

SITAL LEASING AND FINANCE LIMITED

Revised & Amended Fair Practice Code

(Duly approved by the Board of Directors vide Resolution dated 15th March, 2019)

Fair Practices Code

1. INTRODUCTION

Sital Leasing & Finance Limited (SLFL referred as Company) is incorporated under the Companies Act, 1956 having Corporate Identification Number (CIN) L65910HR1983PLC050169. The company has been incorporated on 10.10.1983. SLFL is a company listed on Metropolitan Stock Exchange of India Ltd (MSEI). SLFL is a Non-Deposit Taking Systematically Importance Non-Banking Financial Company registered and regulated by the Reserve Bank of India as (NBFC), vide its Registration No. B-14.02131 issued on 21st Dec, 2001. The registered office of the company is located at 322, 3rd Floor, SS Plaza Commercial Complex, Mayfield, Garden, Sector-47, Gurgaon, Haryana -122001 and the Corporate office situated at 16/121-122, 1st Floor, Jain Bhawan, Faiz Road, Karol Bagh, New Delhi-110005.

The “SLFL” is presently engaged in the business of finance. The company majorly deals in sale / purchase of equity shares and investments. Presently the company has few products in which it dealt. The company provides different types of loans which include, Personal Loans, Corporate loans, Loan against Property, Loan against Shares etc. to its various customers. Such credit facilities are extended to different types of customers, which include Individuals, Partnership Firms, Companies and other Legal entities. “SLFL” has not dealt in Gold Loan activities since its inception. The “SLFL” has endeavor is to build a sustainable finance model that not only delivers high standards of service and value to our customer but is also rewarding to all our stakeholders.

For adoption of Latest Fair Practices Code the RBI has issued **Master Circular RBI/2015-16/16 DNBR (PD) CC.No.054/03.10.119/2015-16 July 01, 2015 and Master Direction RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 (*Updated as on February 22, 2019*)**.

Therefore “SLFL” has adopted and duly revised (time to time) as per the requirement of changes, which sets out the principles for fair practice standards when dealing with customers as per the RBI directions. The FPC policy has been duly approved by Board of Directors of the Company dated on 15th March, 2019. This Fair Practices Code applies to the all categories of products and services offered by the SLFL (currently or which may be introduced in future). SLFL will ensure that the implementation of the FPC is the responsibility of the entire

organization. SLFL's fair lending practices shall apply across all aspects of its operations i.e. processing, servicing and collection activities. The commitment to FPC will be demonstrated in terms of accountability, training, counseling, monitoring, auditing programs and internal controls and optimal use of technology. The guidelines issued on FPC will be implemented by the company. the details of the guidelines are as under:

2. GUIDELINES ON FAIR PRACTISE CODE FOR NBFCs

A. (i) APPLICATION FOR LOAN AND THEIR PROCESSING

- a. All communication to the borrower will be in vernacular language or a language as understood by the borrower.
- b. Loan application forms would include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and condition offered by other lenders can be made and informed decision can be taken by borrower. The loan application form would indicate the documents required to be submitted with the application form.
- c. Will provide acknowledgement for receipt of all loan applications. Preferably, the time frame within which loan applications will be disposed of would also be indicated in the acknowledgement.
- d. Will make the best effort to convey its decision to the applicant within five working days, after the loan application form is completed. (A form is considered complete once all information has been duly received and filled in, and required documents have been submitted and found acceptable).

(ii) LOAN APPRAISAL AND TERMS/CONDITIONS

- a. The company would convey in writing to the borrower in the vernacular language as understood by the borrowers, by means of sanction letter, passbook, loan agreement (including all other documents), the amount of loan sanction along with the terms and conditions including the annualized rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on record.

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- b. Management/Field staff will explain all the features, benefits, terms/conditions and pricing of our services including all fees, charges, and interest rate on annual, and loan appraisal process in all types of loans offered by the company.
- c. The company will provide a copy of loan agreements/files (included all relevant document) preferably in vernacular language along with a copy of each enclosures quoted in the loan files to all the borrowers at the time of sanction/ disbursement of loan.
- d. The company will mention the penal interest charged (if applicable) for late repayment in bold in loan agreement for individual loans wherever applicable. However, late repayment and prepayment charges are not applicable for loans granted by the company.
- e. The management understands that the higher cost of borrowing and the risk profile of the customer and so it is decided to fund the loans & advances up to **30%** p.a. for the entire tenure.

(iii) DISBURSEMENTS OF LOAN INCLUDING CHANGES IN TERMS AND CONDITIONS

- a. The company would give notice to the borrower in the vernacular language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, services charges, prepayment charges (if applicable) etc.
- b. The company would also ensure that changes in interest rates and charges are affected prospectively.
- c. The decision to recall/accelerate payment or performance under the agreement would in consonance with the loan agreement.
- d. To take adequate steps to ensure that loan disbursements are done as per a predetermine time structure, and all clients have adequate time to study documents and ask question, if any.
- e. To release all securities on payments of all dues or on realization of the outstanding amount of the loan subject to any legitimate right or lien for

any other claim it 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 condition under which SLFL is entitled to retain the securities till the relevant claim is settled.

- f. All sanctioning and disbursement of loans would be done only at a central location which is branch premises/ central office/regional office as per operational requirement and more than one individual would be involved in this function. In addition, there would be close supervision of the disbursements function.
- g. Adequate steps will be taken to ensure that the procedure for application of loan is not cumbersome and loan disbursement is done as per pre determined time structure.
- h. The effective rate of interest charged on each loan products, fees and other charges would be prominently displayed in all branches (if any).

(IV) DISCLOSURE ION LOAN AGREEMENT

- a. All the terms and conditions of the loan.
- b. The effective rate of interest charged.
- c. The pricing of loan does not involve any charges.
- d. There will be No penalty charged on delayed payment.
- e. There will be No any collateral security deposit is being collected.
- f. An assurance that the privacy of the borrower data will be respected
- g. Acknowledgements by the company of all repayments receipts.
- h. The company would form a separate Grievance Redressal System.
- i. The company would also ensure not resort to undue harassment for recovery of loans.
- j. The complaint from customers will also include the rude behaviors from staff of the company and the company will ensure that staff is adequately trained to deal with the customers in an appropriate manner.
- k. **“Note:** SLFL has a Board approved, standard form of loan agreement and the same is given to the customer’s vernacular language.”

(V) RESPONSIBILITY OF BOARD OF DIRECTORS

- a. The Board of Directors of SLFL will lay down the appropriate Grievance Redressal mechanism within the organization to resolve disputes arising in this regard. Such a mechanism will 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.
- b. The Board of Directors will also provide for a periodical review of the functioning of the grievances Redressal mechanism at various levels of management. A consolidated report of such reviews will be submitted to the Board every quarter.

(VI) FAIR PRACTICES AND ETHICAL BEHAVIOUR

- i. To ensure that the clients are protected against frauds and misrepresentation, deception or unethical practices.
- ii. To ensure that all practices related to lending and recovery of loans are fair and maintain respect for client's dignity and with an understanding of client vulnerable situation.
- iii. To ensure that staff and person acting on their behalf are oriented and trained to put this code into practice.

OPERATING GUIDELINES:

I. Fair Practices

- i. All dealings of the company with the customers would be open, fair and ethical.
- ii. All employees of SLFL will treat customers with the respect and dignity.
- iii. SLFL will ensure that the provision of NBFC-NDSI services to eligible clients is as per RBI guidelines.
- iv. SLFL will ensure that the rate of interest & Charges are in accordance with the Reserve Bank of India guidelines.
- v. The rate of interest will be annualized rates so that the borrower is aware of the exact rates that would be charged to the account.

- vi. The rate of interest will be disclosed to the borrower or customer in the application form communicated explicitly in the loan application also intimate whenever there is a change in the rate of interest.
- vii. SLFL would 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).
- viii. The company will obtain copies of relevant documents from clients, as per standard KYC norms. Additional documents sought will be reasonable and necessary for completing the transaction.
- ix. In the case of receipt of request from the borrower for transfer of borrowable account, the consent or objection of the company, if any, would be conveyed within 21 days from the date of receipt of request. Such transfer will be as per transparent contractual terms in consonance with the Law.
- x. Training (if any), offered to the borrowers will be free of cost. Field staff will be trained to offer such training and also make borrower fully aware of the procedure and systems related to loan/ other products.

II. AVOIDING OVER- INDEBTEDNESS

- i) Field staff will be trained to make necessary enquires with regard to existing debt of the borrowers.
- ii) Due diligence will be carried out to ensure the repayment capacity of the borrowers.
- iii) Best efforts will be made to ensure that the loans provided are within customer capacity to repay and avoid indebtedness.
- iv) Ensure mandatory Credit bureau checks for all loans.

III. APPROPRIATE INTERACTIONS AND COLLECTION PRACTICES

- i) SLFL will ensure that the staffs are adequately trained to deal with the customers in an appropriate manner.

- ii) Staff will use courteous language, maintain decorum and are respectful of cultural sensitivities during all interactions with clients.
- iii) In the matter of recovery of loans, the company and its employees would not follow coercive collection practices.
- iv) Only employees and not out sourced recovery agents will be used for recovery.
- v) Customers who are facing serious debt repayment problems reasons beyond their control can approach the branch for rescheduling their loans.

(VII) REPOSSESSION OF VEHICLES FINANCED

The Company “Sital Leasing & Finance Limited” has not in the business of Vehicle assets finance since its incorporation thus the lending against Assets (vehicles) is not applicable to the company.

(VIII) PRIVACY OF CLIENT INFORMATION

- To safeguard personal information’s of clients allowing disclosure and exchange of relevant information with the authorized personal only and with the knowledge and consent of clients.

Operating Guidelines:

- The company will respect customer’s privacy and will treat customer information as private and confidential.
- An adequate disclosure will be made in loan agreement on sharing client data with credit bureaus, statutory organizations, sister concern, and third parties and the acceptance of the borrower will be obtained for internal records.

(IX) FEEDBACK AND GRIEVANCE REDRESSAL MECHANISM

- To provide clients formal and informal channels for feedback and suggestions.
- To consistently assess the impact of services in order to enhance competences and serve clients better.
- To provide a formal grievance redressal mechanism for clients.

“SLFL has laid the appropriate grievance redressal mechanism within the organization to resolve the disputes arising in this regard. All grievances will be Grievance Redressal Officer assigned by the company. The Board of

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Directors will annual review the compliances of fair practices code and functioning of grievance redressal mechanism at various level of management to ensure that all disputes arising out of the decisions of SLFL functionaries are heard and disposed off at the next higher level."

(X) SEPARATE GRIEVANCES REDRESSAL OFFICER

- a. The customer shall be informed of the customer complaint process / GRM followed by SLFL. The customer shall be entitled to approach directly higher level :

Grievance Redressal Officer: Mr. Surendra Kumar Jain
Designation : Managing Director
Corp. Office : 16/121-122, Jain Bhawan, Faiz Road,
Karol Bagh, New Delhi-110005
Contact No. : 9891709895
Email : sitalleasing83@gmail.com
sitaleleasing@gmail.com
Website : [//http:www.sitalleasingfinance.com](http://www.sitalleasingfinance.com)

- b. The matter is not resolved within a period of one month or is not capable of being resolved then the customer may appeal to :

Department of Non Banking Supervision
Reserve Bank of India, Delhi Regional Office
6 Parliament Street, New Delhi-110001
Ph. No. 011-23714456
Email: dnbsnewdelhi@rbi.org.in

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For Sital Leasing And Finance Limited

Surendra Kumar Jain
Managing Director
DIN: 00530035
Address: 555, Double storey
New Rajindra Nagar
New Delhi-110060

Dated: 15th March, 2019
Place: New Delhi