

## **FAIR PRACTICE CODE**

This has reference to RBI Circular No. 2011-12/470/DNBS. CC. PD No. 266 /03.10.01/2011-12 dated March 26, 2012, wherein the Reserve Bank of India (RBI) has issued further guidelines on Fair Practices Code for NBFCs to implement the same.

The Fair Practices Code, as mentioned herein below, is in conformity with these Guidelines on Fair Practices Code for NBFCs as contained in the aforesaid RBI Circular. This code sets minimum Fair Practice standards for Sarsan Securities Private Limited (SSPL or the Company) to be followed while dealing with its customers.

### **Objective of the Code**

The code has been developed with an objective of:

- Ensuring fair practices while dealing with the prospective borrower.
- Greater transparency enabling the prospective borrower to have better understanding of the product and to enable the borrower to take informed decisions.
- Building prospective borrower confidence in the Company.

### **(A) Application and Processing of Loans:**

1. A Loan Application Form (LAF) shall be provided to the Borrower asking for necessary information for Loan against shares offered by Sarsan Securities Private Limited (the Company).
2. The LAF shall include applicable terms and conditions and a list of all supporting documentation required to enable processing of the application.
3. Additional information and support documentation may occasionally be found necessary in course the of processing the application. The need for such information and documentation shall be explained to the borrower and reasonable time will be provided to the borrower for submission of the same.
4. The Company has the mechanism of giving an acknowledgement for receipt of the Application from its Borrower. The acknowledgement will indicate the time within which the Company will process the application from the date of receipt of all the required information in full.
5. All communications to the client would be done in vernacular or in language understood by the client.

### **(B) Loan Appraisal Terms/Conditions:**

1. The Company will convey in writing to the Borrower by way of a sanction letter the amount of loan sanctioned along with all the terms and conditions including interest and method of application thereof (viz. monthly, quarterly, advance/arrears etc).
2. The Company has specified in the loan agreement rate of penal interest to be charged for late repayment.
3. Acceptance of these terms and conditions (sanction letter) by the borrower shall be kept on the Company's record.

4. The Company at the time of sanction / disbursements of loans will furnish a copy of loan agreement and other related documents to the borrower.

**(C) Disbursement of Loans including changes in Terms and Conditions:**

1. The Company shall give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc.
2. The Company ensures that changes in the interest rates and charges are effected only prospectively. A suitable condition in this regard should be incorporated in the loan agreement and the loan agreement would be approved by the Board.
3. The Company will release all securities on repayment of all the dues or on realization of the outstanding loan amount subject to any legitimate right or lien for any other claim that the Company may have against the borrower. Where such right of set off is to be exercised, the borrower shall be given a 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. Any decision to recall/accelerate payment or performance under the agreement should be in consonance with the loan agreement executed with the borrower.

**(D) General:**

1. 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 Company).
2. In the matter of recovery of outstanding dues from its Borrower, the Company does not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans/dues etc. Training is imparted to employees to ensure that the staff is adequately trained to deal with the borrower in an appropriate manner.

**(E) Transfer of Borrowed Account:**

In case of receipt of request from the borrower for transfer of borrowed account, the consent or objection will 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.

**(F) Interest Rate**

1. The Retail Reference rate is currently at 18.0% p.a. and Corporate Reference rate is also currently at 18.0% p.a. with effect from 1 April, 2012.
2. Sanction letter should mention risk categorization of client i.e. High / Medium / Low risk client.
3. The rationale for charging different rates of interest to different category of Clients (i.e. premium/discount over the Reference Rate) shall depend on the risk gradation of the borrower, tenure of the loan and type of the loan. The approach for gradation of risk is based on factors such as borrower's profile, available security, client's reputation/ positioning in the market, past track record, financial standing, etc. Applicable rate of the interest will be on annualized basis and payable as per the agreed terms.
4. Interest rates charged would also depend on cost of funding, margin and risk premium etc.

- Rate of interest and risk gradation should be explicitly informed to the borrower in the sanction letter.

Risk & Interest Rate Grid:

Sr. No.	Risk Gradation	Reference Rate (p.a.)	Interest to be Charged
1	High	18%	upto 3%
2	Medium	18%	+/- 2%
3	Low	18%	+/- 1%

- The upfront fees / processing fee, if any, shall be determined on the basis of quantum of work involved in credit appraisal, volume of documentation and other expenses involved in the transaction.
- The reference rate mentioned hereinabove in point no. 1 of this clause is subject to change as per the discretion of management based on the variables as set by the management. Final rate of interest should be explicitly mentioned in the Sanction letter to be issued to the clients.

#### (G) Internal Control System

The Board shall assign the responsibility of various NBFC compliances to the Head NBFC, Principal Officer and the Operations Manager who shall establish a system of Internal control including Audit and also conduct periodic inspection of the same.

#### (H) Grievance Redressal:

- All grievances received in writing or otherwise shall be recorded and forwarded to NBFC and the Compliance team immediately.
- A Grievance Redressal Committee comprised of the Mr. Michael D'souza, Ms. Priyanka Ranade & Mr. Jatin Hirave has been constituted with final authority to dispose grievances.
- All Grievances shall, in all cases, be resolved within 30 days, if the complaint/dispute is not redressed within a period of one month you may appeal to the officer-in-Charge at the Regional Office of DNBS of RBI of Mumbai jurisdiction.
- The Committee shall regularly report to the Board of Directors on the status of outstanding grievances.
- For grievances, customers can write to our Nodal Officer/Grievance Redressal Officer whose details are as under:

Name of the Nodal Officer/Grievance Redressal Officer	Mr. Ankit Parikh
Telephone Number	022 67484700
Email Id	ankit.parikh@destimoney.com
Address	Sarsan Securities Private Limited Phoenix House, B Wing, 2nd Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai 400013

The Board will periodically review the compliance of this Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of the management.

This Fair Practices Code is made available on the website of the Company i.e. [www.destimoney.com](http://www.destimoney.com) or anyother website. Any enhancement(s) or change(s) in the scope of this code will be uploaded from time to time in future on the said website.