

FULLERTON INDIA CREDIT COMPANY LTD

## Fair Practice Code

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Level	Name	Designation	Date & Sign
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## Table of Contents

A. Applications for Loans and their Processing.....	3
B. Loan Appraisal and Terms & Conditions.....	3
C. Disbursement of loans including changes in terms and conditions: .....	4
D. Interest Charged: .....	4
E. Repossession:.....	5
F. Grievance Redressal Mechanism .....	5
G. General.....	6
H. Policy on KYC, Appraisal, Insurance, Storage of Securities, Auction etc. pertaining to Gold Loan Business .....	7
I. Review.....	7

This Fair Practice Code is aimed to provide to all the stake holders, especially customers effective overview of practices followed by the company in respect of the financial facilities and services offered by the company to its customers. This Fair Practice Code has been revised taking into account the “Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

The objectives of the Code are:

- To promote good practices and ensure good practices in dealing with customers;
- To promote a fair relationship between the customer and company;
- To ensure compliance with legal norms in matters relating to recovery of advances;
- To strengthen mechanisms for redressal of customer grievances;

**A. Applications for Loans and their Processing**

1. The Loan application form and critical correspondence shall be made in vernacular.
2. Loan application forms issued by the Company shall include necessary information, which affects the interest of the borrower so that he/she can do a meaningful comparison with the terms and conditions offered by other NBFCs and an informed decision can be taken by the borrower.
3. The Company shall devise a system of giving acknowledgement for receipt of all loan applications. The time frame within which loan applications shall be disposed of shall also be indicated in the acknowledgement.
4. The loan application form shall indicate the documents required to be submitted along with the application form.
5. If any additional details/ documents are required, the same shall be intimated to the borrowers immediately.

**B. Loan Appraisal and Terms & Conditions**

1. The Company shall conduct a due diligence on the credit worthiness of the borrower, which will be an important parameter for taking decision on processing of the application. The assessment would be in line with the Company’s internal policies, norms and procedures in respect thereof.

2. The Company, upon approval of the loan, shall convey the applicant through an agreement cum sanction letter or otherwise indicating the amount of loan, annualized rate of interest applicable, along with the terms and conditions.
3. The Company shall obtain an acceptance from the borrower of the loan terms and maintain a record of such acceptance.
4. The Company shall furnish a copy of the loan agreement to the borrowers along with all the enclosures quoted in the loan agreement to the borrowers.

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

1. The Company shall give notice to all its borrowers of any change in the terms and conditions - including disbursement schedule, interest rates, service charges, prepayment charges etc. The Company shall also ensure that changes in interest rates and charges are effected only prospectively. Any changes to the above charges shall be made available at our branches and also the website of the company ([www.fullertonindia.com](http://www.fullertonindia.com)). The website address is also available on the application form.
2. The Company shall ensure that the penal interest charged for the late payment is in “bold” fonts in the agreement.
3. Any decision to recall/accelerate payment or performance under the loan agreement shall be inconsonance with the loan agreement.
4. All securities pertaining to the loan would be released on receipt of full and final payment of the loans, subject to any legitimate right or lien, and set-off for any other claim that FICCL may have against the borrowers. 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 FICCL is entitled to retain the securities until the relevant claim is settled / paid.

**D. Interest Charged:**

1. To ensure that there the Customers are not charged excessive interest rate and charges on loans and advances by the Company, the Board of the Company has adopted a Policy for determining Interest Rates, Processing and Other Charges “Interest Rate Policy” and the same has been put up on Company’s web-site [www.fullertonindia.com](http://www.fullertonindia.com).
2. The Company had laid down appropriate internal principles and procedures in determining interest rates and processing and other charges.

3. The Company would adopt an interest rate model taking into account relevant factors such as, cost of funds, margin and risk premium, etc. and determine the rate of interest to be charged for loans and advances.
4. Foreclosure charges are to be applied as per the regulatory directions issued from time to time.

**E. Repossession:**

The Company has included the repossession clause in the loan agreement with the borrower that would be legally enforceable. To ensure transparency, the terms and conditions of the contract/loan agreement will include provisions regarding:

- Notice period before taking possession;
- Circumstances under which the notice period can be waived;
- The procedure for taking possession of the security;
- A provision regarding final chance to be given to the borrower for repayment of loan before the sale / auction of the asset.
- The procedure for giving repossession to the borrower and
- The procedure for sale / auction of the property.

**F. Grievance Redressal Mechanism**

The company aims to provide best customer service and is consistently striving on creating a robust and efficient customer service platform. If the customers have any issues or wish to register a complaint, they can reach us at any of the following:

**Step 1:**

Telephone: The customer can call us and log the grievances at 1800 103 6001 (toll-free)

SMS: The customer can also message 'Contact Me' at 98457 88800.

Email: Customers can write at the given e mail ID: [namaste@fullertonindia.com](mailto:namaste@fullertonindia.com)

Fax: Customers can also communicate grievances if any through facsimile at the given number: +91 22 6611 1200

Customers can also write to us at: Fullerton India Credit Co Ltd., P.O. Box No. 8108, Bandra East, Mumbai - 400 051.

**Step 2:**

If the resolution received is not meeting the expectations, he or she can write to our Complaints Management Cell, at the e mail ID published at the website.

**Step 3:**

If the customer is still dissatisfied with the resolution received, he or she may write to our Grievance Redressal Officer, at the e mail ID [escalation@fullertonindia.com](mailto:escalation@fullertonindia.com)

In addition, any existing/prospective customer or stakeholder has the convenience of using the drop box “Complaints” set up at the Home page under the link “Contact Us”.

#### **G. General**

1. The Company shall 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 has come to the notice of the Company.
2. In the matter of recovery of loans, FICCL shall follow the usual measures as per the laid down guidelines and existing provisions and would operate within the legal framework and in compliance with the applicable laws and regulations.
3. The Company would not resort to undue harassment, viz., persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc. In this regard, FICCL has an established code of conduct for debt collection wherein our staff or any person authorized to represent the Company in collection of dues are extensively trained.
4. FICCL’s collection policy is built on courtesy, fair treatment and persuasion. We believe in customer confidence and long-term relationship. Our staff or any person authorized to represent us in collection of dues or/and security repossession will identify himself/herself and interact with our customers in a courteous manner.
5. We will provide our customers with all the information regarding dues and will give sufficient notice for payment of dues. All customers will be contacted ordinarily at the place of their choice, in the absence of a specified place at the residence of the customer and if the customer is unavailable at the residence, at the customer's place of business/occupation.
6. We will respect privacy of the customer and all our interactions will be in a civil manner. All assistance will be provided to our customers to resolve differences or disputes in a mutually acceptable manner, if any, regarding the dues.
7. In case of receipt of a request from the borrower for transfer of the borrowal 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 such request. Such transfer shall be as per transparent contractual terms in consonance with law.

8. The 'Vernacular Declaration' shall be taken from all the customers stating “In case you are unable to understand the contents in English Language, we request you to contact us at any of the branches or on the details as available on the website; [www.fullertonindia.com](http://www.fullertonindia.com)”.
9. At our branches, we display the name and contact details (Telephone / Mobile nos. / Email Address) of the Grievance Redressal Officer, Regional Office of the RBI and Grievance Redressal Mechanism followed by us.

**H. KYC, Appraisal, Insurance, Storage of Securities, Auction etc. pertaining to Gold Loan Business**

The Company shall put in place a policy duly approved by the Board covering the following aspects as and when it is proposed to offer gold loans to customers:

1. Adequate steps to ensure that the KYC guidelines stipulated by RBI are complied.
2. Proper appraisal procedure for jewellery accepted as collateral security.
3. Declaration shall be obtained from the borrower confirming ownership of gold jewellery.
4. All branches shall have proper storage facility of either Strong Rooms or Safes conforming to the Standards of approved make to store the jewellery in safe custody.
5. The gold items shall be periodically reviewed to ensure quality, quantity and proper storage and jewellery accepted as collateral security shall be appropriately insured.
6. The auction procedure in case of non – repayment shall be transparent and prior notice to the borrower shall be given before the auction and there shall not be any conflict of interest and the Company shall not participate in the auction held.
7. The auctioneers shall be appointed with the approval of Board.
8. The auction shall be announced to the public by issuing advertisements in at least two newspapers, one in vernacular language and another in a national daily newspaper and loan agreement shall also disclose details regarding auction procedure.
9. The policy shall also cover systems and procedures to be put in place for separations of duties of mobilization, execution and approval including dealing with fraud.

**I. Review**

A periodical review of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management would be undertaken by the Company.

The Company shall abide by this Fair Practices Code following the spirit of the Code and in the manner it may be applicable to its business.



The Company shall put the above Fair Practices Code outlined hereinabove on its web site, for the information of various stakeholders. The Company would also review and refine the Code, as may be required periodically –based on its own experience and fresh guidelines, if any, to be issued by the Reserve Bank of India in this regard.

History Sheet

<b>S No</b>	<b>Rev. No</b>	<b>Original</b>	<b>Revised</b>	<b>Remarks</b>
1	0	01/05/2017	NA	Review
2	1	01/07/2018	None	Annual Review

Summary of Changes

<b>Page No</b>	<b>Changes</b>
3	Modified the reference to the recent Master Directions
3	Revised to say that the Application form and critical communications would be in vernacular in line with submission made to RBI on FPC
5	Removed the employee IDs for customer service and made them generic.