

FAIR PRACTICES CODE

➤ Introduction

This Fair Practice Code, duly approved by the Board of Directors of the Company in accordance with RBI Directives, provides the basic philosophy and guidelines to the Company and its' employees with respect to fair practices to be adopted while serving customers of the Company. The Company's Fair lending practices shall apply across all aspects of its operations including marketing, loan origination, processing, and servicing and collection activities.

The Board of Directors and the management are responsible for establishing practices designed to ensure that its operations reflect a strong commitment to fair lending and that all employees are aware of that commitment.

➤ Know Your Customer Guidelines

- (a) The Company shall obtain all necessary KYC documents which are required in terms of the directions issued by the Reserve Bank, from time to time. In cases where the client is CKYC compliant, the KYC records shall be retrieved from the CKYC registry. The Company may also obtain necessary customer records from NJ India Invest Private Limited, the holding Company and master distributor of the products of the Company.
- (b) In case the Company need additional information, it will ask for it separately and will specify the objective of such additional information which will be provided by customer voluntarily.
- (c) Application form issued by us will contain details and documents required for meeting Know Your Customer Guidelines.

➤ Applications for loans and their processing

- (a) All communications to the customer by the Company shall be in a language as understood by its customers and in compliance with the guidelines issued by RBI in this behalf.
- (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 the Company can be made and informed decision can be taken by the borrower. The loan application form shall indicate the documents required to be submitted along-with the application form.
- (c) The Board has adopted an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium, etc. and determine the rate of interest to be charged for loans and advances. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers shall be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.
- (d) The rates of interest will be annualised rates so that the borrower is aware of the exact rates that would be charged to the account.

(e) An acknowledgement for receipt of all loan applications shall be provided.

➤ **Loan appraisal and terms & conditions**

- (a) We shall convey in writing to the borrower by means of Loan Term Sheet 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 our record.
- (b) All written terms and conditions will be fair and will set out customer's rights and responsibilities clearly and in plain language. The Company will use legal or technical language only where it is necessary. Communication shall be as understood by customers.
- (c) Terms shall include details of the default interest / penal interest rates (expressed in percentage per month / annum as the case may be) and the charges payable by the customers in relation to their loan account and method of application thereof (penal interest charged for late repayment of loan would be mentioned in bold in the loan agreement).
- (d) The Company shall furnish a copy of the loan agreement in a language as understood by customers and in compliance with the guidelines issued by RBI in this behalf, along with a copy each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction / disbursement of loans.

➤ **Disbursement of loans including changes in terms and conditions**

The Company shall give notice to the borrower, in a language as understood by customers and in compliance with the guidelines issued by RBI in this behalf, of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. The Company shall also ensure that changes in interest rates and charges are affected only prospectively. A suitable condition in this regard shall be incorporated in the loan agreement.

➤ **Post Disbursement Supervision**

- (a) The Company will make sure that its collections policy includes collections after due consideration for genuine difficulties faced by the customer. In the matter of recovery of loans, the Company will not resort to harassment.
- (b) The Company will give a notice to customer before taking a decision to recall / accelerate payment or performance or seeking additional securities in consonance with the loan agreement.
- (c) The Company will 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 our 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.

- (d) The Company will not interfere 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).
- (e) In case of receipt of request from the borrower for transfer of loan account, the consent or otherwise i.e. objection from Company, if any, shall 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.
- (f) the Company shall not charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to individual borrowers.

➤ **Grievance Redressal**

- (a) The Board of Directors of the company has laid down the appropriate Grievance Redressal Mechanism within the organization to resolve disputes arising relating to any of the loan / investments matters. The Board of Directors shall 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.
- (b) The company has appointed a Grievance Redressal Officer through a Grievance Redressal Policy, who can be approached by the public for resolution of complaints against the company. For the benefit of the customers following details are displayed prominently at branches / places where business is transacted:
 - (1) 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.
 - (2) 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 (complete contact details), under whose jurisdiction the registered office of the company falls.

➤ **Privacy and Confidentiality**

The Company will treat the personal information of customer even when the customer is no longer a customer as private and confidential. The Company will not reveal the data or information of customer to anyone including other companies in the group except when:

- (a) Required by law
- (b) Duty towards public to reveal information
- (c) The Company's interest requires giving information
- (d) With borrower's permission

- (e) If the Company is giving a reference about customer to companies in the group with the prior written permission of the customer.
- (f) The Company will inform the customer about his rights/liabilities under the Laws of India for accessing the personal records that the Company hold about him/her.
- (g) The Company will not use customer's personal information for marketing purposes unless the customer specifically authorizes the Company to do so.

➤ **General**

- (a) The Company will inform the customer that he will be responsible for all losses if he acts fraudulently or without reasonable care.
- (b) All the securities / loan agreements shall be kept in safe custody under the Principal Officer or person specifically authorized in this regard by the Board of Directors of the Company for the execution of the Fair Practices Code.
- (c) All the loan agreements shall be made under the signatures of Principal Officer or person specifically authorized in this regard by the Board of Directors of the Company from the execution of this Fair Practices Code.

The Board shall periodically review the compliance of the Fair Practices Code of the Company and the said Fair Practices Code is implemented with effect from the commencement of business of the Company.

This Fair Practices Code is issued under the order and authority of Board