

Our Fair Practices Code

1. Applications for loans and their processing

(a) All communications to the borrower shall be in the vernacular language or a language as understood by the borrower.

(b) Loan application forms shall 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 indicates the documents required to be submitted with the application form.

(c) The company shall 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 shall 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 annualised 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 shall clearly mention the penal interest charged for late repayment in the loan agreement.

(c) The company shall 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 shall 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. 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 shall be in consonance with the loan agreement.

(c) The company shall 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 the company may have against 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.

4. Rate of Interest

(a) The Company shall 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 shall, at the

time of disbursal, 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 shall disclose in the application form and 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 shall publish the rates of interest and the approach for gradation of risks in the relevant

newspapers or in the website of the Company, and shall be updated whenever there is a change in the rate of interest.

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

5. General

(a) The Company shall 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.