

FAIR PRACTICES CODE

The Company has framed and adopted this Fair Practices Code (hereinafter referred as '**the Code**') pursuant to the Reserve Bank of India (hereinafter referred as '**RBI**') Circular No. RBI/2015-16/16 DNBR (PD) CC.No.054/03.10.119/2015-16 dated July 1, 2015 vide which the RBI has revised the guidelines on Fair Practices Code for NBFCs, which sets the fair practice standards while dealing with customers. The Code has been prepared based on the aforesaid revised guidelines issued by the RBI.

This Code is in conformity with these Guidelines on Fair Practices Code for NBFCs as contained in the aforesaid RBI Circular.

OBJECTIVES

The Code has been adopted:

- a) To promote good and fair practices by setting minimum standards in dealing with customers;
- b) To increase transparency so that the customers can have better understanding of what they can reasonably expect of the services and taking informed decisions;
- c) To encourage market forces through competition, to achieve higher operating standards;
- d) To promote a fair and cordial relationship between customers and the Company;
- e) To build customer confidence in the Company.

APPLICABILITY

The Code shall apply to all employees, officers, directors, Key Managerial Personnel of the Company and any other person authorized to represent it in the course of its business.

NON-DISCRIMINATION POLICY

The Company will not discriminate between its customers on the basis of gender, physical ability, race or religion. The Company will also not discriminate visually impaired or physically challenged applicants on the ground of disability in extending products, services, facilities, etc. However, this does not preclude the Company from instituting or participating in schemes framed for different sections of the society.

LANGUAGE OF THE COMMUNICATION

All required communications by the Company to the borrower will be in the language as understood by the borrower (English or Vernacular language).

APPLICATIONS FOR LOANS AND THEIR PROCESSING

- a) Loan application forms will include the necessary information which affects the interest of the borrower, so that informed decision could be taken by the borrower. The loan application form will also indicate the documents required to be submitted with the application form.
- b) Receipt of completed application forms will be duly acknowledged by the Company and will also indicate the approximate time frame within which the customer can expect to hear from the Company regarding his/ her loan application.

LOAN APPRAISAL AND TERMS AND CONDITIONS

- a) All loan applications will be assessed as per the Company's internal credit policies and appraisal process;
- b) Upon approval of the loan a sanction letter indicating the amount of loan sanctioned, the applicable annualised rate of interest rate method of application of the same along with other important terms and conditions will be conveyed to the borrower in the language as understood by the borrower (English or Vernacular language);
- c) The Company will mention the penal interest charged for the late payment in bold in the loan agreement. A suitable provision in this regard shall be incorporated in the loan agreement;
- d) After the execution of the loan agreement, all the borrowers will be furnished a copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement.

DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS

- a) Any changes in the terms and conditions including rate of interest rate, service charges, prepayment charges, repayment/ disbursement schedule, etc. shall be informed to the borrower in the language as understood by the borrower (English or Vernacular language), a suitable condition in this regard should be incorporated in the loan agreement;
- b) Changes in interest rates and other charges shall be with prospective effect only, a suitable condition in this regard should be incorporated in the loan agreement;
- c) Decision to recall any loan shall be done in accordance with the terms and conditions of the loan agreement;
- d) All underlying securities shall be released, as per the request of the borrower, after the full repayment of the loan and all other charges in connection with the loan in terms of the loan agreement is complete and subject to exercise of any right of set off, for which a notice shall be given to the borrower with full details of claim and conditions under which the Company is entitled to retain the securities till the relevant claim is settled/ paid.

PRIVACY AND CONFIDENTIALITY

Credit Reference Agencies/ Credit Information Companies (hereinafter referred as 'CICs')

- a) The Company may share details of the loan and repayment track record of its borrowers to the Credit Information Companies as per the regulatory directions/ guidelines or the Company's internal policies.
- b) The Company may share information with the Credit Information Companies about the personal debts the customer owes it if:
 - i) The customer has fallen behind his/her payments; or
 - ii) The amount owed is not in dispute; or
 - iii) The customer has not made proposal following our formal demand for repayment of dues.
- c) At the same time, the Company representatives will explain to the customers the role of the CICs and the effect the information they provide can have on customer's ability to get credit.

- d) The Company will give information about the customer's account to the CICs, if the customer has given his/her permission to do so or the statutory/ regulatory requirements prescribe so.
- e) The Company will provide relevant information given to the CICs, if demanded by the customer.

Sharing of information

- a) The Company may provide such information to its group/associate entities or companies for which it has obtained consent/ permission from its customer under loan application/ sanction letter/ loan agreement.
- b) The Company will treat the personal information of customer even when the customer is no longer a customer as private and confidential. We will not reveal the data or information of customer to anyone except as provided above and in the following exceptional cases:
 - i) Required by law;
 - ii) Duty towards public to reveal information;
 - iii) The Company's interest requires giving information;
 - iv) The Company has consent/ permission from the customers;
 - v) The Company's representatives will inform the customer about his rights/ liabilities under the Laws of India for accessing the personal records that the Company holds about him/her;
 - vi) The Company will not use customer's personal information for marketing purposes unless the customer specifically authorizes us to do so.

GENERAL PROVISIONS

- a) The Company shall refrain from interference with the business of the borrowers except under the terms and conditions of the loan agreement (unless new information, not disclosed earlier, by the borrower has come to the notice of the Company);
- b) Where the borrower request for transferring the loan, the consent or otherwise the objection if any, would be conveyed within 21 days from the date of receipt of such request of the borrower. Such transfer will be as per the terms and conditions of the loan in consonance with law;
- c) For recovery of loan, the Company will not resort to undue harassment and will follow procedures adopted internally by the Company within the applicable legal framework;
- d) We will ensure that the staff is adequately trained to deal with the customers in appropriate manner.
- e) The Company will not charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to *individual borrowers*.

GRIEVANCE REDRESSAL MECHANISM

The Board of Directors of the Company had laid down the appropriate grievance redressal mechanism. While building grievance redressal mechanism it was ensured that all disputes arising out of the decisions of the Company functionaries are heard and disposed of at least at the next higher level.

The Board of Directors shall periodically review of 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 at quarterly intervals.

INTEREST CHARGES

- a) To ensure that the customers are not charged excessive interest rates and charges on loans and advances by the Company, the Board of Directors of the Company has adopted a Policy on Interest Rate Model and Gradation of Risk, taking into account which has been put up on the Company's website for the benefit of its customers.
- b) The information regarding rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers will be also disclosed in the application form, sanction letter and website of the Company.