

# **SHRIRAM CAPITAL LIMITED**

## **FAIR PRACTICE CODE**

## **Introduction**

RBI has drafted the guidelines on Fair Practice Code for Non-Banking Finance Companies which sets the fair practices standards when dealing with the customers and to serve as a part of best corporate practice. Shriram Capital Limited is a Core Investment Company and categorised as systematically important Non Deposit accepting Core Investment Company. The Company being a CIC can lend only to the Group Entities. This fair practice code will be complied to the extent applicable to CIC in discharging its functions.

## **Background:**

This Fair Practices Code (FPC) of the Company has been approved in accordance with the CC.No.054/03.10.119/2015-16 dated July 01, 2015 issued by Reserve Bank of India.

### **I. Object of the Code:**

1. To Promote Good and Fair Practices while doing lending business.
2. To ensure transparency in the lending business.
3. To offer high standards of customer service by setting Bench Marks.

### **II. Loan Application and Processing:**

1. The Company will not entertain any loan application without fulfilling KYC Norms.
2. Communications to the borrowers/customers shall be in English language or a language understood by the borrower.
3. Loan Application will contain all the relevant and necessary information which will enable the borrowers/customers to make their own best judgements by comparing /contrasting with the terms and conditions of other NBFCs.
4. The Loan Application will indicate the required documents to be annexed with the application form.
5. The Company will issue an acknowledgement for all loan applications. The time limit within which the loan application will be disposed of will also be indicated in the acknowledgement.

### **III. Loan Appraisal and Terms & Conditions:**

1. The Company will issue a sanction letter in English language or a language understood by the borrowers/ customers citing the terms and conditions primarily:

- a. Amount of loan sanctioned
  - b. Rate of interest (including annualized rate)
  - c. Penal interest rate for delayed payment and the same will be cited in bold letters
  - d. Method of Application
  - e. Mode of Intimation of change in terms and conditions
2. The Company will get the acceptance from the borrowers/customers for the aforesaid terms and conditions and will keep the acceptance of these terms and conditions by the borrowers on its record.
  3. Copy of the Loan Agreement along with all enclosures will be furnished to the borrowers/ customers.

**IV. Disbursement of loans including changes in terms and conditions:-**

1. The company will give notice to the borrower in the English language or a language understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc.
2. Any decision in respect of recall of loan/acceleration of payment will be strictly as per terms of the loan agreement.
3. On repayment of all dues or on settlement of outstanding amount in the loan account, the securities offered by the borrower/customer will be released subject to any legitimate right or lien for any other claim that the Company may have against the borrower. If such right of set off is to be exercised, the borrower will 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.

**V. General:**

1. The Company will not interfere in the affairs of the borrower except for the purposes provided in the loan agreement (unless new information, not earlier disclosed by the borrower comes to our notice).
2. Any request for transfer of the loan from the borrower will be responded to within 21 days from the date of the receipt of the transfer request. The transfer will be as per transparent contractual terms/law for the time being in force.
3. The Company will not resort to harassment for recovery of loans. The company will adequately train the staff to deal with customers in an appropriate manner.

4. The Company to maintain uniformity with regard to prepayment of various loans by the customers, will not charge foreclosure charges/ pre-payment penalties on all floating term loans sanctioned to individual borrowers.
5. The Company will put in place an appropriate Grievance Redressal Mechanism within the organisation which will ensure that all disputes arising out of the decisions of an official are heard and disposed of atleast at the next higher level.
6. The Board at frequent periodic intervals will evaluate the Grievance Handling Mechanism and give necessary directions.
7. The Company will display the following information prominently, for the benefit of its customers, at its branches/places where business is transacted:
  - a) The name and contact details (Telephone number as also email address) of the Grievance Redressal Officer who can be approached by the public for resolutions of complaints against the Company.
  - b) If the complaint/dispute is 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 RBI at

The General Manager,  
Department of Non-Banking Supervision,  
Chennai Regional Office  
Fort Glacis, Rajaji Salai,  
Chennai 600 001, India  
Tel: 91 44 25361631  
Email: [dnbschennai@rbi.org.in](mailto:dnbschennai@rbi.org.in)

8. Wherever possible, the Company will try to sort out the disputes of borrowers through the process of mediation, conciliation and arbitration.
9. This Code will be disseminated to the customers/borrowers.
10. Interest Rates and charging mechanism:-
  - The Board while fixing/revising the interest rates shall consider the factors like cost of funds, margin, risk premium, operating expenses, etc. Based on the risk profile of borrowers, the Company can charge different rate of interest to different categories. The same will be disclosed to the borrower/customer in the application form and in the sanction letter as well.
  - The rate of interest shall be annualized rates to ensure clarity to the borrower.

**VI. Registration of Complaints/Suggestions:**

Any Complaint /Suggestion in respect of product services offered by the Company can be intimated through the e-mail id: [sect@shriram.com](mailto:sect@shriram.com)

**Address for Communication:**

**Mr. S Murali**  
ED, CFO and Company Secretary  
Grievance Redressal Officer  
Grievance Redressal Cell  
Shriram Capital Limited.  
Shriram House,  
No 4, Burkit Road,  
T. Nagar, Chennai - 600 017.  
Phone No. 044-4905 2500/2501  
Email – [sect@shriram.com](mailto:sect@shriram.com)