

Sagar Deposits & Advances Ltd.

Fair Practice Code

RBI has drafted the guidelines on Fair Practices Code for Non Banking Finance Companies which sets the fair practices standards when dealing with individual customers and to serve as a part of best corporate practice.

It is, and shall be, our policy to make loan products available to all qualified applicants without discrimination on the basis of race, caste, colour, religion, sex, marital status or handicap. Our policy is to treat all the customers consistently and fairly. Our employees will offer assistance, encouragement and service in a fair, equitable and consistent manner.

We shall ensure that charges / fees are appropriately informed to the borrower. Terms and conditions pertaining to the facility will be conveyed to the prospective borrowers. We commit that disputes arising out of the lending decisions will be appropriately resolved by a grievance redressal mechanism set up by us.

The Company's Fair lending practices shall apply across all aspects of our operations including marketing, loan origination, processing, servicing and collection activities. Our commitment to Fair Practice Code would be demonstrated in terms of employee accountability, monitoring and auditing programs, training and technology.

The Company's Board of Directors and the Management Team is responsible for establishing practices designed to ensure that our operations reflect our strong commitment to fair lending and that all employees are aware of that commitment.

KEY COMMITMENTS

1) Applications for loans and their processing

- a) All communications to the borrower will be in the vernacular language or a language as understood by the borrower.
- b) Loan application forms will include necessary information, which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and informed decision can be taken by the borrower. The loan application form will indicate the documents required to be submitted with the application form.
- c) The company will devise a system of giving acknowledgement for receipt of all loan applications. Preferably, the time frame within which loan applications will be disposed of will also be indicated in the acknowledgement.
- d) Loan Application form will clearly state the information that the company requires to collect from the customer to fulfill the KYC norms and to comply with legal and regulatory requirements. We may request for additional information about the customer and his / her family to build a database; but this information is furnished by the customer only if she / he wishes to do so.

2) Loan appraisal and terms/conditions

The company will convey in writing to the borrower by means of sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof and keeps the acceptance of these terms and conditions by the borrower on its record.

The loan sanction letter and all communications to the borrower shall be in the vernacular language or a language understood by the borrower.

The penal interest to be charged by the company for late repayment of loan shall be mentioned in bold letters in the loan agreement

The Company shall furnish copy of the loan agreement to the borrower at the time of sanction or disbursement of loan.

3) Disbursement and changes in terms and conditions

- a) Notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, processing charges, prepayment charges, etc shall be furnished in English or the language as understood by the borrower. Any changes in interest rates and charges are affected only prospectively. A suitable condition in this regard shall be incorporated in the facility agreement.
- b) Decision to recall / accelerate payment or performance under the agreement shall be in consonance with the facility agreement.
- c) The Company shall release all securities on repayment of all dues or on realization of the outstanding amount of the facility subject to any legitimate right or lien for any other claim 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.

4) General

- a) The Company shall refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the facility agreement (unless new information, not earlier disclosed by the borrower, has come to the notice of the Company).
- 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, the Company shall convey 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 facilities, the Company shall not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of facility, etc. The staffs are adequately trained to deal with the customers in an appropriate manner.

5) Grievances Redressal Mechanism

All disputes in relation to the products and services shall be heard and disposed off within 30 days from the date of receipt of the complete details in respect of the grievance.

Contact details of Grievance Redressal Officer: Mr. Pankaj Mohata ,
Address : 344, Nemi Nagar Queens Road, Vaishali Nagar, JAIPUR-302021,
Rajasthan

If the complaint/dispute is not redressed within a period of one month, the customer may appeal to the Officer- in Charge, Department of Non-Banking Supervision, Tonk Road, Jaipur

6) Regulation of Interest to be charged from the borrower

- a) The Company has laid out appropriate internal principles and procedures in determining interest rates and processing and other charges.
- b) The rate of interest to be charged to the account will also be mentioned in annualized form.