

SRI SHIRDI CREDIT AND FINANCE PVT. LTD.

FAIR PRACTICES CODE

Last approved on 17/10/2012

I. Policy Statement

This policy sets minimum Fair Practice standards for the company to follow while processing, granting and disbursement of a loan, and the procedure to be followed thereafter.

The objectives of the policy are as follows:

- Promote fair practices by setting minimum standards while dealing with customer.
- Increase transparency so that customer can have a better understanding of what type of products, terms and conditions and service levels can be expected from the company.
- Foster customer confidence through transparent dealing
- Comply with RBI directives in this regard

II. Policy Background

RBI, vide its notification RBI / 2006-07 /138 DNBS (PD) CC No. 80 / 03.10.042 / 2005-06 dated September 28, 2006 and amendment issued vide notification No.DNBS.CC.PD.No.266/03.10.01/2011-12 dated 26th March 2012 has mandated framing of a Fair Practice Code which has to be approved by the Board of Directors of SSCFPL and published on the website. In compliance with the RBI directive, this Fair Practice Code is being framed.

III. Policy Scope / Applicability

The policy is applicable to all products and employees of Sri Shirdi Credit and Finance Pvt. Ltd. (hereinafter referred to as Company). This policy should be read along with the other applicable policies of the Company like credit policy, loan policy etc.

IV. Policy Requirements

Key Commitment

- To help borrower / customer understand Company's financial products and services by :
 - Ensuring that the customer is given clear information about Company's product and services, the terms and conditions and interest rates/service charges, which apply to them. Keeping customer informed about changes in the interest rates, charges, terms and conditions, etc.
- To act fairly and reasonably in all dealings with the customer by:
 - Meeting the commitments and standards in this policy for products and services offered by the Company
 - Making sure that products and services meet relevant principles of integrity and transparency
 - Handling customer complaints promptly
- To treat personal information of customers as private and confidential

- Wherever applicable, the documents (such as loan agreements and its annexures, sanction letter, term sheets, notices, etc.) that need to be signed by the client and/or given to the client should be in a language which the customer understands. Similarly any communication with the client shall be in a language which the customer understands.

Products

Sri Shirdi Credit and Finance Pvt. Ltd. (The “Company”) is an NBFC registered with RBI as a Loan & Investment Company. The Company’s principal business consists of loans to select non-institutional clients and corporates; and investments in securities such as equity/debt/derivative products.

Loan Processing

- The customer shall be given information regarding interest rates, terms & conditions for loan, other charges and such other information which may affect the interests of the borrower in a clear and precise manner.
 - The official language for all communications with in the Company or with third parties shall be English.
 - All communications to the borrower shall be in English or in vernacular language / the language as understood and confirmed by the borrower.
 - The company will take a confirmation from the prospective borrower that all communications with the borrower shall be in English or in vernacular language / the language as understood by the borrower.
 - The company shall provide to the prospective borrower an acknowledgement for receipt of all loan applications. The time frame within which loan applications will be disposed of will be indicated in the acknowledgement.
 - The penal interest charged for late repayment should be highlighted in bold in the loan agreement.
 - After the loan is sanctioned, customer shall be informed, by way of a Sanction Letter/ Term Sheet, about the amount sanctioned. annualized rate of interest at which loan is sanctioned, mode & time at which the interest will be charged (whether monthly or quarterly) and other terms and conditions applicable to loan. The Company shall keep the record of acceptance of these terms and conditions by the Borrower.
 - A copy of the loan agreement along with all the annexures referred in the Loan agreement should be sent to the Borrower at the time of sanction/disbursement of loan.

Post disbursement Supervision

- The Company shall inform customer about any changes made in the terms and conditions like disbursement schedule, interest rates, service charges, prepayment charges etc applicable to the loan. Such changes shall be effected prospectively.
- SSCFPL shall release all securities on repayment of all dues or on realization of the outstanding amount of loan (unless otherwise directed by the client, in writing, to retain the same with the company for future transactions) subject to any legitimate right or lien or dues for any other which SSCFPL may have against the Borrower. If such right of set off is to be exercised, then SSCFPL shall give a notice to the Borrower with full particulars of the remaining claims and the conditions under which NBFCs are entitled to retain the securities until the relevant claim is settled / paid.
- Post disbursement supervision would be constructive.

- Decision to recall / accelerate payment or performance under the agreement will be in consonance with the loan agreement. For example, in case there is a shortfall in margin/security given due to market fluctuation requiring borrower to give additional margin/security or due to some other reason loan needs to be recalled or payment needs to be accelerated earlier than schedule, same shall be communicated to customer and sufficient notice, as specified in the agreement, will be given to him.
- In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise i.e. objection by the Company, if any, should be conveyed within 21 days from the date of receipt of request. Such transfers shall be as per transparent contractual terms in consonance with law.

Non-Interference in the Affairs of the Borrower:

The Company shall not interfere in the affairs of the borrower except for the purposes provided for in the terms and conditions of sanction of the loan, (unless new information, not earlier disclosed by the Borrower, has come to the notice of the Company).

Confidentiality

- The Company shall treat customer information as private and confidential and shall be guided by following principles and policies: The information shall be parted by the Company only in the following circumstances:
 - Information required to be given under law or as demanded or required by Statutory authorities
 - Information is given with customer's specific written permission

Collection of Dues

- Company's collection policy shall be built on courtesy, fair treatment and persuasion. Efforts will be made in building customer confidence and long term relationship
- The staff deputed to make recovery calls shall identify themselves and shall provide details with regard to outstanding claims to the customer
- Under no circumstances, Company shall resort to undue harassment of the customer for recovery of the dues like persistently bothering the customers at odd hours, use of muscle power etc.
- The Company shall give appropriate training to all of staff on the manner in which they have to deal with the customers.

Complaints, Grievances and Feedback

- If complaint is received in writing or over phone, the same has to be recorded in the complaint register and a Complaint number would be given which would be referred to in future.
- Company will endeavor to sort out the matter within fifteen days of receipt of a complaint. However, in case the complaint requires more time, the customer would be updated on a fortnightly basis regarding the status of re-dressal of his complaint.
- If the complaint is against any Company's official, then the same has to be heard and redressed by officials in the next higher level.

- If the complaint is arising out of the decisions of the SSCFPL staff, then the same has to be heard and disposed of at least at the next higher level.
- Status of complaints received, disposed off, pending and other specified MIS shall be put up to the Investor Grievance Committee of SSCFPL. The Investor Grievance Committee shall update the Board, during the Board meeting, about the status of all investor grievance redressed / pending.

Interest Rates

- SSCFPL shall lay out appropriate internal principals and procedures in determining interest rates and other charges.
- The rate of interest shall be disclosed to the Borrower in the Sanction Letter / Term Sheet
- The rate of interest prescribed shall be annualized rates.
- The Penal interest charged shall be mentioned in the loan agreement in bold font.

V. Questions / Contact Information

In case of any questions with regarding to this Code, please contact

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| Telephone | : 0866-2570164/2570167/6667563/6667564 |
| Fax | : 0866-2570291 |
| E-mail | : nbfc@srishirdicapital.com |
| Visit us at | : www.srishirdicapital.com |
| Post | : 27-20-40, 1 st Floor, Museum Road, Governorpet, VIJAYAWADA - 520 002. |

General:

The Company reserves the right to amend /alter /modify the codes as mentioned herein above and provide updates from time to time, not affecting / sacrificing the underlining spirit of the code.

The Company shall periodically review the compliance of this Code and the functioning of the grievance redressal mechanism at various levels of management

Interest Rate Policy for Sri Shirdi Credit and Finance Pvt. Ltd.

Background

Reserve Bank of India, by its notification no. DNBS. 204 / CGM (ASR)-2009 dated January 2, 2009 has directed the Board of Directors of all the Non Banking Finance Companies to adopt an Interest Rate Model for charging rate of interest for loans and advances. The Interest Rate Model adopted by the Board of Directors should be disseminated on the web-site of the company for the information of the public. This policy sets Interest Rate practice standards for the company to be followed when its is dealing with the borrowers. It provided information to customers and explains the factors to be considered in calculating the Interest Rate charged to the customer.

(I). Key Factors in determining Interest Rate:

- Internal Cost of Funds
- Risk Premium
- Spread
- Business relationship with the clients
- Any other relevant factor

Risk Premium – This is determined mainly on basis of the quality of collateral, diversification of the collateral pool, internal risk rating of the client, financials, expected cash flows, days taken to liquidate the collateral in case of non repayment of dues, past track record of the borrower and creditworthiness of the borrower, level of over collateralisation and guarantee (in case of receivable pool) etc.

Spread – Firm charges spread over and above the cost of funds toward risk premium. The spread also depends on a host of other factors, including extant market conditions.

Business relationship with the Client – Client can have multiple relationships across the firm like in wealth management, investment banking, broking, etc. The duration of the existing relationship and potential of such clients for future business are also factored in while pricing the loans etc for the clients.

(II) Disclosure of the Policy – The rate of interest shall be disclosed to the client in the sanction letter. The policy would be displayed on the website of the company. The rate of Interest would be annualized in the sanction letter to give the explicit cost of borrowing to the client.