

**Fair Practices Code** duly amended as per Notification DNBS.CC.PD.No.266 /03.10.01/2011-12 dated March 26, 2012 issued by the Reserve Bank of India duly adopted by the Board of Directors at their meeting held on April 20, 2012.

In line with the directives of the Reserve Bank of India, the following Fair Practices Code (hereinafter referred to as "the Code") will be followed by the Company in respect of the lending business of the Company. The Code covers general principles on adequate disclosures on the terms and conditions of a loan and also adopting a non-coercive recovery method.

(i) Applications for loans and their processing

(a) Loan application forms shall include necessary information which affects the interest of the borrower to enable the borrower to take an informed decision. The loan application form shall indicate the documents required to be submitted with the application form.

(b) Acknowledgement shall be given on receipt of all loan applications and the time frame within which loan applications shall be disposed of shall be indicated in the acknowledgement.

(c) All communication to the borrowers shall be made in English as well as Marathi.

(ii) Loan appraisal and terms/conditions

The amount of loan sanctioned along with the terms and conditions including annualised rate of interest and method of application thereof shall be conveyed to the borrower in writing by means of sanction letter or otherwise and the acceptance of these terms and conditions by the borrower shall be kept on record. The Company shall mention the penal interest charged for late repayment in bold letters in the loan agreement.

The Sanction letter shall be in both English and Marathi. The Borrower shall be furnished a copy of the Loan Agreement along with all enclosures quoted in the Loan Agreement.

(iii) Disbursement of loans including changes in terms and conditions

(a) A notice shall be given to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc and changes in interest rates and charges shall be effected only prospectively. A suitable condition in this regard shall be incorporated in the loan agreement. Such notice shall be given in English as well as Marathi.

(b) Decision to recall / accelerate payment or performance under the agreement shall be in consonance with the loan agreement.

(c) All the securities shall be released 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.

(iv) 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 company).

(b) In case of receipt of request from the borrower for transfer of borrowal 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.

(c) In the matter of recovery of loans, no undue harassment should be resorted to viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc. The staff dealing with the customers shall be adequately trained to deal with the customers in an appropriate manner.

(v) Any grievance from the borrower shall be referred to any of the Directors of the Company and the same shall be resolved within 30 days from the date of receipt of all the information pertaining to the dispute and the decision shall be communicated to the borrower in writing. A statement showing brief details of disputes and redressal shall be placed before the Board periodically, for its review.

(vi) The Board shall also periodically review the compliance of the Fair Practices Code and functioning of grievance redressal mechanism.

(vii) Special Provisions regarding finance provide for vehicles/machinery etc.

In cases where the Company has provided a loan to any person/company for financing of any vehicle/machinery etc. where the vehicle/machinery is the security for the finance provided, the Company shall have a specific built in re-possession clause in the loan agreement. The terms and conditions of the loan agreement shall also contain provisions regarding:

- a) Notice period before taking possession;
- b) Circumstances under which the notice period can be waived;
- c) The procedure for taking possession of the security;
- d) A provision regarding final chance to be given to the borrower for repayment of loan before the sale/auction of the property;
- e) The procedure for giving re-possession to the borrower
- f) The procedure for sale/auction of the property.

The copy of the terms and condition shall form a key component of such loan agreements.