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## ***Fair Practice Code***

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## 1. Introduction

*This Policy shall be termed as Fair Practices Code of G.R.P. Fincap Lease Private Limited (“the company”), prepared and compiled in accordance with the Master Direction of Reserve Bank of India (Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023) RBI/ DoR /2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 (Updated as on November 10, 2023) as amended from time to time and other directives issued by Reserve Bank of India in this behalf.*

*This code will enable employees to provide better customer service and maintain transparency in business dealings with its customers. A copy of the code is available and kept at a visible location at each office of the company and the same may be provided to the existing and prospective customer on their request in the vernacular and English language as may be desired by the customers. The FPC shall be binding on all the employees and officers of the Company.*

## 2. Commitments

- ⇒ *The Company undertakes to abide by all applicable laws, regulations and guidelines passed/issued by the Reserve Bank of India and other competent authorities.*
- ⇒ *Adopt the best practices in dealing with customers.*
- ⇒ *The Company commits itself completely towards customer satisfaction through efficient, professional and courteous services at every office of the company.*
- ⇒ *To provide customers with accurate and timely disclosure of terms, costs, rights and liabilities attached with their loan transactions.*
- ⇒ *The Company undertakes not discriminate customers on grounds of age, race, religion, caste, marital status, gender or language or disability.*
- ⇒ *The Company will provide clear and full information about its products and services to its customers/prospective customers and will not resort to any misleading or potentially misguiding advertisement or publicity. Disclosure of all the benefits available to customers.*
- ⇒ *The Company undertakes not to take un due advantage of any unintentional or clerical error made by the customer while transacting business.*
- ⇒ *To act in good faith to resolve any disputes or differences or complaints with customers by setting up grievance redressal system within the organization.*
- ⇒ *Foster fair and cordial relationship between the customers and the company.*

### 3. Fair Practices Code

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#### 3.1 Applications for loans and their processing

- ✓ All the communications to the borrower shall be in the language as understood by the borrower.
- ✓ Loan application forms will include necessary information which affects the interest of the borrower, so that a transparent view of the terms and conditions is informed to the borrowers and so that a meaningful decision can be taken by the borrower. The loan application form also indicates the documents that are required to be submitted with the application form.
- ✓ The Acknowledgement receipt of all loan applications will be given to the borrower.
- ✓ The Company may verify the details including KYC mentioned by the customer in the loan application by contacting him/her at his/her residence and/or on business telephone numbers and/or physically visiting his/her residence, if deemed necessary.

#### 3.2 Loan appraisal and terms/conditions

- ✓ 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, rate of interest, tenure of loan, processing fees, or any other charges etc. The company will mention the penalties charged for late repayment in bold in the loan agreement.
- ✓ The company will furnish a copy of the loan agreement as understood by the borrower 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.

#### 3.3 Disbursement of loans including changes in terms and conditions

- ✓ The company will give notice to the borrower in the vernacular language or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, EMI amount, interest rates, service charges, prepayment charges etc. The company will ensure that changes in interest rates and charges are affected only prospectively.
- ✓ Any of the Decision to recall/accelerate payment or performance under the agreement shall be in consonance with the loan agreement.
- ✓ 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 they 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.
- ✓ No Objection Certificate is provided to the borrowers after due repayment of the loan amount within the time period.

### **3.4 Responsible Lending Conduct - Release of movable/immovable property documents on repayment/ settlement of personal loans**

- ✓ *The company releases all the original movable / immovable property documents and removes the charges registered, if any within a period of 30 days or earlier, after full repayment/settlement of the loan account.*

### **3.5 Interest and Charges**

- ✓ *The quantum of penal charges is reasonable and commensurate with the non-compliance of material terms and conditions of loan contract, the quantum and reason for penal charges is clearly disclosed and the penal charges are same in all segments of loan. Reminders for non-compliance of material terms and conditions of loan are sent to borrowers and the penal charges are also communicated.*
- ✓ *The company does not charge interest on "Penal Charges". And the Penalty, if charged, for non-compliance of material terms and conditions of loan contract by the borrower is treated as 'penal charges' and is not levied in the form of 'penal interest' that is added to the rate of interest charged on the loan.*
- ✓ *The board keeps a check on the interest rate model taking into account relevant factors such as cost of funds, margin and risk premium for determining the rate of interest to be charged for loans and advances which are in no way higher for the borrowers. The approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers is clearly disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter. The company has a fair practice to be followed by for determining the interest rates in every segment.*
- ✓ *The company charges interest up to the extent which is in no way detrimental to the interest of the borrower.*

### **3.6 General**

- ✓ *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 any information, not earlier disclosed by the borrower, comes in the notice of the company)*
- ✓ *In case, the borrower requests for transfer of borrower's account, the consent or otherwise i.e., objection, 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.*
- ✓ *In the matter of recovery of loans, the company will not resort to undue harassment viz., persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc. None of the employees of the company will rudely behave to the customers. The company ensures that the staff are adequately trained to deal with the customers in an appropriate manner.*

### **3.7 Grievance Redressal Mechanism**

- ✓ *The company has implemented all the possible steps to prevent and minimize customer complaints/ grievances.*
- ✓ *The complaints shall be heard and disposed of by the Office Manager. If not satisfied with the decision of the Office Manager, the customer has the option to escalate the matter to the management of the company.*
- ✓ *The Board of Directors of the Company will periodically review the compliance of the Fair Practice Code and the functioning of the grievance's redressal mechanism at various levels of management.*
- ✓ *The details of the Grievance Redressal Officer (including name, address, contact number, email id etc.) are displayed at the office and the company has also framed the grievance redressal policy to resolve the dispute in fair and transparent manner and the same is already displayed on the website.*
- ✓ *The Grievance shall be addressed to the Level 1 Officer, and if a customer is not satisfied with the redressal given by Level 1 Officer, the same shall be taken forward to Level 2 Officer.*

### **3.8 Confidentiality**

- ✓ *Unless authorized by the borrower, the Company will treat all personal information as private and confidential and shall not reveal any information to a third person unless required by any law or Government authorities including Regulators or Credit agencies or where the sharing of information is permitted by the customer, or it is in the interest of the borrowers to provide such information (e.g. Fraud prevention)*
- ✓ *The Company shall collect personal information that it believes to be relevant and required to understand the customers profiles and conduct its business.*
- ✓ *If company avails services of any third party for providing support services to the customers, the Company shall require that such third parties handle customers' personal information with the same degree of confidentiality.*

### **3.9 Advertising and Promotion**

- ✓ *The Company ensures that all the advertising and promotions are clear and not misleading.*
- ✓ *The Company may, from time to time, communicate to customers various features of their products availed by them. Information about their other products or promotional offers in respect of products / services may be conveyed to customers only if he / she has given his / her consent to receive such information / service.*

\*\*\*\*\* **End of Document** \*\*\*\*\*

