond the power of the Ombudsman to award the compensation as indicated in clause 8(2); or

(c) the complaint is not pursued by the complainant with reasonable diligence;

or

(d) the complaint is without any sufficient cause; or

(e) the complaint requires consideration of elaborate documentary and oral evidence and the proceedings before the Ombudsman are not appropriate for adjudication of such complaint; or

(f) in the opinion of the Ombudsman there is no financial loss or damage, or inconvenience caused to the complainant.

17. Appeal before the Appellate Authority

(1) There shall not be any right of appeal to a Regulated Entity for an Award issued for non-furnishing of documents/information under clause 15(1)(a).

(2) The Regulated Entity may, aggrieved by an Award under clause 15(1)(b) or closure of a complaint under clauses 16(2)(c) to 16(2)(f), within 30 days of the date of receipt of communication of Award or closure of the complaint, prefer an appeal before the Appellate Authority.

(a) Provided that in the case of an appeal by a Regulated Entity, the period of 30 days for filing an appeal shall commence from the date on which the Regulated Entity receives the letter of acceptance of Award by the complainant:

(b) Provided further that an appeal may be filed by a Regulated Entity only with the previous sanction of the Chairman or the Managing Director/Chief Executive Officer or, in their absence, the Executive Director/Official of equal rank.

(c) Provided that the Appellate Authority may, if he is satisfied that the Regulated Entity had sufficient cause for not making the appeal within the time, may allow a further period not exceeding 30 days.

(3) The complainant may, aggrieved by an Award under clause 15(1) or rejection of a complaint under clauses 16(2)(c) to 16(2)(f), within 30 days of the date of receipt of the Award or rejection of the complaint, prefer an appeal before the Appellate Authority.

Provided that the Appellate Authority may, if he is satisfied that the complainant had sufficient cause for not making the appeal within the time, may allow a further period not exceeding 30 days.

(4) The Appellate Authority's Secretariat shall scrutinise and process the Appeal.

(5) The Appellate Authority may, after giving the parties a reasonable opportunity of being heard:

(a) dismiss the appeal; or

(b) allow the appeal and set aside the Award or order of the Ombudsman; or

(c) remand the matter to the Ombudsman for fresh disposal in accordance with such directions as the Appellate Authority may consider necessary or proper;

or

(d) modify the order of the Ombudsman or Award and pass such directions as may be necessary to give effect to the order of the Ombudsman or Award so modified; or

(e) pass any other order as it may deem fit.

(6) The order of the Appellate Authority shall have the same effect as the Award passed by Ombudsman under clause 15 or the order rejecting the complaint under clause 16, as the case may be.

18. Regulated Entity to Display Salient Features of the Scheme for Knowledge of the Public

(1) The Regulated Entity to which the Scheme is applicable shall facilitate the smooth conduct of the Scheme by ensuring meticulous adherence to the requirements under the Scheme, failing which, the Reserve Bank may take such action as it may deem fit.

(2) The Regulated Entity shall appoint a Principal Nodal Officer at their head office who shall not be a rank less than a General Manager or an officer of equivalent rank and shall be responsible for representing the Regulated Entity and furnishing information on behalf of the Regulated Entity in respect of complaints filed against the Regulated Entity. The Regulated Entity may appoint such other Nodal Officers to assist the Principal Nodal Officer as it may deem fit for operational efficiency.

(3) The Regulated Entity shall display prominently for the benefit of their customers at their branches/places where the business is transacted, the name and contact details (Telephone/mobile number and E-mail ID) of the Principal Nodal Officer along with the details of the complaint lodging portal of the Ombudsman (<https://cms.rbi.org.in>).

(4) The Regulated Entity to which the Scheme is applicable shall ensure that the salient features of the Scheme are displayed prominently in English, Hindi and the regional language in all its offices, branches and places where the business is transacted in such a manner that a person visiting the office or branch has adequate information on the Scheme.

(5) The Regulated Entity shall ensure that a copy of the Scheme is available in all its branches to be provided to the customer for reference upon request.

(6) The salient features of the Scheme along with the copy of the Scheme and the contact details of the Principal Nodal Officer shall be displayed and updated on the website of the Regulated Entity.

CHAPTER V

MISCELLANEOUS

19. Removal of Difficulties

If any difficulty arises in giving effect to the provisions of the Scheme, the Reserve Bank may make such provisions not inconsistent with the Reserve Bank of India Act, 1934, or the Banking Regulation Act, 1949, or the Payment and Settlement Systems Act, 2007, or the Scheme, as it may consider necessary or expedient for removing any difficulty.

20. Repeal of the Existing Schemes and Application to Pending Proceedings

(1) The Banking Ombudsman Scheme, 2006, the Ombudsman Scheme for Non-Banking Financial Companies, 2018, and the Ombudsman Scheme for Digital Transactions, 2019, hereby stand repealed.

(2) The adjudication of pending complaints, appeals and execution of the Awards already passed, as on the date of commencement of the Reserve Bank - Integrated Ombudsman Scheme, 2021, shall continue to be governed by the provisions of the respective Ombudsman Schemes and instructions of the Reserve Bank issued thereunder.

FORM OF COMPLAINT (TO BE LODGED) WITH THE OMBUDSMAN

[Clause 11(2) of the Scheme]

(TO BE FILLED UP BY THE COMPLAINANT)

All the fields are mandatory except wherever indicated otherwise

To
The Ombudsman

Madam/Sir,

Sub: Complaint against(place of Regulated Entity's branch or office) of(name of the Regulated Entity)

Details of the complaint:

1. Name of the complainant
2. Age (years).....
3. Gender.....
4. Full address of the complainant
-
-
- Pin Code
- Phone No. (if available).....
- Mobile Number.
- E-mail (if available)

5. Complaint against (Name and full address of the branch or office of the Regulated Entity)
-
- Pin Code

6. Nature of relationship/account number (if any) with the Regulated Entity
-

7. Transaction date and details, if available

.....

(a) Date of complaint already made by the complainant to the Regulated Entity

(Please enclose a copy of the complaint)

.....

(b) Whether any reminder was sent by the complainant? Yes/No

(Please enclose a copy of the reminder)

.....

8. Please tick the relevant box (Yes/No)

Whether your complaint:

(i)	is sub-judice/under arbitration ¹ ?	Yes	No
(ii)	is made through an advocate, except when the advocate is the aggrieved party?	Yes	No
(iii)	has already been dealt with or is under process on the same ground with the Ombudsman?	Yes	No
(iv)	is in the nature of general complaint/s against Management or Executives of a Regulated Entity?	Yes	No
(v)	is on account of a dispute between Regulated Entities?	Yes	No
(vi)	involves employer-employee relationship?	Yes	No

9. Subject matter of the complaint

.....

10. Details of the complaint:

(If space is not sufficient, please enclose a separate sheet)

.....

.....

.....

.....

.....

¹ **Complaint is sub-judice/under arbitration** if the complaint in respect of the same cause of action is already pending/dealt with on merits by any Court, Tribunal or Arbitrator or any other Authority, whether individually or jointly.

11. Whether any reply has been received from the Regulated Entity within a period of 30 days of receipt of the complaint by it? Yes/No
(if yes, please enclose a copy of the reply)

12. Relief sought from the Ombudsman

.....
.....

(Please enclose a copy of documentary proof, if any, in support of your claim)

13. Nature and extent of monetary loss, if any, claimed by the complainant by way of compensation (please refer to clauses 15 (4) & 15 (5) of the Scheme)

Rs.....
.....

14. List of documents enclosed:

Declaration

(i) I/We, the complainant/s herein declare that:

a) the information furnished above is true and correct; and

b) I/We have not concealed or misrepresented any fact stated above, and in the documents submitted herewith.

(ii) The complaint is filed before the expiry of a period of one year reckoned in accordance with the provisions of clause 10 (2) of the Scheme.

Yours faithfully

(Signature of the Complainant/Authorised Representative)

AUTHORISATION

If the complainant wants to authorise a representative to appear and make submission on her/his behalf before the Ombudsman, the following declaration should be submitted:

I/We hereby nominate Shri/Smt..... as my/our authorised representative whose contact details are as below:

Full Address
.....
.....

Pin Code

Phone No:.....

Mobile Number.

E-mail

(Signature of the Complainant)