

THAZHAYIL FINANCE PRIVATE LIMITED

FAIR PRACTICE CODE

April 2019

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INTRODUCTION

The fair practice code has been formulated by the Company in response to guidelines issued by Reserve Bank of India vide circular DNBS.CC No. 320/03.10.001/2012-13 dt. February 18, 2013 and Master circular DNBS.CC.PD No266/03.10.01/2011-12 dt.26.03.2012. The Reserve Bank of India has released the final guidelines of the Fair Practices Code (FPC) for NBFCs, asking them to implement the fair practices and to post the same on the websites to cater to shareholder's information requirements. The code prescribes fair practice standards while dealing with the customers and to serve in the best interests of the company. The Code is applicable to all aspects of operations of the company. The FPC shall be binding on all the officers and employees of the Company

We are committed to ensure that our charges are properly and timely informed to the existing and prospective borrowers. Disputes, if any; will be resolved by our Grievance Redressal Department. This will be applicable irrespective of the fact that the service is provided at our branches or head office, or over phone or by email.

KEY AREAS

1. Applications for loans and their processing

- a. All communications to the borrower will be either in English or in vernacular language as opted by the borrower at the time of making application for a loan.
- b. The application for loan will include matters/information affecting 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 may indicate the documents required to be submitted with the application form.
- c. The rate of interest and the approach for gradation of risk and rationale for charging different rate of interest to different categories of borrowers shall be disclosed to the borrowers in the application form and communicated to him in the sanction letter.
- d. Acknowledgement will be issued to all loan applicants and the same will indicate the time within which the application will be disposed of by the company.

- e. The application form will clearly state the information to be provided by the customer to fulfil the KYC norms and to comply with legal and regulatory requirements

2. Loan appraisal and terms and conditions

- i. Company shall convey in writing to the borrower in vernacular language as understood by the borrower by means of sanction letter showing the amount of loan sanctioned and the terms and conditions applicable including annualised rate of interest and method of application thereof. The company shall keep the acceptance of these terms and conditions by the borrower on its record.
- ii. Company shall mention the penal interest charged for late repayment in bold in the loan agreement.
- iii. A copy of the loan agreement preferably in the vernacular language as understood by the borrower along with a copy each of all enclosures quoted in the loan agreement shall be furnished to all the borrowers at the time of sanction / disbursement of loans.

3. Disbursement of loans including changes in terms and Conditions

- i. The terms and conditions of the loan shall be accepted by the borrower before disbursement of the loan amount. Any change in the terms and conditions of the loan, including disbursement schedule, interest rates, service charges, prepayment charges etc will be brought to the notice of the customer by sending notice in vernacular language as understood by the borrower. Change in interest rates and other charges will be made only prospectively and not retrospectively. A suitable condition in this regard will be incorporated in the loan agreement.
- ii. Any decision to recall/accelerate payment or performance under the agreement shall be in consonance with the loan agreement.

- iii. 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 the borrower. If such right to 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. **General**

- i. 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 lender).
- ii. In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise of the company 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.
- iii. In the matter of recovery of loans, the company will not resort to any type of undue harassment viz; persistently bothering the borrowers at odd hours, use of muscular power for recovery of loans etc. Company shall train all staff to deal with customers in a proper manner.
- iv. The company shall state the repossession clause in the loan agreement with the borrower which shall contain provisions regarding notice period before taking possession, circumstances under which the notice period can be waived, procedure for taking possession of the security , provision regarding final chance to be given to the borrower for repayment of the loan before auction/sale of security, procedure for giving repossession to the borrower and the procedure for sale/auction of the property. A copy of such terms and conditions shall be made available to the borrowers.
- v. All loans are sanctioned at the sole discretion of the company.

5. Grievance Redressal Mechanism

- i. The Company has framed suitable grievance redressal mechanism to resolve grievances /complaints of borrowers. All disputes arising out of the decisions of the company are heard and disposed of at least at the next higher level.
- ii. A Grievance Redressal Committee is constituted at corporate office. The committee will comprise of the Managing Director, Manager – Corporate affairs and Manager-Marketing . The Committee shall review the compliance of the fair practice code and the functioning of the grievance redressal mechanism on a quarterly basis. A consolidated report of such reviews shall also be submitted to the Board of Directors on a half yearly basis.
- iii. The company has designated the following person as the compliance officer to ensure compliance of Fair Practice Code:

Name	Ms. Richie Thomas
Designation	Grievance Redressal Officer
Email	genoytj@gmail.com
Contact Number	+91 96453 63832

CONFIDENTIALITY

The company shall treat all personal information of its borrowers as private and confidential and will not reveal any information to any other entity other than for regulatory/statutory matters.
