



Branch International Financial Services Private Limited

Fair Practices Code

Version 1.0

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Branch International Fair Practices Code

1. Introduction

This Code has been formulated by Branch International Financial Services Private Limited (“**Company**”) pursuant to the Guidelines on Fair Practices Code for applicable Non-Banking Financial Companies issued by the Reserve Bank of India (RBI). The Company shall make appropriate modifications to the Fair Practices Code from time to time to conform to the standards that may be prescribed by RBI from time to time.

2. Objectives

- 2.1. Follow good, fair and transparent business practices by setting reasonable standards in dealing with customers;
- 2.2. Encourage market forces, through fair competition, to achieve higher operating standards;
- 2.3. Relate to the customer in such manner so as to promote a fair and cordial relationship;
- 2.4. Conduct recovery and enforcement, where necessary, following due process of law.

3. Application

- 3.1. To be applicable to all persons offering the products and services of the Company or interacting with the customers as an employee or otherwise in any manner and/or by any mode.
- 3.2. The Code is applicable under a normal operating environment except in the event of any force majeure.
- 3.3. The Code is based on ethical principles of integrity and transparency and all actions and dealings shall follow the spirit of the Code.

4. Commitment

- 4.1. The Company shall at all times do its best to act fairly, reasonably and meet the standard practices prevalent in the industry.
- 4.2. The Company shall abide by all the relevant laws, regulations and meet the ethical principles of integrity and transparency during its interaction with customers.
- 4.3. While interacting with customers, the Company shall take all steps as may be required to provide clear information either in English or Hindi or the appropriate vernacular language regarding:
 - i. its various products and services;
 - ii. the terms and conditions, the interest rates/service charges;
 - iii. benefits available to customers and the implications, if any;
 - iv. contact persons for addressing the queries, if any;
- 4.4. The Company will provide a copy of this Code, at request, to the customer. The Code will also be made available on its Website and at every branch / office.
- 4.5. The Company will not discriminate on the grounds of sex, caste and religion in the matter of lending.
- 4.6. The Company shall treat the information relating to customers as strictly confidential and shall not share any information, unless required under law or waived or permitted by the customer.
- 4.7. The Company shall take necessary steps to inform its customers of their right to information regarding their account and the facilities available to them.

- 4.8. The Company shall be clear and not misleading in any of its advertising and promotional materials.
- 4.9. The Company shall inform its customers of all financial information such as rates of interest, charges, method of calculation etc. through brochures, posters or during the course of meeting with the customers etc. prior to entering into any transaction.
- 4.10. The Company shall endeavor to keep its customers informed of any change in interest rates / charges etc. through letters or any other form of general or public announcement or displays, from time to time.
- 4.11. The Company shall disclose, by such mode and in such manner as deemed fit, to ensure transparency, for all information affecting the interest of the borrower including but not limited to:
 - i. fees/charges payable for processing the loan application;
 - ii. annualized rate of interest & method of application thereof
 - iii. the amount of fee refundable, if any, if the loan amount is not sanctioned;
 - iv. prepayment options and charges, if any;
 - v. penalty for delayed repayment, in bold, if any;
 - vi. conversion charges, if any (Switching loan from fixed to floating rate or vice –versa);
 - vii. existence of interest re-set clause, if any;
 - viii. any other matter which affects the interest of the borrower.
- 4.12. The disclosure shall be done so as to ensure that the borrowers are aware of all interest, charges and fees involved in processing and sanctioning of the loan. The Company shall not indulge in any act which is discriminatory among equals.
- 4.13. The Company shall ensure that changes in interest rates and charges are effective from a prospective date.
- 4.14. The Board of Director of the Company shall lay out appropriate internal principles and procedures in determining interest rates and processing and other charges.
- 4.15. The decision to recall / accelerate payment or performance under the agreement shall be in consonance with the loan agreement.

5. Loans

- 5.1. The Company in the normal course of its business shall endeavor at all times to guide its customers about the process and procedure to be followed for availing a loan.
- 5.2. Each application shall be considered independently on merit, upon scrutiny of all the information, identity of the person and/or entity.
- 5.3. The Company shall carry out due diligence on the borrower to ascertain the credit worthiness of the borrower, which will be an important parameter in making a decision on the application before sanctioning or rejecting any loan application.
- 5.4. The Company shall give an acknowledgement for receipt of all loan applications. The likely time frame within which loan applications will be disposed of shall also be indicated in the acknowledgement.
- 5.5. The Company shall convey in writing to the borrower in English or any other vernacular language as understood by the borrower by means of sanction letter, loan agreement or otherwise, the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record.
- 5.6. The Company shall mention the penal interest charged, if any, for late repayment in bold in the loan agreement.
- 5.7. The Company shall furnish via downloadable link, a copy of the loan agreement as understood by the borrower along with a copy each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction / disbursement of loans.

- 5.8. The Company shall adopt an interest rate model taking into account relevant factors and determine the rate of interest to be charged for loans and advances.
- 5.9. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers shall be disclosed to the borrower or customer in the application form and communicated explicitly through the mobile based application and shall also be made available on the website of the Company or published in the relevant newspapers, as the Company may decide.

6. Collection of Dues

- 6.1. The Company shall provide the customers with all the information regarding their dues and provide reasonable time for payment of the same.
- 6.2. The Company shall while protecting its interest adopt reasonable and lawful measures to recover its dues from defaulting customers, including use of persuasive methods for the purpose of collection of its dues.
- 6.3. The Company shall ensure that the staff is adequately trained to deal with the customers in an appropriate manner.

7. General

- 7.1. The Company shall refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless information, not earlier disclosed by the borrower, has been noticed).
- 7.2. The Company shall not charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to individual borrowers.
- 7.3. In case of receipt of request from the borrower for transfer of borrowed account, the consent or otherwise i.e. objection of the Company, if any, shall 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.

8. Complaints and Grievances

- 8.1. The Board of Directors of the Company shall lay down the appropriate grievance redressal mechanism within the organization.
- 8.2. The Company shall endeavor to address/respond to all complaints and grievances within a reasonable time and keep the customers informed about the status of their complaints.
- 8.3. The Company will ensure that its grievance redressal procedure is made available on its website.
- 8.4. The Company shall not discriminate in extending products and facilities including loan facilities to physically / visually challenged applicants on grounds of disability. Further, the Company shall ensure redressal of grievances of persons with disabilities under the existing Grievance Redressal Mechanism provided herein.

9. Review of the Code

The Board of Directors shall conduct periodical review of the compliance of the Fair Practices Code and the functioning of the grievance redressal mechanism at various levels of management. The GRO shall periodically review the compliance of this Code and a consolidated report of such review may be submitted to the Board.