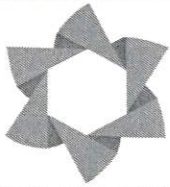


This document intends to sets out the approach  
Fair Practice Code



**KIRAN VYAPAR**  
LIMITED

## FAIR PRACTICE CODE

Version : 4.0

Approved By:  Board of Directors

Policy Owner :  Company Secretary and CFO



Subject: <b>Fair Practice Code</b>	Original Issue Date : 30.10.2014	Effective Date : 01.11.2014
	Revision Date : 18.05.2019	Policy No.: <b>2.0</b>
	Review & Revision Date: 04.02.2023	Policy No.: <b>3.0</b>
	Review & Revised Policy Effective Date: 04.02.2023	
	Review & Revision Date: 16.01.2024	Policy No.:4 .0
	Review & Revised Policy Effective Date: 16.01.2024	

<b>Base Document</b>	:	FAIR PRACTICE CODE
<b>Initial Document Prepared by</b>	:	Mr. P.K Ojha
<b>Functional aspects Checked by</b>	:	Mr. P.K Ojha
<b>Governing Guideline/Policy</b>	:	FAIR PRACTICE CODE



## FAIR PRACTICE CODE

# KIRAN VYAPAR LIMITED

## FAIR PRACTICES CODE

- A.** This code may be known as KIRAN – Fair Practices Code” hereinafter referred to as “The Code”.
- B.** This code has been made pursuant to Reserve Bank of India **Master Circular No-DNBS(PD).CC.No.388/03.10.042/2014–15 dated July 1, 2014**, which has been incorporated in the updated RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued on September 01, 2016 (Updated as on April 16, 2019) and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.as amended from time to time This Fair Practices Code will supersede all the fair practices code adopted earlier.
- C.** The Board of Directors have reviewed and revised this Code on 16<sup>th</sup> January, 2024.

### **D. . Objective of the Code:**

1. Clients are advised of the key terms and conditions of services provided for their consideration prior to commitment of a transaction.
2. Follow good, fair and transparent business practices by setting reasonable standards in dealing with customers;
3. Greater transparency enabling customers in having a better understanding of the product and taking informed decisions;
4. Monitoring and administration of client accounts is carried out in a fair and transparent manner consistent with the terms and conditions of the facility provided.
5. Recovery and enforcement, where necessary, is conducted following due process of law.

### **E. Commitment**

1. The Company shall at all times do its best to act fairly, reasonably and meet the standard practices prevalent in the industry.
2. The Company shall abide by all the relevant laws, regulations and meet the ethical principles of integrity and transparency during its interaction with borrowers.



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. The Company will provide a copy of this Code, at request, to the borrower. The Code will also be made available on its website and at every branch/office, if any.
5. The Company would not discriminate on grounds of sex, caste and religion in the matter of lending.
6. The Company shall treat the information relating to borrowers as strictly confidential and shall not share any information, unless required under law or waived or permitted by the Borrower.
7. The Company shall take necessary steps to inform its borrowers of their right to information regarding their account and the facilities available to them.
8. The Company shall be clear and not misleading in any of its advertising and promotion materials.
9. The Company shall inform its Borrowers 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 Borrowers, etc. prior to entering into any transaction.

## F. Applications for Loans and their Processing

- (a) The Loan application forms will be in English – for all corporate and business class borrowers and also for individuals.
- (b) The Loan application form will be submitted in the vernacular language of the place where the office including branch of the Company is situated if the individual borrower does not understand English.
- (c) Application form for loans should include necessary information which affects the interest of the borrower; all the terms and conditions for loans to be advanced should be detailed in the application form itself. Necessary information will be provided by the Company to facilitate the borrower in making a meaningful comparison with similar terms and conditions offered by other Non-Banking Finance Companies (NBFCs) and taking an informed decision based on the aforesaid comparison
- (d) The loan application form will indicate the documents required to be submitted for processing the application.
- (e) Each loan application form submitted by the Borrower shall be considered independently on merit, upon scrutiny of all the information, documents required for verifying the title of the



property, identity of the person, entity and security to be offered, including guarantees, if any.

- (f) The Company shall carry out borrower's due diligence to ascertain the credit worthiness of borrower which will be an important parameter in taking decision of the application before sanctioning or rejection of any loan application form.
- (g) The Company will issue acknowledgment for receipt of all loan applications and such acknowledgement will also indicate the date within which the application will be disposed off which in normal case shall not exceed 30 working days from the date of receipt of the completed form. The Company will inform in writing to the borrower by means of a sanction letter the amount of loan sanctioned and all the terms and conditions including annualized rate of interest and method of application thereof. The Company will keep the acceptance of these terms and conditions by the borrower on its record. The loan shall be disbursed only on receipt of such acceptance.
- (h) Any clause relating to penal charges charged for late repayment will be specified in bold in the loan agreement.
- (i) The Company shall furnish a copy of the loan agreement as understood by the borrower along with a copy of each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction/disbursement of loan
- (j) Interest rate will be charged at a rate not less than the Bank rate as declared by Reserve Bank of India. Interest rate will be revised in the event there is any upward revision in the rates by the regulator. Such changes and period will be communicated to the borrower by the lender.
- (k) The Company may ask over for such collateral security, as the Company's Management may think, fit and proper, depending upon the credit worthiness of the borrower. But this will be at the sole discretion of the lender.

#### **G. Disbursement of loans including changes in terms and conditions**

- a. The Company will give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. Any change in interest rates and charges shall be effective only prospectively. An express condition in this regard will be incorporated in the loan agreement. Any decision to recall/accelerate payment or performance under the agreement will be in consonance with the loan agreement.
- b. The Company will release all securities on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim; the Company 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.



## H. General

- a) The 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 lender).
- 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, should 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.
- c) In the matter of recovery of loans, the Company will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc.
- d) The Board of Directors of the Company will constitute a grievance redressal committee comprising of one of the directors to resolve disputes arising in this regard. Such a mechanism should ensure that all disputes arising out of the decisions of lending institutions' functionaries are heard and disposed of at least at the next higher level. The Board of Directors should also provide for periodical review of the compliance of the fair practices code and the functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such reviews may be submitted to the Board at regular intervals, as may be prescribed by it.
- e) The Company is not a NBFC-MFI Company and therefore the clause is not applicable to the Company.
- f) At present the Company does not give loans against collateral of gold jewellery. However, the Company shall comply with Fair Practice Code in this regard as and when it starts lending against collateral of gold jewellery.

## I. Collection of dues

- a) Company shall provide the Customers with all the information regarding their dues and provide reasonable time for payment of the same.
- b) Company shall release all securities on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim they may have against the 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 Company is entitled to retain the securities till the relevant claim is settled/ paid.
- c) No Due certificate will be issued to the Customer on fulfilment of said terms within 30 working days of completion of formalities, based on demand raised by the Customer.
- d) Company shall while protecting its interest adopt reasonable and lawful measures to recover its dues from defaulting Borrowers, including the use of persuasive methods for the purpose of collection of its dues.



- e) Company shall ensure that the staff is adequately trained to deal with the Customers in an appropriate manner.

*This Policy has been reviewed and approved by the Board of Directors of the Company at its meeting held on 16.01.2024.*

**Place: Kolkata**

**Date: 16.01.2024**

