

ISF Limited

FAIR PRACTICES CODE

OF

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I. Preamble:

This Fair Practices Code has been prepared in compliance with the “Guidelines on Fair Practices Code for Non- Banking Financial Companies” issued by the Reserve Bank of India and aims to provide its borrowers an effective overview of the practices followed by the Company and to enable borrowers to take informed decisions in respect of the financial facilities and services offered by the Company. The Code covers the general principles on adequate disclosures on the terms and conditions of the loan and the procedures to be followed when dealing with the borrowers. The Code applies to all categories of products and services offered by ORIX Leasing & Financial Services India Limited (“the Company”).

II. Objectives of the Code:

The following are the primary objectives of the Code:

- (1) Promote fair and transparent practices by setting minimum standards in dealings with borrowers;
- (2) Foster fair and cordial relationship between the borrowers and the Company;
- (3) To ensure compliance with regulatory requirements with regard to customer interface; and
- (4) To strengthen mechanisms for redressal of customer grievances.

III. Coverage:

The Fair Practices Code applies to the following areas:

- (1) Application and Processing of Loan;
- (2) Loan Appraisal and terms / conditions;
- (3) Disbursement of Loan including terms and conditions;
- (4) General;
- (5) Grievance Redressal Mechanism;
- (6) Regulation of excessive interest rate charged; and
- (7) Repossession of vehicles financed by the Company.

IV. Fair Practices Code in each of the above area:

(1) Application and Processing of Loan:

- (a) The Company is in the business of lending and offers various loans products including Lease Application forms for some of the product offered by the Company would be different depending on the requirement for information for each product.
- (b) All communications to the borrower will be in English or a language as understood by the borrower, provided it is an official language of the State in which the customer resides.
- (c) All necessary information that may be required by the borrowers with regard to the financial facility that is being applied for are available in the relevant loan application forms. The information would include matters which may affect the interests of the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and informed decisions can be taken by the borrowers.
- (d) Besides, the various documents that need to be submitted with the application form are also provided in the application forms. The Company would give an acknowledgement for receipt of all loan applications. The normal time frame within which loan applications complete in all respects will be disposed of would be indicated in the acknowledgement of loan applications.
- (e) The Company would verify the loan applications within a reasonable period of time and if additional details / documents are required, it would intimate the borrowers immediately.

(2) Loan Appraisal and terms / conditions:

- (a) The Company would ensure that there is proper assessment of credit application made by borrowers. The assessment would be in line with the Company's credit policies and procedures.
- (b) The Company would convey in writing to the borrower in the vernacular language or a language as understood by the borrower by means of sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions including annualised rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record. The Company mentions the penal (additional) interest charged for late repayment in bold in the loan agreement. The Company furnishes a copy of the loan agreement in the language as understood by the borrower along with a

copy each of all enclosures quoted in the loan agreement at the time of disbursement of the Loan.

(3) Disbursement of Loans including changes in terms and condition

(a) The Company would ensure timely disbursement of loans sanctioned in conformity with the terms and conditions governing such sanction.

- (b) It would give notice to the borrower in the vernacular language or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. and would also ensure that changes are effected only prospectively. A suitable condition in this regard would be incorporated in the loan agreement.
- (c) The Company would carry out post-disbursement supervision in accordance with normal business practice, the terms of sanction and the guidelines issued by the Reserve Bank of India from time to time.
- (d) The Company would carry out any decision to recall / accelerate payment or performance under the agreement only in consonance with the loan agreement.
- (e) The Company would release all securities on repayment of all dues or on realisation of the outstanding amount of loan subject to any legitimate right or lien for any other claim the Company may have against borrower with prior notice to the borrowers. The notice will provide 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.

(4) General:

- (a) The Company would not cause interference in the affairs of the borrowers except for what is 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 Company).
- (b) In case of receipt of request received in writing for transfer of borrowal account, either from the borrower or from a bank/financial institution, which proposes to take over the account, the consent or otherwise i.e., objection of the Company, if any, would be conveyed within 21 days from the date of receipt of request. Such transfer will be as per transparent contractual terms in consonance with law.

- (c) The Company would not discriminate on grounds of sex, caste and religion in the matter of lending. However, this does not preclude the Company from participating in credit-linked schemes framed for weaker sections of the society.
- (d) In the matter of recovery of loans, the Company would adopt legally valid processes and not resort to undue harassment or use of force viz., persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc., The Company shall adequately train the collection executives and other staff to deal with the borrowers in an appropriate manner.

(5) **Grievance Redressal Mechanism:**

- (a) The Company realizes that quick and effective handling of complaints as well as prompt corrective and preventive actions to improve processes are essential to provide excellent customer service to all segments of customers. To achieve this, the Company shall strive maintain following turnaround time frames for responding and final resolution to the customer complaints received.

Sr No.	Nature of Complaint	Turn Around Time (TAT) for resolution
1	Loan agreements and loan related	T + 15
2	Waiver/ Refunds	T + 15
3	Foreclosure & closure documents	T + 15
4	Others	T + 15

- (b) All complaints received shall be handled as following:

First level	Branch Manager/Branch-in-charge
Next Level	Business Head
Next Level	Grievance Redressal Officer

- (c) The Company shall ensure that all the complaints received are recorded and resolved, but shall also ensure effective monitoring / escalation mechanism to the senior functionary responsible so as to make sure that none of the complaints remain unresolved.
- (d) In case Customer is not satisfied with the resolution provided by the front office staff, they can write to the Grievance Redressal Officer, **Mr. Vishal Dang**, either through an e-mail (vishal.dang@hotmail.com) or through a letter

K10, Som Vihar,
R.K.Puram
New Delhi-

Customer Complaints received through e-mails shall be responded through **Email Only**.

- (e) Complaints shall be resolved in a proper and time bound manner with detailed advice to the customer. In case the resolution needs time, an interim response, acknowledging the complaint shall be issued.
- (f) If your complaint / dispute is not redressed within a period of one month, you may appeal to:

Department of Non-Banking Supervision
Mumbai Regional Office
Reserve Bank of India Building, 3rd Floor,
Opp. Mumbai Central Railway Station,
Byculla,
Mumbai – 400 008

(6) **Regulation of excessive interest rate charged:**

- (a) The Company shall follow the appropriate internal principles and procedures in determining interest rates and processing and other charges in line with the approved policies from time to time.
- (b) The Company shall follow the interest rate model adopted and approved by the Board/Committee

Rate of interest to different categories of borrowers shall be disclosed in the application form and/or communicated explicitly in the sanction letter.

(7) Repossession of Assets financed by the Company / Mortgaged by Borrowers against loan

The loan agreement of the Company shall contain necessary repossession clauses as prescribed by RBI from time to time.

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