

# **BANAS FINANCE LIMITED**

## **FAIR PRACTICE CODE**

### **INTRODUCTION**

The Reserve Bank of India 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 credit products available to all qualified applicants without discrimination on the basis of race, caste, colour, religion, sex, marital status, age or handicap.

Our policy is to treat all the clients consistently and fairly. Our employees will offer assistance, encouragement and service in a fair, equitable and consistent manner. We will also communicate our Fair Practices Code to our customers through letters and other communicating means.

We will ensure that the implementation of the Fair Practices Code is the responsibility of the entire organization. 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.

### **Short title, Extent and Commencement**

- This Code may be called the "Banas Finance Limited Fair Practices Code"
- It shall extend to all sections of the Company dealing directly or indirectly with customers in relation to any and all kinds of activities involving loans and advances, in any makeover.
- It shall be deemed to have come into force on and from the 4th Day of April, 2010.

## **Objectives of Fair Practices Code**

- To ensure transparency in the Company's dealings with its Customers.
- To ensure compliance with legal norms in matters relating to recovery of advances.
- To strengthen mechanisms for redressal of customer grievances.

## **DEFINITIONS:**

For the purpose of the Code, the words 'Application Form' shall mean an application in the prescribed format of the Company to be duly filled-in and submitted to the Company by a prospective Customer furnishing all information and particulars required therein in their true and original forms seeking grant of a Facility from the Company on certain specified terms and conditions as may be stipulated by the Company at its sole discretion.

'Company' shall mean any and all offices of M/S BANAS FINANCE LIMITED. 'Facilities' shall mean and cover any and all types of financing modes like loan, advances etc. under different financing schemes and policies of the Company as prevailing from time to time and Other words and expressions used and not defined in the Codes herein shall have, unless the context otherwise requires, the meaning respectively assigned to them in the relevant Agreement signed / to be signed and executed by the Customer for availment of a Facility sanctioned to him by the Company.

## **BANAS FINANCE LIMITED**

### **Fair Practices Code**

#### **I. Application for Facilities and their processing:**

- a. The format of Application Forms would, inter-alia, contain necessary information, which in the judgment of the Company are likely to affect interest of the prospective Customers.
- b. Application Forms would also contain the particulars of standard documents to be submitted with the duly filled-in Application Form.
- c. The Company would follow the system of issuing acknowledgements for

receipt of all duly submitted Application Forms giving date and time. Such acknowledgements should also indicate the tentative time frame for disposal of the application by the Company.

- d. The Company shall endeavor to release to the Customer any sanctioned Facility within 7 days subject to satisfaction of all terms and conditions including submission of all required documents by the Customer and execution of all relevant agreements, undertakings etc following sanction of Facility.

## **II. Appraisal and Terms and Conditions:**

- a. The Company shall ensure that following particulars are, interalia, communicated to the customer through its Offer Letter:
  - i. Amount of facility
  - ii. Rate of Interest
  - iii. Tenure & Repayment Structure
  - iv. Personal Guarantees
  - v. Primary Securities
  - vi. Collaterals, if any
  - vii. Other terms and conditions that may affect interest of the Customer.
  - viii. Documents & particulars required to be submitted by the Customer.
  - ix. Contact point for any clarifications
- b. A copy of the Agreement along with a copy each of all the enclosures quoted in the Agreement may be furnished to the Customer.
- c. Acceptance of the Offer Letter by the Customer would be kept on record.

## **III. Release of Facilities and Changes in Terms and Conditions:**

The Company would ensure timely release of Facilities sanctioned in conformity with the terms and conditions governing such sanction. It would give notice of any change in the terms and conditions including disbursement schedule, service charges etc. It would also ensure that changes in finance charges and other charges are effected as per circulars issued by the Company from time to time.

The Company would carry out post-disbursement supervision in accordance with normal business practices, the terms of sanction and the guidelines issued by the Reserve Bank of India from time to time.

#### **IV. Recall of Facilities:**

Any decision pertaining to Recall of Facilities or Acceleration of payment or seeking of any additional securities would be taken strictly in accordance with the relevant provisions in the concerned Agreement and amendments made thereto.

#### **V. Release of Securities:**

The Company would release all securities on repayment of all dues or on realisation of the outstanding amount arising out of the facilities granted, subject to any legitimate right or lien for any other claim the Company may have against customer and any other commitments or obligations the customer may have towards the Company as Assurer, Guarantor and/or Confirmatory Party in respect of any other agreement(s).

#### **VI. General Ethics: Non-Interference**

The Company would not cause interference in the day-to-day affairs of the borrowers. It shall not however restrict the Company from pursuing the terms and conditions of the Facility documents and taking any action on the basis of any new information, not earlier disclosed by the borrower if and when it comes to the notice of the Company or on the basis of any other event if it so warrants, any proactive action to protect the Company's lawful interests.

#### **Recovery Process**

In the matter of recovery of dues under concerned Agreement for the Facilities granted, the Company would adopt legally valid processes in accordance with the rights provided under the Agreement and not resort to undue harassment or use of force.

#### **Customer Grievances Redressal Mechanism: -**

The Company shall at all time endeavors to improve the quality of service and redress complaints and grievances, if any, of the Customers as part of Customer Relationship Management.

Customer complaints, would in the first instance, be logged in at the Office. The designated Principal Officer would resolve the same speedily.

The customer grievances redressal mechanism shall be reviewed periodically by the Directors of the Company at specified intervals.

**The Board of Directors of the Company shall review the Code and its implementation from time to time.**