

## **Introduction**

This Code has been formulated by **GyanDhan Financial Services Private Limited (“The Company”)** pursuant to the Guidelines on Fair Practices Code for applicable Non-Banking Financial Companies issued by the Reserve Bank of India (RBI). The Company shall make appropriate modifications to this code from time to time to conform to the standards that may be prescribed by RBI from time to time.

This Fair Practice Code is aimed to provide all the stakeholders, especially customers, an effective overview of practices followed by the company in respect of the financial facilities and services offered by the company to its customers.

GyanDhan Financial Services Private Limited. (“The Company”) hereby furnishes the Fair Practices Code (“the FPC”)

## **Objectives**

1. Follow good, fair and transparent business practices by setting reasonable standards in dealing with customers;
2. Relate to the customer in such manner so as to promote a fair and cordial relationship;
3. To enable customers to have better understanding of what they can reasonably expect of the services offered by the Company;
4. Ensure that recovery and enforcement, where necessary, is conducted following due process of law;
5. To strengthen mechanisms for redressal of customer grievances;
6. Encourage market forces, through fair competition, to achieve higher operating standards

## **Applicability**

The policy is applicable to all the persons offering the products and services of the company as an employee or otherwise in any manner and/or by any mode. The code remains applicable under normal operating environments except in the case of any force majeure. It is based on ethical principles of integrity and transparency and all actions and dealings shall follow the spirit of the code.

## **Loans**

### **Applications for Loans Processing**

1. All communications to the borrower shall be either in English or in a vernacular language or in a language as understood by the borrower.
2. Loan application forms issued by the Company will include necessary information affecting the interests of the borrower, which will enable him to take an informed decision

by comparing the terms and conditions with that of other similar NBFCs, and will also indicate the documents required to be executed/submitted by the borrower.

3. If any additional documents/information are required from the Customer, the same will be communicated to the Customer immediately.
4. The Company will have a system of giving acknowledgement for receipt of loan applications.
5. The time frame within which loan applications will be disposed of will be indicated in the acknowledgement.

### **Loan Appraisal**

1. The Company shall convey in writing to the borrower in English or in a vernacular language or a language as understood by the borrower by means of sanction letter or otherwise, the amount of loan approved/sanctioned - along with the terms and conditions, including annualized rate of interest and method of application thereof.
2. It would keep the acceptance of these terms and conditions by the borrower on the Company's files.
3. The Company will mention the penal interest which will be charged for late repayment and / or any other default on the part of the customer, in bold in the loan agreement.
4. The Company shall furnish a copy of the loan agreement along with a copy each of enclosures, quoted in the loan agreement, if any, to the borrowers at the time of disbursement of loans.

### **Disbursement of Loans**

1. The loan shall be disbursed on executing the necessary documents and completion of the formalities regarding creating a charge over the security offered by the borrower.
2. The Company will give notice to the borrower in English or a vernacular language or a language as understood by the borrower of any change in the terms and conditions including interest rates, service charges, prepayment charges etc.
3. The Company will also ensure that changes in interest rates and charges are affected only prospectively. A suitable condition in this regard will be incorporated in the loan agreement.
4. Decisions to recall / accelerate payment or performance under the agreement will be in accordance with the loan agreement.
5. 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 the Company may have against the borrower.
6. If such right of set off is to be exercised, the borrower will 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.

### **Collection of Dues**

1. The Company shall provide the customers with all the information regarding their dues and provide reasonable time for payment of the same.
2. The Company shall, while protecting its interest, adopt reasonable and lawful measures to recover its dues from defaulting customers, including use of persuasive methods for collection of its dues.
3. The company shall ensure that the staff is adequately trained to deal with the customers in an appropriate manner.

### **Grievance Redressal Mechanism**

#### **Logging of Complaints**

1. All grievances made by the borrowers will be electronically recorded and maintained by the Company.
2. Customers shall ensure that they quote their application number/loan account number in all correspondence with the company. Anonymous complaints will not be addressed under this mechanism.
3. Certain types of cases might need additional time due to the nature of the activities involved, for example - retrieval of documents. The Company will inform the customer of any such delay and provide expected timelines for resolution of the complaint.

#### **Grievance Redressal Officer (GRO)**

1. The Board of Director/s of the Company shall appoint an employee of the Company as Grievance Redressal Officer (GRO), who will be entrusted with the job of redressing the grievances of the customers.
2. The GRO will be available during office hours to address the grievances of all borrowers.

**Display of Resolution Process and Time Frame** - The Company shall put the following details on display at every branch of the company:-

1. The contact details of the customer service center (phone number, as well as the email channel) that can be used by the customer for the first-time resolution of complaints against the Company.
2. The name and the contact details of the GRO who can be contacted by the customers for resolution of the complaint in case the same has not been resolved by the customer service center within 7 working days.
3. In the case the complaint/dispute is not resolved within 1 (one) month, the customer may appeal to the Offer-in-Charge of the Regional Office of DNBS of RBI, under whose jurisdiction the registered office of the Company falls.

#### **Confidentiality**

1. Unless authorized by the borrower, the Company will treat all personal information as private and confidential.

2. The Company may not reveal transaction details of the borrowers to any other persons except under following circumstances:
  - If the Company is required to provide the information as per regulatory directives to any statutory or regulatory body or bodies.
  - If arising out of a duty to the public to reveal the information.
  - If it is in the interest of the borrowers to provide such information (eg. Fraud prevention).
  - If the borrower has authorized the Company to provide such information to its group/associate/entities or Companies or any such person/entity as specifically agreed upon.

### **General**

1. The Company shall refrain from interference in the affairs of the customer except for the purposes mentioned in the terms and conditions of the loan agreement.
2. The Company shall not charge foreclosure charges/prepayment penalties on all floating rate term loans sanctioned to the customers.
3. In the case of receipt of a request from the customer to transfer the loan account, the consent or otherwise, that is the objection of the company, if any, shall be conveyed within 21 days from the date of receipt of the request. Such transfer shall be as per the transparent contractual term in consonance with law.
4. In the matter of recovery of loans, the Company will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc.
5. To avoid rude behavior from the staff of the Company, the Company shall ensure that the staff are adequately trained to deal with the customers in an appropriate manner

### **Review of the code**

The Board of Director/s shall conduct a periodical review of the compliance of the Fair Practices Code and the functioning of the Grievance Redressal Mechanism at various levels of management. The GRO shall periodically review the compliance of this code and a consolidated report of such review may be submitted to the Board.