



# Code of Bank's Commitment to MSME Enterprises



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## 1. Introduction

This Code of Commitment to MSME enterprises (hereinafter referred to as 'Code') sets minimum standards of banking practices for banks to follow when they are dealing with MSME clients as defined in the Micro Small and Medium Enterprises Development (MSMED) Act, 2006. It provides guidance in protecting MSME customers and outlines best practices and direction on dealing with MSME customers.

This document does not replace or supersede any regulatory or supervisory instructions issued by the Reserve Bank of India (RBI).

### Definitions

As published through the gazette notification dated 21<sup>st</sup> March 2025

#### **Micro enterprise**

An enterprise where the investment in plant and machinery or equipment does not exceed **INR 2.5 Crores** and turnover, net of export, does not exceed **INR 10 Crores**

#### **Small enterprise**

An enterprise where the investment in plant and machinery or equipment does not exceed **INR 25 Crores** and turnover, net of export, does not exceed **INR 100 Crores**

#### **Medium enterprise**

An enterprise where the investment in plant and machinery or equipment does not exceed **INR 125 Crores** and turnover, net of export, does not exceed **INR 500 Crores**

All the above enterprises may register online on the Udyam Registration portal and obtain an 'Udyam Registration Certificate', which shall be kept on records by the Bank.

### Objective

The aim of the Code is to:

- Provide positive thrust to the MSME sector by enabling easy access to finances.
- Promote good and fair banking practices in dealing with MSME customers.
- Increase transparency to MSME customers for better understanding about what can reasonably be expected of the services offered by the Bank.
- Improve the Bank's understanding of the MSME customers' business through effective communication.
- Adapt best practices through competition to achieve higher operating standards.
- Promote a fair and cordial relationship between the MSME customers and the Bank and also ensure timely and quick response to the MSME customers' banking needs.

### Applicability

This Code is applicable to BNP PARIBAS, India Bank Branch and provides direction towards dealing with MSME segment.

The MSME segment is defined under the MSMED Act, 2006.

The MSMEs covers Micro, Small & Medium Enterprises engaged in the manufacturing or production or processing or preservation of goods and those engaged in providing or rendering of services.



## 2. Key Commitments

### The Bank's key commitments to MSME customers

- a) **To act fairly and reasonably in all its dealings with MSME Customers by:**
- The Bank will not discriminate on the basis of age, race, gender, marital status, religion or disability, if any, of the promoter/proprietor/partner/s of the enterprise
  - Providing appropriate banking facilities to the MSME customer.
  - Providing speedy and efficient credit and service delivery.
  - Meeting the commitments and standards laid down through this Code, for the products and services that offered by the Bank in line with the procedures and practices followed by the bank.
  - Making sure the bank's products and services meet relevant laws and regulations in letter and spirit.
  - Ensuring that the Bank's dealings with its MSME customers rest on ethical principles of integrity and transparency.
- b) **To Help MSME customers understand how the Bank's financial products and services work by:**
- Ensuring that MSME Customers are given clear information about the Bank's loan products
  - Giving MSME Customers information on what are the facilities provided to them and how they can avail of these, what are their financial implications and who they can contact for addressing their queries.
- c) **To Help MSME customers use their account or service by:**
- Providing MSME customer periodic updates as applicable.
  - Keeping MSME customers informed about changes in the interest rates, charges or terms and conditions.
- d) **To deal quickly and sympathetically:**
- Correcting mistakes promptly and cancelling any bank charges that were applied due to the bank's mistake.
  - Handling MSME customer's complaints promptly.
  - Guiding MSME customers on escalation matrix if they are still not satisfied on the response provided.
  - Providing suitable alternative avenues to alleviate problems arising out of technological failures in the bank.
- e) **To treat all MSME customer's personal and business Information as private and confidential**
- The Bank will ensure confidentiality of the information in accordance with the local laws and regulations.
- f) **To publicize the Code**
- The Bank will:
- Provide existing MSME customer with a copy of the Code on request free of cost.
  - Make available this Code for perusal at every branch / website.
  - Ensure that the relevant staff of the Bank is communicated of this Code.



### **3. INFORMATION**

#### **a) Mode of communication:**

MSME customer can get information on interest rates, common fees and charges through any of the following

- By calling the bank's branches.
- Asking the Bank's designated staff/help desk.
- Referring to the tariff schedule available at the bank branches.

#### **b) Interest Rates**

- The Bank will inform the MSME customer of the change in interest rates on loan related products as and when applicable.

#### **c) Tariff Schedule**

Fees & Charges

- The Bank will make known to MSME customer all charges applicable to the products and services chosen by them.
- The Bank will make a copy of the Tariff schedule available at every branch for the MSME customer's perusal.
- The Bank will also provide the MSME customers information about the penalties leviable in case of non-observance/violation of any of the terms and conditions governing the product/services chosen by them.
- The Bank will not levy any prepayment charges for Micro, Small and Medium enterprise clients on all floating as well as fixed rate business purpose loans and advances.

#### **d) Terms And Conditions**

- When MSME becomes a customer or avails of a product/ service for the first time, the Bank will advise them of the relevant terms and conditions for the service which the Bank will provide.
- All terms and conditions will be fair and will set out respective rights wherever applicable and liabilities and obligations clearly and as far as possible in plain and simple language.

#### **e) Changes to Terms and Conditions**

When MSME become a customer, they can get information of changes to terms and conditions through any of the following channels

- Written communication.
- E-Mails.
- Digital/ Notice Board at the branches.



#### **4. PRIVACY AND CONFIDENTIALITY**

The Bank will ensure confidentiality of the information of its MSME customers in line with local rules and regulations.

Bank shall be guided by the following principles: The Bank will not reveal information or data relating to MSME customer's accounts, whether provided by the MSME customer or otherwise, other than in the following exceptional cases

- As obligated under the law.
- With competent authorities as mandated by local regulations e.g. Credit agencies / CICs etc.
- Duty bound requirement towards the public.
- If the Bank's interests require to give the information (for example, to prevent fraud) but the Bank will not use this as a reason for giving information about the MSME customer or their accounts [including name and address] to anyone else, including other companies in the Bank's group, for marketing purposes.
- Request from clients with consent.

The Bank will not use the MSME customer's personal and business information for marketing purposes by anyone including itself unless the MSME customer specifically authorizes the Bank to do so.

#### **5. LENDING**

##### **a) Request letter for credit facilities**

The Bank will

- Accept a request letter / application from the MSMEs mentioning the required credit facilities which they wish to avail from the Bank.
- Provide the MSMEs with a checklist for requisite documents which need to be submitted for the Bank to consider their request
- Provide information about the interest rates applicable, and the fees/charges, if any, payable for processing,, and any other matter which affects the MSMEs interest
- Acknowledge receipt of the loan application.
- Collect all the particulars required for processing the application for credit facility at the time of application. In case the Bank needs any additional information, the Bank will contact the MSMEs within reasonable time from receipt of application.
- Not charge any processing fee for loans up to Rs.5 lakh if the loan is not sanctioned.

##### **b) Credit Assessment**

The Bank will

- Verify the details mentioned by the MSMEs in their application by contacting them through the Bank's staff for this purpose at MSMEs business address/ residence.
- Before lending the MSMEs any money, or increasing MSME customers borrowing limit/s, assess whether they will be able to repay it.



- The Bank shall carry out proper assessment of the loan application by carrying out detailed due diligence and appraisal.
- Satisfy itself about the reasonableness of the projections made by the MSMEs.

This assessment may include looking at the following information.

- Quantum and the purpose of borrowing.
- MSMEs business plan.
- MSMEs business cash flow, profitability and existing financial commitments
- Supplemented, if necessary, by account statements.
- MSMEs personal financial commitments.
- How MSMEs have handled their finances in the past.
- Information the Bank gets from credit reference agencies.
- Ratings assigned by reputed credit rating agencies, if any.
- Information from others, such as other lenders /creditors.
- Market reports and other checks.
- Any security provided, wherever applicable
- KYC and other onboarding requirements as per applicable regulations and internal policy.

The Bank will

- Not insist on collateral for credit limits upto Rs 10 lakh.
- Consider providing collateral free credit limits upto Rs 25 lakh if it is satisfied about the MSMEs track record and financial position being good and sound.
- Provide MSME (manufacturing) working capital limits computed on the basis of a minimum of 20 per cent of your projected annual turnover.
- Consider MSME customers' request for suitable enhancement in the working capital limits in cases where the output exceeds the projections or where the initial assessment of working capital is found inadequate and they have provided necessary evidence.

### c) Proposal Tracking

Banks shall put in place a mechanism to monitor the credit related process granted to the MSME sector. Accordingly, banks shall implement the following,

- Application Tracking process and MIS.
- Documentary checks
- Review/assessment of loan/credit application including pricing.
- Communication to client.
- Monitoring of overall MSME portfolio

### Processing of Applications:

- For credit limit up to Rs 25 lakhs within 14 working days from the date of receipt of all information requested for credit appraisal.
- For credit limit above Rs 25 lakh within 8 weeks from the date of receipt of all information requested for credit appraisal.
- The timeline will be considered from the day the loan application is received by the Bank which is complete in all respects and is accompanied by documents as per 'check list' provided.



### Sanction/Rejection

The Bank will

- Put down in writing terms and conditions and other caveats governing credit facilities agreed to and duly certify the same and give the MSME customers a copy thereof on request.
- Convey in writing the reasons for not acceding to MSMEs request for a loan or credit facility.
- Ensure periodic review and renewal of facility as per terms and conditions in the sanction letter given to MSME customers.
- The position in this regard shall be displayed by Bank's websites on quarterly basis.

### Post Disbursement

The Bank will

- Refrain from interference into the MSME customers' business affairs except on what is in terms of sanction of credit facilities or when new information comes to Bank's knowledge.
- Endeavour to be constructive in its monitoring process and sympathetically deal with genuine difficulties that the MSME customers' may face in their dealings with the Bank.
- Obtain following information from the MSME on an ongoing basis
  - A comparison of the forecasts in their business plan with the actual results.
  - Progress on important aspects of their business plan.
  - Annual accounts such as Balance Sheet and Profit and Loss Account and other supporting documents.
  - Age-wise break up of their creditors and debtors and the amounts involved.
- If circumstances change, communicate to MSME customers about any new information required by the Bank.
- Give notice in case the Bank exercises right of set off, with full particulars of its remaining claims against the MSME as also of the documents under which the Bank is entitled to retain the securities till the relevant claim is settled/ paid by the MSME customer.
- Monitor the progress made by the MSME customers through any or more of the following modes
  - Scrutinising periodic statements of stocks.
  - Watching the transactions in the MSME customer's account with the Bank.
  - Visits by either the Bank's staff or authorised representative to MSME customers' premises for verification of the stocks and/or assets financed.
  - Obtain wherever necessary market reports on how MSME customer's business is going on.



## 6. Collection of dues

Whenever the Bank gives any credit facilities, it will explain to the MSME customers the repayment process by way of amount, tenure and periodicity of repayment. However, if the MSME customers do not adhere to repayment schedule, a defined process in accordance with the laws of the land will be followed for recovery of dues. The process will involve reminding the MSME customer by sending notice or by making personal visits and/ or repossession of security, if any. The Bank's collection policy is built on courtesy, fair treatment and persuasion. The Bank believes in fostering customer confidence and long-term relationship. The Bank will provide the MSME customer with all the information regarding dues and will endeavour to give sufficient notice for payment of dues. The Bank's staff deputed for collection of dues or/and security repossession will identify himself/ herself. Any person authorised to represent the Bank for these purposes will identify himself/herself and also display the authority letter issued by the Bank.

All the members of the staff or any person authorised to represent the Bank in collection or/and security repossession would be subjected to due diligence and they would follow the guidelines set out below

- The MSME customer would be contacted ordinarily at the place of business/occupation and if unavailable at the place of your business/ occupation at the place of residence or in the absence of any specified place at the place of the MSME customer's authorised representative's choice.
- Identity and authority to represent would be made known to the MSME customer at the first instance.
- MSME customer's privacy and dignity would be respected.
- Interaction with the MSME customer would be in a civil manner.
- MSME customer's requests to avoid calls at a particular time or at a particular place would be honoured as far as possible.
- All assistance would be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.

## Policy on Recoveries, Write-Offs and Staff Accountability on Lapses Thereof, Resolution of stressed asset and Policy on Restructuring of Advances / Upgradation of Accounts

- The Bank has in place a policy for recoveries, Write – Offs and Staff Accountability on Lapses Thereof, resolution of stressed asset and restructuring of Advances / Upgradation of Accounts which the Bank will follow

## One time Settlement (OTS)

- If one time settlement offer for repayment of dues is decided between the Bank and the borrower, and related terms and conditions shall be provided in writing and agreed between both parties. If required, the Bank will explain to the borrower, the implications of such settlement on borrower's credit history maintained by the Credit Information Companies
- In case the Bank comes out with a 'One time Settlement' scheme, the same shall be published on the Bank's website and the Bank shall endeavour to publicize it widely.



## 7. Deposit Accounts

The Bank has a separate policy on deposits which will be made available MSME client on request at any of the branches which is also available on Bank's website.

## 8. Services

### a) Foreign Exchange Services

- When MSME customers buy or sell foreign exchange, the Bank will give information on the services, details of the exchange rate and other charges which apply to foreign exchange transactions.
- If the MSME customers want to transfer money abroad, the Bank will tell them how to do this and will
  - Guide the MSME customer about regulatory requirements or conditions as and when requested by the MSME customer.
  - Give the MSME customer a description of the services and how to use them.
  - Give details of when the money the MSME customers have sent abroad should get there and the reasons for delays, if any.
  - Give the exchange rate applied when converting to the foreign currency (if this is not possible at the time of the transaction, the Bank will let the MSME customer know later what the rate is).
  - Give details of any commission or charges, which the MSME customer will have to pay and a warning that the person receiving the money may also, have to pay the foreign Bank's charges.
  - Tell the MSME customer if the information provided by them for making a payment abroad is adequate or not. In case of any discrepancies or incomplete documentation, the Bank will advise the MSME customer immediately and assist them to rectify/complete the same.
- For any inward remittances the Bank will
  - Tell the MSME customer the original amount received and charges, if any, levied if money is transferred to the MSME customer's Bank account from abroad. If the sender has agreed to pay all charges, the Bank will not take any charges when it pays the money into the MSME customer's account.
- The Bank will Issue all certificates required to be issued under regulatory/ statutory instructions

### b) Remittances Within India

If MSME customers' want to remit money within India, the Bank will inform them how to effect and will

- Give description of services and how to use them.
- Suggest to the MSME customers' the best way to send the money to suit their needs.
- Disclose the current charges in respect of remittances made through the electronic mode
- through the Bank as mentioned below (exclusive of service tax)

#### Electronic products

- Inward RTGS / NEFT / ECS transactions – free, no charge to be levied.
- Outward transactions –
  - RTGS –Rs. 1 to 5 lakh – not exceeding Rs. 25 per transaction –



- Rs. 5 lakh and above – not exceeding Rs. 50 per transaction
- NEFT – Up to Rs. 1 lakh – not exceeding Rs. 5 per transaction –  
Rs.1 lakh and above – not exceeding Rs. 25 per transaction

## 9. Complaints, Grievances and Feedback

### a) Internal Procedures

- If the MSME customers want to make a complaint, the Bank will tell them
  - How to do this.
  - Where a complaint can be made.
  - When to expect a reply.
  - Whom to approach for redressal.
  - What to do if they are not happy about the outcome.
- The Bank's staff will help the MSME customers with any questions they have.
- The complaints from the MSME customer shall be handled in accordance with Bank's 'Policy on Handling Client Complaints' published on its website.

### b) Banking Ombudsman Scheme

- The Bank will display in all its branches a notice explaining that the Bank is covered by the
  - Banking Ombudsman Scheme, 2006 of the Reserve Bank of India.
- Within 30 days of lodging a complaint with the Bank, if the MSME customers' do not get a satisfactory response from the Bank and they wish to pursue other avenues for redressal of grievances, they may approach Banking Ombudsman appointed by Reserve Bank of India under Banking Ombudsman Scheme, 2006. Salient features of the Banking Ombudsman Scheme are displayed in the branch notice boards. The Bank's staff would explain the procedure in this regard.

## 10. Monitoring

The Banking Codes and Standards Board of India monitors the Code. The contact details are as follows:

The Banking Codes and Standards Board of India,  
Reserve Bank of India Building, C-7, 4th Floor, Bandra Kurla Complex, Mumbai-400051.  
Telephone: 022-26573715; Fax: 022- 26573719  
Email: help.bcsbi@rbi.org.in Website : www.bcsbi.org.in

## 11. Getting Help

For any kind of help MSME customers can contact the following personnel (Branch Manager) at respective branches of the Bank as well can visit our website for additional contact details.

Website: [Contact Us - BNP Paribas in India](#)

### **Mumbai Branch**

Branch Manager  
1 North Avenue, Maker Maxity,  
Bandra – Kurla Complex, Bandra East,



Mumbai 400 051  
Tel – (022) 61964000

**New Delhi Branch**

Branch Manager  
8th & 9th Floor East Towers (Sood Towers),  
25, Barakhamba Road  
New Delhi – 110 001  
Tel – (011) 41796600

**Chennai Branch**

Branch Manager  
3rd Floor, Prince Towers  
25/26 College Road  
Chennai – 600006  
Tel – (044) 66806100

**Pune Branch**

Branch Manager  
Godrej Millenium Park, Unit No. 1 & 2,  
Ground Floor, 9, Koregaon Road,  
Pune – 411 001  
Tel – (020) 67086912.

**Bangalore Branch**

Branch Manager  
A – 3, Ground floor, Salarpuria Windsor,  
Ulsoor Road  
Bengaluru – 560042.  
Tel – (080) 66076200.