

Bansal In-Hold Limited

Fair Practice Code (FPC)

1. Introduction

This Fair Practice Code ("FPC") is formulated by Bansal In-Hold Limited ("the Company") in accordance with the directions of the Reserve Bank of India (RBI) applicable to Non-Banking Financial Companies (NBFCs).

The objective is to ensure fair, transparent, and responsible dealings with customers while promoting ethical business practices.

2. Objectives

The objectives of this FPC are to:

- Ensure fair and transparent loan practices.
- Provide clear information about terms, conditions, and interest rates.
- Prevent over-indebtedness and promote responsible lending.
- Establish a robust grievance redressal mechanism.
- Promote customer confidence in the financial system.

3. Applications for Loans and Their Processing

- Loan application forms will include comprehensive information, including required documents and terms & conditions.
- Acknowledgment of receipt will be provided to applicants.
- Timeframe for disposal of applications will be indicated.
- No discrimination will be made on the basis of gender, caste, or religion.

4. Loan Appraisal and Terms & Conditions

- The Company will conduct proper due diligence to assess borrower repayment capacity.
- Sanction letters will clearly specify the loan amount, interest rate (annualized), charges, security (if any), and repayment schedule.
- A copy of the loan agreement will be provided to the borrower in a language understood by them.
- Acceptance of terms by the borrower will be recorded.

5. Loan Disbursement

- Loans will be disbursed only after execution of the loan agreement and completion of documentation.
- Changes in terms and conditions, including interest rates and charges, will be communicated in advance and will apply prospectively.
- No penalty will be charged for prepayment or delayed payment in line with RBI guidelines.

6. Interest Rate Policy

- Interest rates will be determined based on cost of funds, risk premium, and market conditions.
- Rates and the approach for risk gradation will be displayed at branches.
- Borrowers will be informed of annualized rates for transparency.

7. Recovery of Loans

- Recovery will be conducted in a fair, non-coercive manner.
- Staff shall not resort to undue harassment, intimidation, or abusive language.
- Recovery will not be outsourced to unregulated third parties; only authorized staff will handle collections.

- Incentives shall not encourage aggressive recovery practices.

8. Grievance Redressal Mechanism

- A grievance redressal system will be in place for prompt resolution of disputes.
- Details of the grievance redressal officer will be displayed at branches and on the website.
- Complaints not resolved within 30 days may be escalated to the RBI Ombudsman.
- Branches will maintain complaint/suggestion boxes accessible to clients.

9. Privacy of Client Information

- Client information will be kept strictly confidential.
- Disclosure to third parties will be made only with customer consent or as required by law.
- Data will be used only for purposes agreed with the customer.

10. Non-Coercive Recovery Practices

- Recovery staff will be trained in ethical conduct.
- No coercive or abusive methods will be used for collections.
- Meetings with borrowers will be held at reasonable times and places.

11. Transparency and Disclosures

- All terms and conditions will be communicated clearly in writing.
- Loan cards/passbooks will reflect repayment schedules, interest, fees, insurance charges, and grievance contacts.
- All charges will be disclosed upfront; no hidden charges will be levied.

12. Internal Control and Compliance

- A Compliance Officer will oversee adherence to this FPC.
- Internal audits will periodically review implementation of the FPC.
- Reports on compliance will be placed before the Board of Directors regularly.

13. Review of Policy

- The Board will review this FPC annually or earlier if directed by RBI.
- Necessary modifications will be made to align with regulatory changes.