

## GUIDELINES ON FAIR PRACTICES CODE

### Prepared/Modified by

Name	Designation	Signature	Date
Alka Mishra	Head Legal & Compliance & Company Secretary		

### Approved by

Name	Designation	Signature	Date
Board of Directors	N/A		16 Aug 2022
Board of Directors	N/A		11 Dec 2023
Board of Directors	N/A		24 Oct 2024

### **Applications for loans and their processing**

- (a) All communications to the borrower shall be in English or in a language as understood by the borrower.
- (b) Loan application forms to include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and an informed decision can be taken by the borrower. The loan application form to indicate the documents required to be submitted with the application form.
- (c) Acknowledgement for receipt of all loan applications to be given to the borrower & the time frame within which the loan application would be processed to be indicated in the acknowledgement.

### **(i) Loan appraisal and terms/conditions**

The Company to convey in writing to the borrower by means of sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions including annualised rate of interest, approach for gradation of risk and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record. The rate of interest and the approach for gradation of risk should be made available on the web site of the Company.

The Company to lay out appropriate internal principles & procedures in determining interest rates, processing & other charges.

A copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement shall be furnished to the borrower at the time of sanction / disbursement of loans.

### **(ii) Disbursement of loans including changes in terms and conditions**

- (a) Notice to be issued to the borrower regarding any change in the terms and conditions of the loan including disbursement schedule, interest rates, service charges, prepayment charges etc. Changes in interest rates and charges are to be effected only prospectively & the same should be incorporated in the loan agreement.
- (b) Decision to recall / accelerate payment or performance under the agreement should be in consonance with the loan agreement.
- (c) The Company should release all securities on repayment of all dues or on realisation of the outstanding amount of loan subject to any legitimate right or lien for any other claim it may have against the borrower. If such right of set off is to be exercised, the borrower shall be given notice about the same with full particulars about the remaining claims and the conditions under which the Company is entitled to retain the securities till the relevant claim is settled/paid.

(iii) **General**

- (a) The Company would refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the borrower, has come to the notice of the Company).
- (b) In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise should be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.
- (c) In the matter of recovery of loans, the Company would not resort to undue harassment viz. persistently bothering the borrower at odd hours, use of muscle power for recovery of loans etc. The Company shall train its staff adequately to deal with the customers in an appropriate manner.
- (d) The Company to have a built in re-possession clause in the loan agreement with the borrower which is legally enforceable.
- (e) The terms & conditions of the loan agreement to contain provisions regarding:
  - i. notice period before taking possession;
  - ii. circumstances under which the notice period can be waived;
  - iii. the procedure for taking possession of the security;
  - iv. provision regarding final chance to be given to the borrower for repayment of loan before the sale/auction of the property;
  - v. procedure for giving repossession to the borrower;
  - vi. procedure for sale/auction of the property.
- (f) The Company to formulate an appropriate grievance redressal mechanism to resolve disputes with the borrower. The Board of Directors to periodically review the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism.
- (g) The Company to display the following information prominently, for the benefit of its customers, at their branches / places where business is transacted:
  - i. the name and contact details (Telephone / Mobile nos. as also email address) of the Grievance Redressal Officer who can be approached by the public for resolution of complaints against the Company.
  - ii. If the complaint / dispute is not redressed within a period of one month, the customer may appeal to the Officer-in-Charge of the Regional Office of DNBS of RBI Bangalore, under whose jurisdiction the registered office of the Company falls.

**Approval and Review**

This Policy will be reviewed atleast Annually.

Version	Date	Remarks
2.0	14 Nov 2022	Annual Review
3.0	11 Dec 2023	Annual Review
4.0	24 Oct 2024	Annual Review