

# **Srei Fair Practices Code**

## **Short title, Extent and Commencement**

As every Non-Banking Financial Company ["NBFC"] having customer interface shall formulate a Fair Practices Code (FPC) in accordance with Chapter VI of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India. FPC is a critical corporate governance requirement with respect to lending activities undertaken by an NBFC. This Code may be called as "**Srei Fair Practices Code**".

It shall extend to all sections of the Company dealing directly or indirectly with customers in relation to any and all kinds of activities involving credit and finance, in any makeover. It was last reviewed on 1<sup>st</sup> February 2019 by Credit Committee of the Company.

## **The Objectives of Srei Fair Practices Code is:**

- To ensure transparency in the Company's dealings with its Customers
- To ensure compliance with legal norms in matters relating to recovery of advances
- To strengthen mechanisms for redressal of customer grievances.

## **Definitions**

For the purpose of the Code, the words Application Form shall mean an application in the prescribed format of the Company to be duly filled-in and submitted to the Company by a prospective Customer furnishing all information and particulars required therein in their true and original forms seeking sanction of a Facility from the Company on certain specified terms and conditions as may be stipulated by the Company at its sole discretion.

Company shall mean any and all offices of Srei Infrastructure Finance Limited. Facilities shall mean and cover any and all types of financing and asset providing arrangements of different nature and modes like loan, lease, etc. under different financing schemes and policies of the Company as prevailing from time to time. Other words & expressions used and not defined in the Codes herein shall have, unless the context otherwise requires, the meaning respectively assigned to them in the relevant Agreement signed / to be signed and executed by the Customer for availment of a Facility sanctioned to the applicant by the Company.

## **Srei Fair Practices Code**

### **(i) Applications for facilities and their processing**

- a) All communications to the Customer shall be in English or Vernacular /any other language as understood by the Customer.
- b) Facility application forms shall include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and informed decision can be taken by the borrower. Documents required to be submitted with the application form shall be mentioned in the form.

- c) Acknowledgement receipt of all facility applications to be issued with indicative time frame for disposal.

**(ii) Facility appraisal and terms/conditions**

- (a) The Company will convey in writing to the borrower in English or vernacular/other language as understood by the borrower by means of sanction letter or otherwise, the amount of facility sanctioned along with terms and conditions including annualized rate of interest and method of application thereof and keep acceptance of these terms and conditions by the borrower on its record.
- (b) A copy of the facility agreement as understood by the borrower along with a copy each of all enclosures quoted in the facility agreement shall be furnished to all the borrowers at the time of sanction / disbursement of facilities. Penal interest charged for late repayment should be mentioned in bold in the facility agreement.

**(iii) Disbursement and changes in terms and conditions**

- a) Notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, processing charges, prepayment charges, etc shall be furnished in English or vernacular /other language as understood by the borrower. Any changes in interest rates and charges are effected only prospectively. A suitable condition in this regard shall be incorporated in the facility agreement.
- b) Decision to recall / accelerate payment or performance under the agreement shall be in consonance with the facility agreement.
- c) The Company shall release all securities on repayment of all dues or on realization of the outstanding amount of the facility subject to any legitimate right or lien for any other claim 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.

**(iv) General**

- a) The Company shall refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the facility 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 borrowal account, the consent or otherwise i.e. objection of the Company, if any, the Company shall convey within 21 (twenty one) days from the date of receipt of proper request. Such transfer shall be as per transparent contractual terms in consonance with law.
- c) In the matter of recovery of facilities, the Company shall not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of facility, etc. The staffs are adequately trained to deal with the customers in an appropriate manner.

#### **(v) Grievance Redressal Mechanism**

- a) The Company has laid down the appropriate grievance redressal mechanism within the organization to resolve disputes arising in this regard. Such a mechanism ensures that all disputes arising out of the decisions of the functionaries are heard and disposed of at least at the next higher level.
- b) The Credit & Investment Committee (CIC) shall periodical review the compliance of the Fair Practices Code and the functioning of the grievance redressal mechanism at various levels of management. A consolidated report of such reviews shall be submitted to the Board of Directors at regular intervals, as may be prescribed by it.
- c) Response to a complaint would be given within a maximum period of one month from the date of complaint, unless the nature of complaint requires verification of voluminous facts and figures.
- d) Contact details of Grievance Redressal Officer: Chief Operating Officer, Srei Infrastructure Finance Limited, "Vishwakarma", 86 C Topsia Road (South), Kolkata 700 046, Telephone No +91 33 6160 7734, Fax +91 33 2285 7542/ 8501, Email:grievanceredressal@srei.com.
- e) If the complaint/dispute is not redressed within a period of one month, the customer may appeal to the Officer-in Charge, Department of Non-Banking Supervision, 5th Floor, Reserve Bank of India, 15, Netaji Subhas Road, Kolkata 700 001, India. Tel: +91 33 2230 3299, Fax: +91 33 2230 9589.

#### **(vi) Regulation of Interest to be charged from the borrower**

- a) The Company has laid out appropriate internal principles and procedures in determining interest rates and processing & other charges.
- b) The Company has adopted an interest rate model taking into account relevant factors such as, cost of funds, margin and risk premium, etc and determined the rate of interest to be charged for facilities and advances. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers is followed in the Company.
- c) Internal Credit Rating Model has been adopted for gradation of risks which is considered to determine the rates of interest. All floating interest rates are linked to Srei Benchmark Rate/Srei Prime Lending Rate, which are published in the website and is updated whenever there is a change in the rates of interest.
- d) The rate of interest to be charged to the account will also be mentioned in annualized form.

#### **(vii) Complaints about excessive interest charged by NBFCs**

The company has laid down appropriate internal principles and procedures in determining interest rates and processing and other charges. In this regard the guidelines indicated in the Fair

Practices Code about transparency in respect of terms and conditions of the loans are kept in view.

**(viii) Amendment and Disclosure**

This Code may be reviewed and amended by the Credit and Investment Committee (or any Committee authorized by Board of Directors thereof) of the Company from time to time, based on any subsequent amendment/ modification in the Master Directions issued by the Reserve Bank of India or as may be deemed necessary.

The Company shall disclose the Code on its website in English Language and share the policy in any vernacular language as required under the extant norms, if requested by any Customer.

Place: Kolkata

Date: 17.04.2021

**This Policy has been approved by the Credit and investment Committee at its meeting held on 17.04.2021 and is effective from that date.**

# APPLICATION FORM FOR FINANCIAL ASSISTANCE

## GENERAL BACKGROUND INFORMATION

Date of Application:  /  /

Name of the Industrial Concern:  
(in block letters)

Constitution:  Public  
 Private Limited Co.  
 Co-Op Society  
 Partnership  
 Proprietary Concern

Sector:  Public Sector  
 Joint Sector  
 Private Sector  
 Co-operative Sector

Industry Classification:

Date of Incorporation / Registration:  /  /

Date of Commencement of Business:  /  /

	Village	Tehsil	District	State
Registered Office				
Controlling (Head) Office				
Project Location				

## PURPOSE OF THE FINANCIAL ASSISTANCE

### PROJECT PROFILE

Project Type:  Greenfield  Diversification  
 Expansion  Modernisation

Briefly state the particulars of project :

# PART I - PROMOTER / COMPANY INFORMATION

## **A. PROMOTER BACKGROUND** *(only required if applicant is a new company)*

### **I-1 Provide the following information on the Main Promoter**

Address:

Age:

Educational Qualifications:

Relevant Industry  
Experience:

Other Companies Promoted / Affiliated With	Brief Description of Company

Names of Bankers with  
Whom Enquiries can be  
Made:


### **I-2 Provide a brief write-up on the activities and past performance of the company** *(only required if promoter is a limited company)*

### **I-3 Describe any other expansion programme(s) contemplated** *(only required if promoter is a limited company)*

**B. COMPANY BACKGROUND** *(only required if applicant is an existing company)*

**I-4 Provide a brief history of the concern including any changes in names, business management, etc. and indicate any mergers or reorganisations which took place**

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**I-5 Provide a list all subsidiary companies**

Name of Subsidiaries	Percentage of Holding

**I-6 Provide the following information on the Holding Company**

Name of Holding Company:

Other Subsidiary Companies Under the Holding Company	Paid-up Capital of Subsidiaries		Percentage Held by Holding Company	
	Equity	Pref.	Equity	Pref.

**I-7 Is the company regular in crediting its contribution and the contribution of its employees to the “Employees’ Provident Fund”?**

Yes                       No

**I-8 Provide the following details of insurance carried on fixed assets and inventories:**

Covered Item	Basis of Insurance	Name of Insurer	Risk Type Covered

**I-9 Provide details of Pending Litigation either by or against the company**

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**I-10 Describe any assets that may have been revalued or written off at any time during the existence of the company**

Revalued or Written-off Assets	Reasons

**I-11 Provide the following information on the Company's tax status**

Year up to which Company has been assessed for Income Tax:

Estimated Unassessed Liability:   
 Concessions Available:

Basis for Tax Provisions:

Details of Unclaimed Tax Benefits:

**I-12 Provide the following particulars for all existing debentures:**  
*(use additional sheets of paper if necessary)*

	#1	#2	#3
Date of Debenture Trust Deed			
Purpose for which Debenture was Raised			
Security Charged and Nature of Charge			
Trustees for Debenture Holders			
Original Amount of Issue			
Amount Outstanding			
Rate of Interest			
Amortisation Schedule			
Conversion or Other Special Provisions			
Main Holders of Debentures			
Restrictive Covenants			

**I-13 Provide the following particulars for all existing long term secured loans:**  
*(use additional sheets of paper if necessary)*

	#1	#2	#3
Name of Institution Granting Loan			
Purpose of the Loan			
Original Amount			
Amount Outstanding			



Rate of Interest			
Amortisation Schedule			
Security Charged and Nature of Charge			
Date of Creation of Charge			
Any Defaults in Interest or Principle Payments			
Restrictive Covenants			

**I-14 Provide the following particulars for existing cash credit / overdraft agreements:**  
*(use additional sheets of paper if necessary)*

	#1	#2	#3
Name of Bank			
Nature of Facility			
Maximum Limit			
How and When Repayable			
Particulars of Security			
Stipulated Margin Percentage			
Particulars of Guarantees (if any)			
Rate of Interest			
Value of Security and Drawing Power			
Amount Outstanding on Date of Application			
Negative Charge on Fixed Assets?			

**C. MANAGEMENT STRUCTURE**

**I-15 Provide the following detail for each member of the Board of Directors:**  
*(Use additional paper if necessary)*

1) Director's Name:  Age:

Address:  Existing Shareholding:  %

Proposed Shareholding:  %

Educational Qualifications:

Relevant Industry Expertise:

Affiliated Companies	Nature of Business	Position with Company	Size of Turnover

2) Director's Name:  Age:   
 Address:  Existing Shareholding:  %  
 Proposed Shareholding:  %  
 Educational Qualifications:   
 Relevant Industry Expertise:

Affiliated Companies	Nature of Business	Position with Company	Size of Turnover

3) Director's Name:  Age:   
 Address:  Existing Shareholding:  %  
 Proposed Shareholding:  %  
 Educational Qualifications:   
 Relevant Industry Expertise:

Affiliated Companies	Nature of Business	Position with Company	Size of Turnover

4) Director's Name:  Age:   
 Address:  Existing Shareholding:  %  
 Proposed Shareholding:  %  
 Educational Qualifications:   
 Relevant Industry Expertise:

Affiliated Companies	Nature of Business	Position with Company	Size of Turnover


**I-16 Provide a list of key executive and technical staff**

Key Executive / Technical Staff	Age	Qualifications and Experience	Salary	Length of Service

**I-17 Provide a list of key administrative and accounting staff**

Key Administrative / Accounting Staff	Age	Qualifications and Experience	Salary	Length of Service

**I-18 Describe the proposed arrangement for executive management of the concern both during the construction period and for regular operations thereafter**

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**C. SHAREHOLDING PATTERN**

**I-19 Provide a list of shareholders owning or controlling 5% or more of equity shares**

Shareholder Name	Amount Owned	Business Relationship

**I-20 Provide a list of the top ten preference shareholders**

1)	6)
2)	7)
3)	8)
4)	9)
5)	10)

**I-21 What is total number of shareholders?**

Equity:

Preference:

**I-22 Provide detail on the distribution of shareholdings (only required for existing companies)**

	<u>Equity</u>	<u>Preference</u>
Indian Promoters		
1)		
2)		
3)		
4)		
5)		
Foreign Collaborators		
State Government		
Central Government		
Financial Institutions/ Banks		
Public & Others		

**I-23 In respect of shares issued for consideration other than for cash, furnish the following particulars:**

Name of the Party	No. of Shares Issued	Value of Shares Issued	Date of Issue	Consideration for which Issued

## PART II - TECHNICAL INFORMATION

### A. TECHNICAL ARRANGEMENTS

**II-1 Explain the technical process proposed to be employed, including reasons for adopting this particular process**

**II-2 Has the proposed process ever been tried in this country? If yes, what were results?**

**II-3 Explain technical arrangements made / proposed for implementation of project**

**II-4 In case any collaboration is involved, furnish the following information:**

Collaborator  
Company:

Size and  
Turnover:

Describe major activities

List particulars of existing plants

Describe other projects in India and abroad set up with same collaboration

**II-5 Provide particulars of consultants employed**

Consultant	Scope of Work Assigned	Fees Payable	Particulars of Consultants

**B. LOCATION AND SITE**

**II-6 Indicate location of plant, requirements of land for the project and the arrangements made therefor. Describe the locational advantages**

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**II-7 Give the following particulars in respect of the land acquired / proposed to be acquired for the project:**

Describe the extent of land and its cost:

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What is the basis of evaluation?

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Has entire sale consideration / lease premium been paid?

Yes                       No

If yes, describe installments?

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What is the nature of the tenure of the land?

Leasehold                       Freehold

What is the expected delivery date?

/ /
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Has possession of the land been taken?

Yes                                       No

If yes, when was possession taken?

/ /
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Previous Owners of the Land	Relationship, if any, to Promoters / Directors

Give particulars of sale / lease deeds obtained

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Most likely execution date if not already executed?

/ /
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Any restrictions against the mortgage of land?

Yes                                       No

If yes, has permission been obtained?

Yes                                       No

Is name of company / society mutated in

Yes                                       No

Revenue Records?

Is the land subject to any restrictions under local Land Ceiling Laws?  Yes  No

Is land directly connected with the public road?  Yes  No

If no, has the Company / Society acquired or purchased the land on which to construct the approach road connecting the land to the public road?  Yes  No

Has the land been acquired by the Company / Society under the Land Acquisition Act?  Yes  No

If yes, have all the requirements under the Act been complied with?  Yes  No

Give particulars

Are all the original title deeds / documents, receipts, etc. available?  Yes  No

If no, give reasons

Are the provisions of Urban Land (Ceiling and Regulation) Act applicable to the land?  Yes  No

If yes, have exemption / permission to transfer as per existing Act been obtained?  Yes  No

Are there any restrictions under local laws against the land being used for non-agricultural / industrial purposes?  Yes  No

If yes, has requisite permission for non-agricultural use been obtained?  Yes  No

Is the land free from encumbrances?  Yes  No

If no, provide details

Are any suit / appeal or other proceedings pertaining to the land pending in any Court?  Yes  No

Are any proceedings taken for recovery of land revenue, rents, royalties or other taxes and dues of public nature?  Yes  No

If yes, provide details

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**C. INPUTS OF PRODUCTION (IN CASE OF POWER / WATER TREATMENT PLANT)**

**II-8 Describe indigenous raw material requirements**

Name of Material / Chemical Component	Specification	Reqmt per tonne of Final Prod.	Total Annual Reqmt	Unit Cost	Basis of Cost Estimate

**II-9 Describe imported raw material requirements**

Name of Material / Chemical Component	Specification	Reqmt per tonne of Final Prod.	Total Annual Reqmt	Unit Cost	Basis of Cost Estimate

**II-10 Indicate principle trade suppliers who have contracted / agreed to supply**

Name of Supplier	Address	Material(s) Agreed to Supply

**II-11 Provide details on any price or distribution controls on any of the raw materials, if any**

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**II-12 Indicate the arrangements made / proposed for obtaining raw materials which are in short order or to be imported**

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**II-13 Describe the requirements and availability of labour, as well as training and development programmes**



	Total Requirements	Availability	Training Programmes	Manpower Development Programmes
Skilled				
Semi-skilled				
Unskilled				

**II-14 Furnish the following details regarding power requirements:**

Sources of Power and Supply Voltage

Purchased:

Own Generation:

Stand-by Arrangements:

Maximum Demand:

Connected:

Peak Hour Requirements:

Contracted Load:

Power Tariff:

Cost of Power per Annum at Maximum

Capacity Utilisation:

Provide Calculations

**D. IMPLEMENTATION SCHEDULE**

**II-15 Complete the following implementation schedule:**

	Commencement Date	Completion Date
Acquisition of Land		
Development of Land		
Civil Works		
Arrangements for Power		
Arrangements for Water		
Erection of Equipment		
Commissioning		
Trial Runs		
Commercial Production		

## PART III – SELLING ARRANGEMENT

**III-1 List principle customers and particulars of any firm arrangements entered into with them**

Principle Customers	Particulars of Firm Arrangements

**III-2 If sales are to be made directly by the company, provide information on the nature of the proposed selling organisation for each product**

Proposed Product	Nature of Proposed Selling Organisation

## PART IV - FINANCIAL INFORMATION

### A. PROJECT COST

**IV-1 Provide the following breakdown of project cost:**

	Rupee Cost	Rupee Equivalent of Foreign Exchange Cost
Land and Site Development		
Buildings		
Plant & Machinery		
Imported		
Indigenous		
Technical Know-How Fees		
Expenses on Foreign Technicians and Training of Indian Technicians Abroad		
Miscellaneous Fixed Assets		
Preliminary and Preoperative Expenses		
Provision for Contingencies		
Margin Money for Working Capital		

### B. MEANS OF FINANCING

**IV-2 Provide a breakdown of the proposed means of financing:**

	Rupee Cost	Rupee Equivalent of Foreign Exchange Cost
Rupee Loan		
Foreign Currency Loan		
Underwriting:		
Equity Capital		
Preference Capital		
Debentures		
Guarantee of Foreign Currency Loan / Deferred Credit (Rs. equivalent at Market Rate)		
Principal		
Interest		
Total		
Guarantee to be Issued in Favour of Capital Subsidy from Central Government		
Internal Cash Accruals		
Other (Specify)		

**IV-3 Provide details on proposals for raising share capital, loans and debentures:**

	Subscription / Underwriting of Share Capital		Loans			Remarks
	Equity	Pref.	Rupee	Forgn. Curr	Debent	
Indian Promoters						
In cash						
For consideration other than cash						
Foreign Collaborator						
State Government						
FIs/ Banks						
Brokers						

**IV-4 Briefly describe the arrangements so far made for raising the finance and proposed arrangements**

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**IV-5 Indicate sources of foreign exchange and arrangements, if any, made from obtaining foreign exchange**

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**IV-6 Calculate the following for Promoters' Contribution:**

Promoters' Contribution to Project Cost:	Rs.
Promoters' Contribution as % of Total Cost:	%

**IV-7 List the persons / firms who would be contributing to the promoters' share of the capital**

Person / Firm Contributing to Promoters Share	Amount

**IV-8 Provide details of security proposed**

Financial assistance	Proposed Security

**C. SOURCES AND USES OF FUNDS**

**IV-9 In case internal accruals are taken as a source of finance, explain the basis of estimation of internal accruals by means of a suitable statement**

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**D. PERFORMANCE INDICATORS**

**IV-10 Give estimates of profitability for the project (only required for expansion / diversification of existing companies)**

	Year +1	Year +2	Year +3	Year +4	Year +5
Cost of raw materials / Inputs (a)					
Administrative Expenses					
Admin Salaries					
Remun to Directors					
Professional Fees					
Office Supplies					
Insurance & Taxes					
Miscellaneous					
Total Admin Expenses (b)					
Total Sales Expenses (c)					
Royalty and Know How (d)					
Total Cost of Production (e)=(a)+(b)+(c)+(d)					
Expected Sales (f)					
Gross Profit Before Int. (g)=(f)-(e)					
Financial Expenses					
Interest on Term Loan					
Interest on Working Capital Loan					
Guarantee commission					
Total Fncl Expense (h)					
Depreciation (i)					
Operating Profit (j)=(g)+(h)+(i)					
Other Income, if any (k)					

Prelim Exp Written off  
(l)  
Profit / Loss Before Tax  
(m)=(j)+(k)+(l)  
Provision for Taxation  
(n)  
Profit after Taxation  
(m)-(n)


**IV-11 Provide a cash flow statement for the company as a whole for the first five years of operation**

	Year +1	Year +2	Year +3	Year +4	Year +5
<b>Sources of Funds</b>					
Share Issue					
Profit before Interest and Tax					
Depreciation Provision					
Development Rebate Reserve					
Increase in Secured Medium and Long-Term Borrowing for Projects					
Other Medium / Long-Term Loans					
Increase in Unsecured Loans and Deposits					
Increase in Working Capital Loans					
Increase in Liabilities for Deferred Payments to Machinery Suppliers					
Sale of Fixed Assets					
Sale of Investments					
Other Income					
<b>Total Sources</b>					

<b>Disposition of Funds</b>					
Capital Expenditure of the Project					
Other Normal Capital Expenditures					
Increase in Working Capital					
Increase in Secured Medium and Long-Term Borrowings					
Decrease in Unsecured Loans and Deposits					
Decrease in Working Capital Loans					

Decrease in Liabilities  
for Deferred Payments  
to Machinery Suppliers  
Increase in Investments  
in Other Companies  
Interest on Term Loans


Interest on Working  
Capital Loans  
Taxation

Dividends  
Equity  
Preferences  
Other Expenditures


**Total Dispositions**

**Opening Balance of  
Cash in Hand and at  
Bank  
Net Surplus / Deficit**


**Closing Balance of  
Cash in Hand and at  
Bank**

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**E. STATUS OF Government consents**

**V-1 Indicate whether the various licenses / consents required for the project have been obtained from the respective authorities**

	Date of Issue	Present Status if not already Issued
Approval of Technical / Financial Collaboration		
Other (Specify)		

**V-2 Specify any special conditions attached to the licenses / consents and the undertakings given by the company in connection with them**

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