

Saraswati Commercial (India) Limited

FAIR PRACTICES CODE

**SARASWATI COMMERCIAL (INDIA) LIMITED (SCIL) -
FAIR PRACTICES CODE PURSUANT TO RBI GUIDELINES**

I) TITLE & COMMENCEMENT:

- This code shall be called as Saraswati Commercial (India) Limited (“SCIL”) - Fair Practices Code.
- The Fair Practice Code is framed and approved by its Board of Directors at their meeting held on 20th April, 2012 in terms of guidelines issued by the RBI vide its circular no. DNBS (PD) CC No. 266/03.10.01/2011-12 dated March 26, 2012 and shall come into force from 21st day of April, 2012. Consequent to this, the Fair Practice Code as adopted by Board of Directors at their meeting held on 26th October, 2006 pursuant to the circular no. DNBS (PD) CC No. 80/03.10.042/200506 dated September 28, 2006 issued by RBI be and is hereby repealed.

II) INTRODUCTION:

The Reserve Bank of India has prescribed broad guidelines on fair practices to be followed by all Non-Banking Financial Companies.

With a view to setting out Fair Practices in a transparent manner and in compliance with the RBI’s circular referred to above, the Company has framed the following guidelines as its Fair Practices Code.

This Code deals with promoting good and fair business practices and a fair, cordial relationship between borrowers/customers

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1. APPLICATIONS FOR LOANS AND THEIR PROCESSING

- All communications to the borrower shall be in the vernacular language or in a language as understood by the borrower.
- 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 may indicate the documents required to be submitted with the application form.
- The Company shall provide acknowledgement for receipt of all loan applications and an indicative time frame within which loan application will be disposed off will be mentioned in such acknowledgement

2. LOAN APPRAISAL AND TERMS/CONDITIONS

- The sanction of loans by means of sanction letter or otherwise, amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof will be conveyed in writing to the borrower in the vernacular language or in a language as understood by the borrower and the acceptances of these terms and conditions by the borrower will be kept in the Company's record. Penal Interest charges for late repayment shall be mentioned in bold in the loan documents.
- The terms and conditions and other caveats governing loans provided as have been agreed upon by the Company and borrower, would be reduced in writing duly certified by the authorized official of the Company. A copy of loan documents would be furnished in the vernacular language or in a language as understood by the borrower, along with a copy of all enclosures quoted in the loan documents to all the borrowers at the time of sanction/disbursement of loans.

3. DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS

- The Company shall ensure timely disbursement of loans sanctioned on total compliance of terms and conditions including execution of loan documents governing such sanction.

- Communication/Notice shall be given to the borrower in the vernacular language or in a language as understood by the borrower of any change in the terms and conditions, including interest rate, disbursement schedule, service charges (if any), prepayment charges, (if any) etc.
- Changes in interest rates and charges will be effected, only, prospectively. Suitable condition in this regard shall be incorporated in the loan document
- Before taking the decision to recall / accelerate payment or performance under the document shall be in consonance with the loan document.
- Securities if any kept pertaining to the loan would be released on receipt of full and final payment subject to any legitimate right or lien for any other claim that the Company may have against the borrowers. 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 Company is entitled to retain the securities till the relevant claim is settled/paid.

4. INTEREST CHARGES & EXCESSIVE INTEREST POLICY

- The rate of interest to be charged will be determined by the Directors keeping in view mainly the financial soundness and track record of the borrower, nature and value of security, if any and the prevailing interest rates for similar credits in the market.
- The rate of interest would be annualised rates so that the borrower is aware of the exact rates that would be charged to the account.

5. GENERAL

- The Company would restrain from interference in the affairs of the borrower except for what is provided in the terms and conditions of loan sanction documents (unless new information, not earlier disclosed by the borrower, has come to the notice of the Company as lender).
- In case of any request for transfer of borrower's accounts from the borrower, the Company's consent or otherwise objection, if any, shall be conveyed within 21 days from the date of receipt of request or within a stipulated time as mutually agreed by the company and the borrower. Such transfer shall be as per the transparent contractual terms in consonance with law.

- In the matter of recovery of loans, the Company shall resort to remedies which are legally and legitimately available without undue harassment.
- All Terms and conditions will be fair and will set the customer's rights and responsibilities clearly. The Company will use legal or technical language only wherever necessary.

6. CONFIDENTIALITY

All the borrower's personal information shall be treated as private and confidential

The Company will not reveal transaction details to any other entity including within the Group other than the following exceptional cases

- The Company has to provide the information by statutory or regulatory laws
- If there is duty to the public to reveal this information
- If Company have taken the customers permission or on written request of the customer (for instances at the time of Loan sanctioning) to provide such information to its Group /Associate /entities or Companies for providing product or services.

7. GRIEVANCE REDRESSAL MECHANISM

- In case of any complaints/grievance, the applicant / borrowers will have to inform in writing to the Company.
- The grievance redressal mechanism in the Company comprising of the Directors shall resolve disputes arising in this regard.
- The Board of Directors shall periodically review the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism. A report of such reviews may be submitted to the Board at regular intervals, as may be prescribed by it.

8. FORCE MAJEURE

- In the event of Force Majeure, the Company will not be able to fulfill the commitments outlined under this Fair Practice Code.
