

Community Finance Pvt. Ltd.

Fair Practices Code

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1. Introduction

Community Finance Private Limited (“CFPL”), a Non-Banking Finance Company registered with Reserve Bank of India (“RBI”) is presently in the business of providing different types of loans which includes Joint Liability Group Loans, Mortgage Loans (Home Loans & Loan Against Property), Personal Loans, Vehicle & Equipment Loans, Merchandise Loans, etc., to its various customers. Such credit facilities are extended to different types of customers, which include Individuals, Partnership Firms, Companies, and other Legal entities.

CFPL has framed and adopted a voluntary code, which sets out the principles for fair practice standards when dealing with customers. As per the directives of RBI, CFPL has adopted and implemented this Code in the organization which has been duly approved by Board of Directors. This Fair Practices Code applies to all categories of products and services offered by the CFPL (currently offered or which may be introduced at a future date).

2. Key Commitments

The CFPL's key commitments to customers:

- (a) Act fairly and reasonably in all their dealings with customers by:
- Meeting the commitments and standards in this Code, for the products and services the Company offers and, in the procedures, and practices its staff follows
 - Making sure that Company's products and services meet relevant laws and regulations
 - Company's dealings with customers will rest on ethical principles of integrity and transparency.
- (b) Help customers understand how company's product work by:
- Explaining their financial implications and
- (c) Deal quickly and sympathetically with things that go wrong by:
- Correcting mistakes quickly
 - Handling customer's complaints quickly
 - Telling customers' how to take their complaint forward if they are still not satisfied

- (d) Publicize this Code, put it on Company's website and have copies available for customer on request.

3. Information

- (a) Helping customer choose products and services, which meet their needs and give them clear information explaining the key features of the services and products they are interested in.
- (b) Inform customers about the documentary information the Company needs from them to establish their identity and address and, other documents to comply with legal and regulatory requirements.

4. Applications for loans and their processing

- (a) All communications to the borrower will be in the vernacular language or a language as understood by the borrower.
- (b) i) All relevant information pertaining to the loan has been made available in the loan application form(s) including the necessary loan information and documents required, to be submitted by the customer together with the duly completed application form.
ii) Indicative list of documents required have been disclosed in the application form.
- (c) CFPL will have a system of giving acknowledgement for receipt of all loan applications. The time frame within which loan applications will be disposed of will be indicated in the acknowledgement.

5. Loan appraisal and Terms & Conditions

- (a) CFPL will 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 annualized rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record. CFPL will mention the penal interest charged for late repayment in the loan agreement.
- (b) CFPL will furnish a copy of the loan agreement as understood by 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.

6. Disbursement of loans including changes in Terms & Conditions

- (a) CFPL will 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. CFPL will also ensure that changes in interest rates and charges are affected only prospectively. A suitable condition in this regard will be incorporated in the loan agreement.
- (b) Decision to recall / accelerate payment or performance under the agreement will be in consonance with the loan agreement.
- (c) CFPL 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 CFPL may have against borrower. If such right of set off is to be exercised, the borrower will be given notice about the same with full particulars about the remaining claims and the conditions under which CFPL is entitled to retain the securities till the relevant claim is settled/paid.

7. General

- (a) CFPL will refrain from interference 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 Company).
- (b) In case of receipt of request from the borrower for transfer of borrower account, the consent or otherwise i.e. objection of the CFPL, if any, will 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) In the matter of recovery of loans, CFPL will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc. To avoid rude behavior from the staff of CFPL, CFPL will ensure that the staff are adequately trained to deal with the customers in an appropriate manner.

Responsibility of Board of Directors:

- (a) The Board of CFPL has laid down appropriate grievance Redressal mechanism within the organization to resolve customer complaints. Different escalation levels have been put in place to ensure a robust complaint handling process such that the complaints are disposed of at least at the next higher level in case the borrower is dissatisfied with the resolution provided.

(b) Details of grievance received, and action taken are shared with the senior management on a monthly basis. A consolidated report of such reviews is submitted to the Board at regular intervals.

8. Further Assistance/ Grievance Redressal Mechanism

At CFPL, we aim to provide our customers with the best Customer Service and efficient customer service platform.

Following is the Grievance Redressal Mechanism for customers:

First Level

The borrower can contact CFPL officer at the nearest branch in case of any query/problem or grievance. The Customer can:

- contact/ write to Branch Manager at our branch offices.
- write an email-to-email id: contact@communityfinance.in
- write to us through our official website. www.communityfinance.in

The Branch offices would be operational between 10.00 am to 06.30 pm on Monday to Friday and Saturday 09.30 am to 03.30 pm (except second Saturday of the month).

Escalation of complaints: Second Level

If the borrower is not satisfied with the response received from the respective branch, he/she may raise the issue with Grievance Redressal Officer. The name and address and contact details are as furnished below.

Ms. Kirti Damle

Community Finance Private Limited.

624, 6th Floor, C1, Commercial Building No. 1,

Soham Plaza, Manpada, Ghodbunder Road,

Thane (West) – 400 607.

+91-22-41197100

kirti.damle@communityfinance.in

CFPL shall endeavor to respond to each compliant within one month from the date of receipt of the Complaint.

Escalation of complaints: Third Level

If the complaint/dispute is not addressed within one month, then the borrower may appeal to:

The Officer-in-Charge
Reserve Bank of India
Non-Banking Supervision Department
Kolkata Region Office
5th Floor, 15, Netaji Subhas Road,
Kolkata- 700 001

9. Posting on Website

Fair Practices Code, preferably in the vernacular language or a language as understood by the borrower will be put up on the website of the Company for the information of various stakeholders.

10. Regulation of rate of interest

- (a) The Board of Directors has adopted an interest rate model for determining the rate of interest to be charged on loans and advances, processing and other charges considering relevant factors such as, cost of funds, margin and risk premium, etc. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers will be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.
- (b) The rates of interest and the approach for gradation of risks will also be made available on the website of the companies. The information published in the website or otherwise published will be updated whenever there is a change in the rates of interest.
- (c) The rate of interest will be annualized rates so that the borrower is aware of the exact rates that would be charged to the account.

11. Policy for Determining Interest Rates

Policy for determining Interest Rates, Processing & Other Charges in place is duly approved by the Board. Rate of interest mentioned in the application form is the annualized rate of interest so that the borrower is aware of the exact rates that will be charged to the account.

12. Repossession of vehicles financed

The Company will include a built-in re-possession clause in the loan agreement with the borrower which must be legally enforceable. To ensure transparency, the terms and conditions of the loan agreement will also contain provisions regarding: (a) notice period before taking possession; (b) circumstances under which the notice period can be waived; (c) the procedure for taking possession of the security; (d) a provision regarding final chance to be given to the borrower for repayment of loan before the sale / auction of the property; (e) the procedure for giving repossession to the borrower and (f) the procedure for sale / auction of the property. A copy of such terms and conditions must be made available to the borrowers.