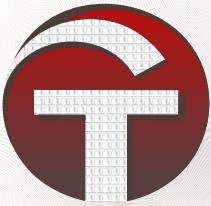


Taqwa Master Operations Policies Manual



Taqwa Credit  Co operative
Society Ltd.

Edition-1 | June-2016

Taqwa
Master Operations Policies
Manual

Edition-1 | June, 2016

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1. Introduction to Operations Policies

1.1 The Operations Management Architecture

Taqwa Banking operations management architecture is based on Islamic core operations principles and is designed to ensure that we achieve our mission and serve our customers in an efficient and effective way.

This operations management architecture includes:

- The operations policies and procedures that govern the way we process all transactions and manage operational risk in the processing of different products and services offered by us.
- The systems, procedures, controls and forms that we use to help manage and process customer transactions.

1.2 About Operations Policies

The operations policies that govern the way we process customer transactions and manage operational risk are contained in this Operations Policies Manual. Detailed instructions for each product / process are covered in the Procedures Manual.

The manual describes separately General Operational Policies across the whole Taqwa network and Specific Policies relating to certain products/ processes. It contains the core operations principles under which the Taqwa operates. These policies provide the fundamental rules which govern transaction processing and related activities.

1.2.1 Approvals

These Operations Policies and changes thereto are to be approved, at the minimum, by the Head of Operations and the Head of Group Operations and Technology, ratified by the CEO and approved by the Board of Directors and must be followed by all the business and operations units, branches and Taqwa subsidiaries.

Every area in Operations must also develop its own procedures and process maps which will be incorporated in the Operations Procedure Manual.

The Operations Procedure manual and changes thereto are to be approved, at the minimum, by the concerned Head of the Department and by the Head of Operations.

The Head of Operations will determine if any of the following parties' approval is also required, else his approval will be considered sufficient for all Operations related Procedures.

- i) Shari'a Department
- ii) Legal Department

- iii) Compliance Department
- iv) Chief Risk Officer (CRO)
- v) Financial Control Department

Policy and Procedure Department (PPD) will coordinate with the related Operations department and obtain requisite approval as decided by the Head of Operations.

The authorized signatories of the area(s) stated above, if in agreement, will need to approve the Procedure within 20 working days of receipt or request extension, otherwise the document will be considered as approved. If the authorized signatories reject / amend the proposed procedure / amendment with certain comments, PPD will liaise with the concerned department / process owner to revise the document, obtain sign-off from the related Process Owner and re-forward to the authorized signatories for approval. The authorized signatories will be required to approve within 5 working days of receipt otherwise the document will be considered as approved.

Policy and Procedure Department will send appropriate branch-wide communication regarding the same.

1.2.2 Exceptions and Deviations

Exceptions and Deviations to these operations policies should be rare. Any one-off or temporary exception to these operations policies must be approved by the related Head of Business Group together with the Head of Group Operations and Technology. All such one-off or temporary exception requests will be coordinated by the respective Business / Operations with the Policy and Procedure Department (PPD) who will bring up the one-off / temporary exception request for Board Approval in the next succeeding Board Meeting. After approval by the Board, Policy and Procedure Department (PPD) will communicate to the concerned Business / Operations. If the business does not put up the one-off or temporary approved exception to these policies for board approval in the next board meeting through Policy and Procedure Department (PPD), then the one-off / temporary approved exception will lapse and will require re-approval from the related Head of Business Group and Head of Group Operations and Technology. Hence PPD must maintain a list of the one off's, when they were approved and when they should be put up to Board. In case of lapse, all concerned must be informed by PPD. In any case, one-off or temporary exceptions must be re approved by the original approving authorities every two months, if there has been no intervening board meeting. PPD will co-ordinate this re approval process.

1.2.3 Management and On-going Maintenance

Policy and Procedure Department (PPD) being the custodians of Taqwa Operations Policies will manage and maintain the Operations Policies. A request form will be completed by the area requesting for a new / amendment in an existing policy. The request form will be approved by the related Head of Business Group and Head of Group Operations and Technology and will specify what other requisite approvals are required (i.e. Shari'a, Legal department, Compliance etc.) and will be handed over to Policy and Procedure Department together with the draft new policy/ amendment. PPD will review the request to ensure that the Policy / Amendment is written clearly and comprehensively, well structured, amend the soft copy (if an existing policy), obtain related Head of Business Group, Head of Group Operations and Technology and approval of the specified areas as stated in the approved request form. The authorized signatories of the specified area(s), if in agreement, will need to approve the Policy within 20 working days of receipt or request extension otherwise the document will be considered as approved. If the authorized signatories reject the proposed policy / amendment with certain comments, PPD will liaise with the business/operations process owner to revise the document, obtain sign-off from the related Head of Business Group and Head of Group Operations and Technology and re-forward to the authorized signatories for approval. The authorized signatories will be required to approve within 5 working days of receipt otherwise the document will be considered as approved.

Upon receipt of the required approvals as stated above, Policy and Procedure Department will put up the Policy / Amendment in the next succeeding Board of Directors meeting for approval. Once the Policy / Amendment is approved by the Board of Directors, PPD will update the version control, ensure translation of the policy documents and related forms (if any) and upload the new policy document to our website.

In order that the Policies and Procedure Manuals remain current, Head of Group Operations and Technology will ensure that both are critically reviewed at a minimum frequency of once a year for any changes if required. Policy and Procedure Department (PPD) will track this important review requirement and will coordinate with Head of Group Operations and Technology to ensure that the intended review is performed. Any changes arising from this review(s) will follow the process enumerated above for inclusion in the Policy/Procedure Manual.

1.3 Additional Operations Policies

1.3.1 Business Specific Policies

Additional Business Specific Policies e.g. introducing policies for a new product etc. may be established in coordination with Policy and Procedure Department (PPD) and with the approval of related Head of Business Group together with Head of Group Operations and Technology to guide and manage their day-to-day business. A request form will be completed by the business area requesting for the new policy. The request form will be approved by the related Head of Business Group and will specify what other requisite approvals are required (i.e. Shari'a, Legal department, Compliance etc.) and will be handed over to Policy and Procedure Department together with the draft new policy. PPD will review the request to ensure that the Policy is written clearly and comprehensively, well structured and will obtain approval from Head of Group Operations and Technology and approval of the specified areas (i.e. Shari'a, Legal Department, Compliance etc) as stated in the approved request form and will put up to the Board of Directors for approval in the next succeeding Board Meeting.

The authorized signatories of the specified area(s), if in agreement, will need to approve the Policy within 10 working days of receipt or request extension between the parties involved, otherwise the document will be considered as approved. If the authorized signatories reject the proposed policy / amendment with certain comments, PPD will liaise with the concerned business / operations process owner to revise the document, obtain sign-off from the related Head of Business Group and Head of Group Operations and Technology and re-forward to the authorized signatories for approval. The authorized signatories will be required to approve within 5 working days of receipt otherwise the document will be considered as approved.

After approval by the Board, the business specific policy will formally become part of the Policies Manual.

1.4 Taqwa Subsidiaries and Affiliates

This Operations Policy is applicable to all Taqwa Banking subsidiaries and affiliates. In case the Operations policy is to be amended for a banking subsidiary or affiliate, the same must be approved by the Head of Group Operations and Technology of TAQWA. The banking subsidiaries and affiliates must then take approval of their local Board's or as required by their local regulations.

1.5 Taqwa Banking Principles

The principles which guide the conduct of business for Taqwa Banking are derived from the Shari'a. The Islamic Financial Services Board (IFSB) has published these principles as guidance for all Islamic banks. They are as follows:

- Honesty and Fairness
- Due Care and Diligence
- Capabilities
- Information about clients
- Information to clients
- Conflicts of interest and duty
- Shari'a compliance

1.6 The Fatwa and Shari'a Supervisory Board

The Board of Directors nominates the Fatwa and Shari'a Supervisory Board members who are approved and appointed by the General Assembly. Within the Fatwa and Shari'a Supervisory Board, there is a Shari'a Executive Committee and an Executive Member. The Shari'a Division serves as the key liaison between the Fatwa and Shari'a Supervisory Board and the rest of Taqwa Banking divisions.

Every transaction that the Taqwa undertakes as well as the related documentation must be in strict compliance with Shari'a Law as interpreted by Shari'a Supervisory Board. All products that the Taqwa intends to deal in must be pre-approved by Taqwa Shari'a Supervisory Board.

1.7 Acceptable Shari'a Compliance Products and Activities

The most important of our core principles is that we conduct our business dealings in accordance with the code of good business conduct based on the principles of the Shari'a. It follows that all staff must have the necessary knowledge and skills to comply with these principles. The responsibility for Shari'a compliance belongs to all staff.

Taqwa Banking provides written material and formal training to ensure that all staff members are equipped with an appropriate level of knowledge of the Shari'a compliant characteristics of the financial products and services offered by the institution. In addition however, all staff must make it their personal responsibility to familiarize themselves with the products and services offered by Taqwa. The role of the Shari'a Division or the Fatwa and Supervisory Board is to facilitate this process by providing guidance on issues of concern.

1.8 General Policy Guidelines: Shari'a (Soft) Finance

It is important while using this manual to remember some of the basic themes with regard to the nature of Soft Finance, as detailed below.

- In Shari'a (soft) Finance, credit means financing and not lending and hence does not imply that the customer absolutely guarantees the financial amount and profit. Credit in conventional finance implies the lender-borrower relationship, whereas this is not the case in Shari'a Finance.
- Unlike conventional credit lending, credit in Shari'a Finance context does not always allow for a direct relationship between the disbursement of the funds and the creation of liability on the part of the customer. For example, in a Murabaha, funds are initially dispersed to the original supplier, and liability is only created on the customer following the ongoing sale (the Murabaha) of the items by the bank (after taking actual / constructive possession) to the customer.
- The renewal mechanism of the financing facility is dependent on the mode of financing used, and should in all cases comply with the terms and conditions of the financing agreement. The unilateral changing of terms and conditions including raising rates is not allowed in any circumstances. All fees and commissions previously agreed by Shari'a cannot be amended nor can new ones be proposed except with prior Shari'a approval.
- The disbursement of funds prior to the correct execution of the documentation is not allowed unless properly approved including Shari'a Division.

1.9 Taqwa Mission Statement and Core Values

Taqwa Banking provides Shari'a financial services to individual, corporate and public sector customers in India as abroad as applicable.

Our vision is 'A Viable Islamic Financial Solution for the benefit and Good of Society in India' and our mission is 'to build up a Strong Islamic Bank for delivering valuable Financial Products and Services to our Valued Customers'.

Our core values are:

- Very Transparent;
- Appealing to Customers;
- Legitimate;
- Utility for Mutual Benefits;
- Excellent Hospitality and
- Simple and Sensible.

Extending financing to our customers and therefore taking risks is an integral part of what we do as Taqwa Banking and we must manage these risks in accordance with our core values.

1.10 Core Operations Principles

The Operations Management Architecture that is described in this manual is based on a number of core principles that define the operations culture within Taqwa. These core operations principles are:

- We are Taqwa Banking and we conduct our business dealings in accordance with the code of good business conduct based on the principles of the Shari'a.
- We are customer focused and we treat our customers with openness, honesty and fairness.
- We balance risk and reward and we ensure that we are adequately and fairly rewarded for the risks that we are taking.
- We have an independent risk management functions which works closely with business management to achieve the risk and reward balance.
- We have checks and balances built into our approval and operations processes so that credit cannot be extended on the judgment of one person alone or the transactions cannot be processed completely without involvement of another employee.
- We maintain full compliance with all applicable laws and regulations and we consciously manage any potential risks to our reputation.

2. Governance Structure and Roles and Responsibilities

2.1 Board of Directors

The Board of Directors is the highest business decision-making body within Taqwa Banking and, with respect to the management of credit and operations risk of Taqwa, has the responsibility to:

- Approve the Taqwa's overall operations and credit risk capacity and appetite.
- Approve the operations and credit policies of Taqwa.
- Approve members of the Executive Committee and approve the delegation of credit approval authority to the Executive Committee.
- Review and approve large and unusual risks above the authority of the Executive Committee.

-
- Approve the appointment of Senior Credit Officers.
 - Approve all business target market plans
 - Approve the risk rating processes that can be used within each business.

2.5 Head of Group Operations and Technology

The Head of Group Operations and Technology is the most senior operations officer of Taqwa Banking and has the responsibility to:

(List down the key functions of Head of Group Operations and Technology from his job description).

2.6 Operations Management

Operations Management, from the Head of Group Operations and Technology down, have collectively the following responsibility to:

Note: - list down from the responsibilities of Head of Operations.

- **External Audit**

The external Auditors of Taqwa Banking are appointed by the Board of Directors and are responsible for examining the books of Taqwa and certifying their accuracy. This includes the adequacy of any credit provisions, reserves and write-offs.

- **Internal Audit**

Internal Audit has the responsibility to act as an independent check and balance on the implementation of operations policies and procedures set by the Senior Management and on the business and risk management to ensure that the credit portfolio is being originated and managed in accordance with the credit policies and procedures.

- **Credit Cooperative Regulators**

The Karnataka Credit Cooperative Society (KCCS) has regulatory authority over all types of societies and has examining powers to review the compliance with various regulatory requirements and credit portfolio of them at any time and to require the Society to change credit classifications and increase credit provisions.

KCCS periodically issues circulars which can stipulate limits on financing activities, require certain procedures and processes to be followed, or require additional reporting requirements. Any such instruction from KCCS is the facto part of the operations and credit policy of Taqwa and must be followed. All KCCS circulars are available through the Group Compliance Department with Taqwa.

Group Compliance Department is the focal point to fulfill regulatory requirements e.g. update black list, AML monitoring etc. Group Compliance Department will provide guidance relating to instructions received from other Regulatory bodies i.e. Court / Police etc.

3. General Policies

3.1 Documentation Standards

There are two types of documentation i.e. i) Primary Documentation and ii) Secondary Documentation which are to be obtained from the customers for different types of products and services. This section covers documentation standards that will be applied for the above two documentation types needed to complete Taqwa banking transactions. It also describes who can execute the required documentation, approval requirements in case of waiver or deferral of any of the documentation and who can authorize debit to the customer's account. Procedures manual will cover the primary and secondary documentation for each product/process, custody and retrieval of the documentation in case of need.

- **Primary Documentation**

Primary documentations are those documents that are fundamental to the relationship and key to performing various Taqwa banking transactions and the absence of which could expose Taqwa to significant risks. Examples of primary documents are (Account opening documentation including Terms and Conditions, Board Resolutions, Partnership Agreements, Letter of Credit Application and Agreement, Counter Guarantees, Contracts, Power of Attorneys, Financing / Mortgage Documentation etc.). Utmost care should be taken in ensuring execution of primary documents, handling and their safe custody.

- **Secondary Documentation**

Secondary documentations are those documents, which are of lesser significance as compared to primary documentation, yet they are important to perform Taqwa banking transactions. Examples of secondary documentation are; Applications, Cheque book requests, stop payment requests, Standing Order requests, reporting loss of ATM Card etc. Follow up should be made to obtain any missing secondary documentation. The procedures manual will state which are primary and which secondary documents for each process/activity are:

- **Approval by Shari'a / Legal**

All customers related primary documentation (i.e. Account Opening documentation, Financing / Letters of Credit Applications & Agreement, Guarantees, Contracts, etc.) will be reviewed and

approved by Legal Department and Shari'a Division for completeness and compliance with applicable laws and Shari'a regulations. Any change in the documentation will also require the Legal and Shari'a approval. It will be the responsibility of the Operations Head to ensure that this requirement is fulfilled.

- **Shari'a Finance – Profit Refunds**

In line with the terms of Shari'a Finance, Taqwa may in its sole discretion grant an early settlement bonus to customers who settle their liabilities prior to the respective due dates. Taqwa is not obliged to refund the unearned profit. It is purely on the grounds of good faith but not contractual and all such requests will be considered on a case to case basis.

Taqwa Senior Business Management must communicate specific guidelines to the Branch Managers / Regional Managers / Head of Retail Banking etc to approve Profit Refunds for the customers for early settlement of their liabilities subject to the final approval by Shari'a Department.

- **Execution by Customer / Authorized Representative**

All approved applicable documentation for the required product or service will be signed / executed by the Customer or his / her authorized representative prior to availing of the service. Customer's / Authorized Representative's signature AND mandate will be verified for authentication before any action is taken.

- **Documentation Waiver and Deferral**

Temporary waiver or deferral of any of/all the primary documentation will require respective Head of Business Group, Head of Group Operations and Technology and Chief Risk Officer's approval.

A follow-up process will be put in place by the business area seeking exception / waiver approval to ensure that the waived / deferred documentation is obtained within 60 days, else the approving authority will be notified and fresh approval obtained. Also, A follow-up process will be put in place by the area processing the transaction (Operations) and in the absence of non-receipt of the waived / deferred documentation within 60 days, the issue will be reported by the processing department to the Head of Group Operations and Technology.

Waiver / Deferral of a secondary documentation can be approved by the Relationship / Branch Manager subject to obtaining the waived / deferred document within a period of 60 days. A follow-up process will be put in place by the area processing the transaction and in the absence of non-receipt of the waived / deferred documentation within

60 days; the issue will be reported by the processing department to the Head of Group Operations and Technology.

- **Customer Account Debits**

All debits to customer accounts with the exception of Taqwa's charges or pre-agreed payments will require specific written or authenticated (e.g. SWIFT, Internet Banking, Phone Banking) instructions from the customer duly signed and signature verified by Taqwa. No debit will be raised to customer's account without compliance with this basic requirement.

3.2 Credit Approvals

All credit / financing transactions (e.g. issuance of letters of credit, guarantees, undertakings under various Taqwa Financing Schemes) will be processed only after the required credit approval is obtained as per existing Credit Policy. Similarly, any amendment that increases the original credit / financing amount and/or extends the expiry date must be processed after obtaining the required approval as per the existing Credit Policy.

3.3 Blocking / Unblocking Funds

Account Block will be initiated for the following reasons:

- Reserve Bank of India or Karnataka Credit Cooperative Society
- Court Order
- Other Regulatory / Statutory Authorities
- Taqwa Operational issues – Recover financing installment dues, deposit under lien etc.

All Blocking to customer accounts will be based on genuine banking or society, legal, compliance and operational needs. Proper justification of the block will be mentioned by the blocking approval authority.

Head of Operations / Head of Credit / Head of Branches will be authorized to designate Officers who would have the authority to approve "Block" and "Un-block" on an account.

Fund blockings for customer accounts will be performed at the Branches, respective Business Departments or at the Operations at the Head Office.

All release / unblock requests will have proper mention of the reason or justification of release and will be approved by the applicable approving authority as stated above.

3.4 Compliance

- **Anti-Money Laundering & KYC**

Compliance guidelines on Anti-Money Laundering and Know Your Customer (KYC) issued by the Compliance Department from time to time will be followed by all Taqwa business and operating units. Group Compliance Department will be responsible to update these guidelines from time to time and ensure that they are available to all Taqwa staff through hyper link.

- **Regulatory**

All Regulatory Circulars and guidelines issued by Regulatory Authorities in India from time to time will be complied with by all Taqwa business and operating units. These circulars and guidelines will be available to all Taqwa staff through Hyper link.

3.5 Acceptance of E-Mail / Fax Instructions from Customers

Customer instructions received by facsimile transmissions or e-mail will be processed provided that the customer has signed Taqwa's standard Indemnity Letter in person in the presence of an authorized officer of Taqwa.

The following functions will not be performed through the Fax Indemnity:

- a) Change in mandate and operating instructions.
- b) Changes to be made to authorized signatories.
- c) Provide a Power of Attorney to another person / entity
- d) Closure off the account(s) and transfer of the remaining balance by any means.
- e) Change to the primary contact details

3.6 Controls and Risk Standards

- **Segregation of Duties**

Managers of different business and operating units will ensure segregation of duties / functions through the employee job descriptions. For example, staff involved in processing the transactions will not be assigned the responsibility to review their own processed transactions. Similarly, Customer service staff (i.e. Branch Customer Service Representatives) should not be able to authorize financial transactions in Taqwa Banking systems.

- **Transaction Processing**

No transaction instructions will be processed without being properly authenticated / validated and approved by an Officer. There will

- **Password Protection**

All employees must be guided by the Password Protection techniques as stipulated in the IT security policy of Taqwa Banking.

- **Safe-keeping of Primary Documentation**

All Primary Documentation as specified in the Procedures Manual will be afforded at least 2 hours fire proof protection.

- **Proofs**

As a general rule, all outstanding balances in General Ledger Accounts will be proved, at a minimum, monthly, on a surprise date determined by Group Head of Taqwa, against the detailed records on an independent basis unless otherwise specified in the Procedures Manual. Special focus will be given to Suspense, Work in Progress (WIP) and Transit Accounts. Where detailed records are carried in a sub-system, the monthly verification will be performed by taking the balances from the sub-system against Taqwa's General Ledger record. The Procedures manual will state the minimum frequency of the proofing and the responsibility for doing the same. Ageing of the suspense and transit account entries must be reviewed, at a minimum monthly, by the concerned departmental Head.

Similarly, all asset accounts, where detailed records are carried in a subsystem, must be reconciled to Taqwa's General Ledger record at a minimum frequency of once a month.

- **Independent Verifications**

All required verifications will be performed on an independent basis. Employees will not be assigned to perform verification of their own processed work. The functions could be manually performed and identified by employee's manually initialing the verified document(s) or electronically performed and identified through a system ID.

Independent periodic verifications timing, with their minimum frequency and the responsible staff for doing it, are detailed in the relevant chapters of the Procedures Manual.

- **Transaction Approval/ Processing Grid**

The Procedures manual will specify the approval levels for various types of transactions to be processed within Operations. It will also specify the processing levels (e.g. Maker's can be clerical staff, whereas Checker's/Authorizer's must be minimum Senior Officer's).

- **Confirmations**

Written or authenticated SWIFT Confirmations must be obtained by

Taqwa for all Customer/ Counterparty deals done over the phone/ email. The procedures will specify the escalation levels and timelines in case confirmations are not received. All written confirmations received must be signature verified and any discrepancies identified must be escalated to the Head of the concerned department immediately.

- **Margin Accounts**

All margin accounts and margin Fixed or Wakala Deposits taken must be reconciled by Operations with the related data, at least once a month. This must be reviewed by the concerned Head of department and any discrepancies identified must be escalated to the Head of Operations within 7 working days of the review.

- **Nostro Accounts**

All Nostro accounts of Taqwa must be proved and reconciled, at a minimum frequency of once a week. Un-responded items must be escalated to the Head of Operations by the concerned departmental head within 3 days of the review taking place.

- **Overdrafts**

No overdraft is to be allowed in any customer account without appropriate Credit authority being in place. Any cases of the same must be escalated to the Head of Operations on discovery.

- **Operational Risk Manual**

All operational requirements as mandated by the Operations Risk Manual will be adhered to by the Process Owners.

- **Suspected Internal / External Frauds**

Head of Group Operations and Technology must ensure that there is a procedure in place to immediately escalate to Head of Operations of any suspected "fraudulent" transaction, as soon as the same is discovered and Fraud Investigation Policies are strictly followed.

- **Continuity of Business (COB)**

In order to provide the minimum agreed level of service to Taqwa Customers in the event of emergency, Management must prepare Continuity of Business Plan which will be approved by the CEO and circulated to all the concerned areas for implementation upon receiving instructions from Operations and Technology Group Head. The COB Plan must be updated annually unless any significant change in the business conditions requires doing it sooner. Operations and Technology Group Head will ensure implementation of this requirement.

4. Specific Policies

4.1 Introduction

This section contains specific policies related to different areas within Operations viz. Branches, or Franchises, etc. Given the increased risks associated with some of these functions, it has been considered to define specific policies to be followed related to these areas.

4.2 Customer Account Statements

All customer accounts must have statements generated from the system.

All customer account statements will be mailed to the customer's postal address as on Taqwa's record. Branches may accept customer requests to provide statement(s) via e-mail/fax as an optional service in addition to the customer receiving periodic printed account statements by mail as per the frequency requested. To avail this optional service, customer will be required to sign an indemnity letter on Taqwa's approved format which will be filed in customer mandate.

Customers' statements will not be addressed in care of Taqwa officers or employees, nor transmitted electronically to e-mail addresses which are of Taqwa officers or employees.

Statements will contain a clause safeguarding Taqwa against claims unless they are brought to the Taqwa authority's attention within a specified period.

4.3 Dormant Accounts

All customer accounts having no customer initiated transaction over a period of one year will be automatically transferred to "Dormant" status by the system. Once an account becomes dormant, system will not allow any transactions (including ATM) on the account. This is done as a precautionary measure in the prolonged absence / unavailability of customer (due to his / her death, left the country etc.) to protect his / her accounts by eliminating the possibility of unauthorized access.

Financial transaction over a dormant account will be accepted only under the following circumstances:

- Customer visits account holding branch himself / herself and requests activation of the account.
- The following cases may necessitate transactions in dormant account:
 - a) Cheque withdrawal request by a third party over Taqwa branch counter.
 - b) Clearing Cheques received through Inward Clearing.
 - c) Deposit is made through ATM in a dormant account.
 - d) Inward remittances.

e) Internal Transfer from his / her active account maintained within TAQWA

For transactions received on dormant accounts, the Branch Head of Personal Banking will exercise all possible efforts to establish contact with the customer.

The request for activation of dormant account will only be accepted if it is accompanied with either of the following original identification of the customer:

- ID Proof
- Address Proof
- Adhaar Cards
- Driving License

4.4 Deceased Customers Accounts

Taqwa Head of Operations will be the central point to receive circulars, claims and notices from the Reserve Bank of India or Credit Cooperative Society of India, Courts and Branches relating to the deceased accounts and will issue instructions to Operations staff to classify accounts as “Deceased”.

No withdrawals will be permitted from the account. Signatures of the deceased customer will be cancelled from the system with immediate effect and all Power of Attorneys granted by the deceased customer will be revoked and cancelled. Head of Operations will be responsible to settle the funds in the deceased account against receipt of required legal documentation.

4.5 Trade Finance Operations related

- All claims received against Guarantees issued by Taqwa must be escalated to the Head of Operations on receipt by the concerned department.
- On receipt of refusal notice from the Opening Bank for documents negotiated under L/C by Taqwa, if any, Head of Operations must be notified immediately.

4.6 Treasury Operations related

There must be a procedure in place to independently identify and escalate “off market rates” deals entered into by the Front Office. The same must be done on a daily basis and “cases” must be escalated to Head of Treasury Operations.

Operations must ensure that the “Trading” portfolio of Taqwa is marked to market, at a frequency determined by the Chief Risk Officer, at rates sourced independently of the Treasury Front Office.

Operations must monitor limits (Counterparty deals, credit, stop loss, clean risk) and also monitor breaches including pricing and valuations.



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