

KIRAN VYAPAR LIMITED

FAIR PRACTICES CODE

- A. This code may be known as **KIRAN – Fair Practices Code**” hereinafter referred to as **“The Code”**.
- B. This code has been made pursuant to Reserve Bank of India **Master Circular No- DNBS (PD).CC.No054./03.10.119/2015–16 dated July 1, 2015**. This Fair Practices Code will supersede all the fair practices code adopted earlier.
- C. The Board of Directors have approved and adopted this Code on May 30, 2016.
- D. **Objective of the Code :**
1. Clients are advised of the key terms and conditions of services provided for their consideration prior to commitment of a transaction.
 2. Monitoring and administration of client accounts is carried out in a fair and transparent manner consistent with the terms and conditions of the facility provided.
 3. To ensure compliance with legal norms in matters relating to recovery of advances.
- E. **Applications for Loans and their Processing**
- (a) The Loan application forms will be in English – for all corporate and business class borrowers and also for individuals.
- (b) The Loan application form will be submitted in the vernacular language of the place where the office including branch of the Company is situated if the individual borrower does not understand English.

(c) Application form for loans should include necessary information which affects the Interest of the borrower; all the terms and conditions for loans to be advanced should be detailed in the application form itself.

(d) The loan application form will indicate the documents required to be submitted for processing the application.

(e) The Company will issue acknowledgment for receipt of all loan applications and such acknowledgement will also indicate the date within which the application will be disposed off which in normal case shall not exceed 30 working days from the date of receipt of the completed form. The Company will inform in writing to the borrower by means of a sanction letter the amount of loan sanctioned and all the terms and conditions including annualized rate of interest and method of application thereof. The Company will keep the acceptance of these terms and conditions by the borrower on its record. The loan shall be disbursed only on receipt of such acceptance. The Company will also furnish a copy of the loan agreement to the borrower along with a copy of all the enclosures quoted in the loan agreement.

(g) The Company may ask over for such collateral security, as the Company's Management may think, fit and proper, depending upon the credit worthiness of the borrower. But this will be at the sole discretion of the lender.

(h) The Company shall also mention the penal interest charged for late repayment in bold in the agreement.

F. Disbursement of Loans Including Changes In Terms And Conditions

a. The Company will give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. Any change in interest rates and charges shall be effective only prospectively. An express condition in this regard will be incorporated in the loan agreement. Any decision to recall/accelerate payment or performance under the agreement will be in consonance with the loan agreement.

b. The Company will release all securities on repayment of all dues or on realization 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.

G. Responsibility of Board of Directors

The Board of Directors of the Company will constitute a grievance redressal committee comprising of one of the directors to resolve disputes arising in this regard. Such a mechanism should ensure that all disputes arising out of the decisions of lending institutions' functionaries are heard and disposed of at least at the next higher level. The Board of Directors should also provide for periodical review of the compliance of the fair practices code and the functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such reviews may be submitted to the Board at regular intervals, as may be prescribed by it.

H. Grievance Redressal Officer

- a) For the benefit of the consumers, the Company will display the name and contact details of the Grievance Redressal Officer who can be approached by the public for resolution of complaints against the Company at the places where business is transacted.

- b) If the complaint / dispute are not redressed within a period of one month, the customer may appeal to the Officer-in-Charge of the Regional Office of Department of Non-Banking Supervision of Reserve Bank of India, Kolkata.

I. Language and Mode of Communication

Fair Practice Code shall be prepared in the language understood by the borrower.

J. Regulation of excessive Interest

The Board shall adopt an interest model taking into accounts relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances.

K. Complaints about excessive Interest

The Company has laid down appropriate internal principles and procedures in determining interest rates and processing and other charges.

L. General

a) 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).

b) In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise i.e. objection of the Company, if any, should 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, 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.

d) The Company shall not charge foreclosure charges/pre-payment penalties on floating rate term loans sanctioned to individual borrowers.

e) At present the Company does not given loans against collateral of Gold Jewellery. However, the Company shall comply with Fair Practice Code in this regard as and when it starts lending against collateral of Gold Jewellery.

The Board of Directors shall revise the Code at regular intervals as and when necessary.

For Kiran Vyapar Limited

Sd/-

Director