

## Our Fair Practices Code

### 1. Applications for loans and their processing

- (a) All communications to the borrower will be in the vernacular language or a language as understood by the borrower.
- (b) Loan application forms will 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 informed decision can be taken by the borrower. The loan application form will indicate the documents required to be submitted with the application form.
- (c) The company will give acknowledgement for receipt of all loan applications with an indicated time frame within which decision on the completed loan application will be taken.

### 2. Loan appraisal and terms/conditions

- (a) The company will convey in writing to the borrower in the vernacular language as understood by the borrower by means of sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record.
- (b) The Company will clearly mention the penal interest charged for late repayment in the loan agreement.
- (c) The company will furnish a copy of the loan agreement along with a copy each of all its enclosures to all the borrowers at the time of disbursement of loans.

### 3. Disbursement of loans including changes in terms and conditions

- (a) The company will give notice to the borrower in the vernacular language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc., as the case maybe. Further any changes in interest rates and charges shall be effected only prospectively as mentioned in the loan agreement.
- (b) Decision to recall / accelerate payment under the agreement will be in consonance with the loan agreement.
- (c) The Company will release all securities on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim the company may have against borrower. If such right of set off is to be exercised, the borrower will 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.



#### 4. Rate of Interest

(a) The Company will frame appropriate internal principles and procedures for determining the interest rates and processing and other charges, if any, and also to ensure that they are not excessive. The Company will, at the time of disbursement, ensure that the interest rate and other charges, if any, on loan and advances are in strict adherence to above referred internal principles and procedures.

(b) The Company will explicitly in the sanction letter the rate of interest and the approach for gradation of risk and rationale for charging different rate of interest to different categories of borrowers.

(c) The Company will publish the rates of interest and the approach for gradation of risks in the on the website of the Company, and whenever there is a change in the rate of interest same will be updated on the website of the Company.

(d) The rate of interest will be annualized rates to make the borrower aware of the exact rates that would be charged to the account.

#### 5. General

(a) The Company will 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 lender).

(b) In the matter of recovery of loans, the company shall not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans.

(c) The Board of Directors of the company shall lay down the appropriate grievance redressal mechanism within the organization to resolve disputes arising in this regard. Such a mechanism should ensure that all disputes arising out of the decisions of lending institutions' functionaries are heard and disposed of at least at the next higher level. The Board of Directors should also provide for periodical 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 may be submitted to the Board at regular intervals, as may be prescribed by it.

(d) The Company shall display the following information prominently, for the benefit of their customers, at their branches / places where business is transacted - the name and contact details (Telephone / Mobile nos. as also email address) of the Grievance Redressal Officer who can be approached for resolution of complaints against the Company.

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