

SHRACHI INFRASTRUCTURE FINANCE LIMITED

Code of Fair Practices

As per

Guidelines Framed by

Reserve Bank of India

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Introduction

This Code of Fair Practices is framed in accordance with Reserve Bank of India guidelines issued vide Circular number RBI/2006-07/138 DNBS (PD) CC number 80/03.10.042/2005-06 dated 28th Sept 2006 by the Dept of Non Banking Financial Companies.

The objectives of the Code are:

- To ensure transparency in the Company's dealings with its customers
- To ensure compliance with legal norms in matters relating to recovery of advances
- To strengthen mechanisms for redressal of customer grievances

I. Application for Loans and their processing :-

1. All Loan Application Forms shall contain detailed information relating to the terms and conditions governing the Loan and other relevant information affecting the interest of our valuable customers. These forms shall also contain the particulars of standard documents to be submitted with the Application Form.
2. The Company shall follow the system of issuing acknowledgements for receipt of all loan applications.
3. It shall be our endeavor to disburse any loan that is being applied for within 48 hours of execution of relevant documents following sanction of the loan.

II. **Loan Appraisal and Terms and Conditions :-**

1 The following particulars shall be communicated through a Sanction Letter:

- a) Assets details & Cost of Asset
- b) Sanctioned Amount
- c) Rate of Interest
- d) Tenor
- e) Instalment amount and structure
- f) Commencement Date
- g) Repayment Schedule
- h) Contact point for any clarifications

2 Acceptance of the Sanction Letter by the Customer shall be kept on record

III. **Disbursement of Loans and changes in Terms and Conditions :-**

At Shrachi we shall value openness and transparency in the system. We shall keep our customers informed in the event of any modification in terms and conditions, repayment schedule, interest rates, security, and other changes material to customer's relation with Shrachi.

IV. **Recall of Loan:-**

Any decision pertaining to Recall of Loan or Acceleration of repayment or seeking of any additional securities shall be taken strictly in accordance with the relevant provisions in the Loan Agreement and amendments made thereto.

V. **Release of Securities:-**

Shrachi shall ensure that the charge over any security provided by the customer is relinquished upon the happening of any of the following events, subject to any legitimate right or lien for any other claim against the customer:

- a) prepayment of all dues by the customer
- b) transfer of account and consequent settlement of all dues
- c) closure of the loan file in due course following settlement as per agreement

In the event any other right or lien exists, the customer shall be notified about the same with full particulars thereof.

VI. **General Clauses:-**

Non-Interference

1. Shrachi shall not interfere in the affairs of the borrower except as provided under the circumstances mentioned in the loan agreement.
2. However, if any new information or findings not previously disclosed by the borrower comes to the notice of Shrachi, the above restriction shall not apply.

Transfer of Account

3. Whenever a request for transfer of loan account is received from a customer, Shrachi shall respond to the same within 21 days of receipt of request. Acceptance or refusal thereof shall be in accordance with terms of the loan agreement.

Recovery Process

4. Any recovery proceedings need to be initiated, these shall be conducted in accordance with the rights provided under the Loan Agreement and in accordance with legally accepted norms.

VII **Grievance Redressal and Customer Relationship Management:-**

It shall be the endeavor of Shrachi to improve the quality of service and remove complaints and grievances, if any, of the customers as part of Customer Relationship Management.

Customer complaints, shall in the first instance, be logged in at the nearest branch. The designated Customer Satisfaction Executive shall be the first point of contact.

Shrachi's Customer Relationship Management (CRM) Manual specifies the turnaround time (TAT) in respect of redressal of any customer grievances.

In the event of non-disposal of complaint by the designated executive, the same shall be escalated to the SBU Head, who shall resolve the same speedily.

VIII. **Committee on Code of Fair Practices:-**

A Committee of the Board of Directors called "Fair Practices Code Committee" shall be constituted.

The Members of the Committee shall be as nominated by the Board of Directors from time-to-time.

This Committee shall monitor the compliance of the Fair Practices Code and the functioning of the customer grievances redressal mechanism.