



Srei Equipment Finance Limited

Fair Practice Code and Ombudsman Policy

Fair Practice Code and Ombudsman Policy			
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Fair Practice Code:

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. This Fair Practice Code has been prepared according to Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 dated 19th October, 2023.

Objectives of Fair Practices Code

This code has been developed:

- To promote good, fair and trust-worthy practices by setting standards in dealing with customers;
- 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 enable customers to have better understanding of what they can reasonably expect from the services offered by the Company;
- To reckon with market forces, through competition and strive to achieve higher operating standards;
- To strengthen mechanisms for Redressal of customer grievances.

Validity of the Policy

The Policy shall be valid for two years and will be reviewed accordingly unless any modification is required considering the circumstances

Definitions

1. "Facility" shall mean and cover any and all types of financing and asset providing arrangements of different nature and modes like loan, finance lease, operating lease etc. under different financing schemes and policies of the Company as prevailing from time to time.
2. "Customer" includes borrower and lessee.

SEFL Fair Practices Code

I. Facilities Appraisal and Terms and Conditions:

- a) The Company shall not charge any foreclosure charges/prepayment penalties on floating rate term loans sanctioned for purposes other than business to the individual borrower.
- b) If and wherever the borrower pays installment in advance, the credit on interest will be adjusted at the time of final closure/settlement.
- c) The Company will not accept PDCs / EMI cheques in locations where NACH facility from NPCI is available. In locations where the NACH facility is not available, the company

shall accept cheques complying with CTS-2010 standard formats. However the Company may accept Security PDCs in All locations depending on the sanction terms.

II. Regulation of Interest to be charged from the customer and gradation of risk:

- a) The interest rates are subject to change as the situation warrants and are subject to the discretion of the Company on a case-to case basis. All floating interest rates shall be linked to Srei Benchmark Rate, which are published in the website and shall be updated whenever there is a change in the rate of interest.

III. Penal Charges on Loan Accounts

- a) Penalty, if levied, for non-compliance of the terms on which credit facilities were granted or re-structured, in case of default of loan repayment by the borrower shall be treated as 'penal charges' and shall not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances. There shall be no capitalization of penal charges i.e., no further interest computed on such charges. However, this will not affect the normal procedures for compounding of interest in the loan account.
- b) The Company shall not introduce any additional component to the rate of interest and ensure compliance in both letter and spirit.
- c) The quantum of penal charges shall be reasonable and commensurate with the non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan / product category.
- d) The penal charges in case of loans sanctioned to 'individual borrowers, for purposes other than business', shall not be higher than the penal charges applicable to non-individual borrowers for similar non- compliance of material terms and conditions.
- e) The quantum and reason for penal charges shall be clearly disclosed by the Company to the customers through letter, in addition to being displayed on the Company's website under Interest rates and Service Charges.
- f) Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the applicable penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefor shall also be communicated.

IV. Re-structure of Facilities and changes in Terms and Conditions:

- a) The Company shall convey in writing to the customer by means of Re-structure Letter containing the following details:
 - 1. Amount Re-structured
 - 2. Documents to be submitted for re-structure of the facility
 - 3. Annualized rate of interest
 - 4. Details of security to be offered



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5. Re-structure Term
 6. Installment Details.
 7. Penal Charges
 8. Documents to be executed by the guarantor and co-applicant for re-structure.
 9. Others terms as may be required
- b) The customer and Guarantor, on acceptance of the re-structure terms, shall return to the Company a copy of the re-structure Letter duly acknowledged by them as a token of acceptance.
 - c) The Company shall mention the Penal Charges, for delay in making the repayment, in the re-structure Letter / Key Fact Statement/ Agreement, in BOLD.
 - d) The Company shall furnish a copy of the re-structure agreement to the customers after the re-structure of the facility.
 - e) Any change in terms and condition like change in interest rate, tenure, all charges / fees would be communicated to the customer in writing in English
 - f) Change in interest rates and charges shall be affected only prospectively.
 - g) Decision to recall / accelerate payment or performance shall be in consonance with the facilities agreement.
 - h) The Company shall release all securities on repayment of all dues or on realization of the outstanding amount of facilities, subject to any legitimate right or lien for any other claim the Company may have against the customer. If such right of set off is to be exercised, the customer 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.

V. General:

- a) The Company shall refrain from interference in the affairs of the customer except for the purposes provided in the terms and conditions of the facilities agreement (unless new information, not earlier disclosed by the customer, has come to the notice of the Company).
- b) In case of receipt of request from the customer for transfer of borrowal account to other financier, the consent or otherwise i.e. the Company's objection, if any, shall be conveyed within 21 days from the date of receipt of request in writing. Such transfer shall be as per transparent contractual terms in consonance with the law.
- c) In the matter of recovery of dues, the following guidelines are to be followed by collection agents:
 1. Company shall ensure that the DSA/ DMA/ Recovery Agents are properly trained to handle their responsibilities with care and sensitivity, particularly aspects such as soliciting customers, hours of calling, privacy of customer information and conveying the correct terms and conditions of the products on offer, etc.
 2. Company and their agents shall not resort to intimidation or harassment of any kind, either verbal or physical, against any person in their debt collection efforts, including

acts intended to humiliate publicly or intrude upon the privacy of the debtors' family members, referees and friends, sending inappropriate messages either on mobile or through social media, making threatening and/or anonymous calls persistently calling the borrower and/or calling the borrower before 8:00 a.m. and after 7:00 p.m. for recovery of overdue loans or making false and misleading representations. Any violation in this regard will be viewed seriously.

3. Company shall obtain undertaking from DSA/ DMA/ Recovery Agents, to abide by the extant instructions as above for collection of dues and repossession of security. It is essential that the Recovery Agents refrain from action that could damage the integrity and reputation of the Company and that they observe strict customer confidentiality.
 4. The customer will be contacted ordinarily at the place of his choice and in the absence of any specified place he will be contacted at his/her residence in the place of employment/ business. In inappropriate occasions such as bereavement in the family, any social engagement in family, any family member gravely ill or such other calamitous occasions will be avoided for making calls/ visits to collect dues.
 5. Any kind of gifts/bribe will not be accepted by the SEFL representative. Any agent, if offered a bribe or payment of any kind by a customer must report the offer to the Company.
- d) The Company may arrange for enforcing security charged to it against the delinquent borrower, if required, with an aim only to recover dues and will not be aimed at whimsical deprivation of the security. The Company shall ensure that the entire process of enforcing its security, valuation and realization thereof be fair and transparent.
 - e) The Company must have a built in re-possession clause in the contract/loan agreement with the borrower which must be legally enforceable. To ensure transparency, the terms and conditions of the contract/loan agreement should 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 shall be made available to the borrowers in terms of circular wherein it was stated that SEFL may invariably furnish a copy of the loan agreement 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, which may form a key component of such contracts/loan agreements.
 - f) All Securities including original property documents, title deed, invoice copies, etc as applicable, obtained from the Borrower, Co-borrower & Guarantor which may be held by SEFL towards his / her credit facilities, shall be released back to the borrower / borrower's legal heirs (as the case may be) upon repayment / settlement of all dues of the borrower.

Upon repayment / final settlement of all dues, SEFL shall ensure the following:

- Initiate the issuance of No Objection Certificate (NOC) / No Due Certificate (NDC).
- Inform the borrower to initiate the ROC satisfaction process of receipt of NOC.
- Inform the borrower the list of securities available with SEFL and the respective documents pertaining to the same within 15 working days from the date of issuance of NOC.
- Inform the borrower the time and place from where the original security documents may be collected by him after providing written acknowledgement.

VI. **Grievance Redressal Mechanism:**

Towards ensuring Redressal of the grievances and /or disputes arising out of the decision of the functionaries of the Company the following mechanism is put in place:

- a) The customer can register his query / request / complaint to the Company through the following channels:
 1. Company land line number during office hours
 2. Email ID: SEFL@srei.com
 3. Website: www.srei.com;
 4. Walk-in at Branches / Regional Office / Head Office
- b) These query / request / complaint will be received by our Customer Service Department at Head Office in Kolkata through a Tracking Module. These complaints would be then referred to the respective location and functions for resolution.
- c) All disputes arising out of the decisions of the functionaries of the Company in relation to the product and services shall be heard and disposed off at the Grievance Redressal Cell. Therefore the following Grievance Redressal mechanism has been put in place:

Level 1: If customer is not satisfied with the resolution provided, he may write to "Grievance Redressal Cell" through online link or send the letter to GrievanceRedressal Cell, SREI Equipment Finance Ltd, Y 10, Block EP, Sector V, Salt Lake, Kolkata 700091

Level 2: If customer is still not satisfied with the resolution provided by the Grievance Redressal Cell, he may further escalate to the Principal Nodal Officer through online link available at SREI website or write to below address:

Mr. Surendra Kumar Agarwal
SREI Equipment Finance Ltd,
Y 10, Block EP, Sector V, Salt Lake, Kolkata 700091
Phone: 033-66394700 Extn: 2634
E-mail: nodal.office@srei.com

The compliance of the Fair Practices Code as well as functioning of the customer Grievance Redressal cell / Principal Nodal Officer shall be reviewed by the Board on quarterly basis.

Level 3: If the complaint/dispute is not redressed within a period of one month, the customer may lodge a complaint on RBI CMS Portal – <https://cms.rbi.org.in/rbi/vividflow/run/rbi>

Or send complaint form to the below mentioned address:

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 2231 2121, Fax: +91 33 2230 9589.

VII. Appointment of Internal Ombudsman

In accordance with the RBI guidelines on 'Appointment of Internal Ombudsman by Non-Banking Financial Companies' dated November 15, 2021; the Company shall appoint Internal Ombudsman and shall adhere to the corresponding guidelines.

(Reference: Appointment of Internal Ombudsman by Non-Banking Financial Companies dated November 15, 2021)

OMBUDSMAN POLICY

RBI Ombudsman is a quasi-judicial authority created in 2006, and the authority was created pursuant to a decision made by the Government of India to resolve complaints of the customers of regulated entities relating to the certain services rendered by them in an expeditious and cost effective manner.

The integrated Ombudsman Scheme 2021 has been framed by RBI under which all banking, non-banking and digital transaction service provider were brought under the single purview.

Under the scheme, the company has appointed Principal Nodal Officer who shall be responsible for representing the company and furnishing information to the Ombudsman in respect of the complaints filed against the Company.

The name and contact details of the Principal Nodal Officer along with the details of the complaint lodging portal as given below are made available at all our branches.

The salient features of the scheme are displayed at all our offices and website in English and preferred vernacular languages.

I. Grounds of Complaint

Any customer aggrieved by an Act or omission or Error on part of the Company resulting in deficiency in service as per the agreed terms and conditions, may file a complaint under the scheme personally or through authorized representative in the scheme.

II. Grounds for non-maintainability of Complaint:

- Commercial judgment/commercial decision of the Company;
- A dispute between a vendor and the Company relating to an outsourcing contract;
- General grievances against Management or Executives of the Company;
- A dispute in which action is initiated by the Company in compliance with the orders of a

- statutory or law enforcing authority;
- A service not within the regulatory purview of the Reserve Bank;
- A dispute between the Company and other Regulated Entities;
- A dispute involving the employee-employer relationship of the Company.
- Grievances related to outsourcing Activities.
- the complaint is not in respect of the same cause of action which is already-
 - ❖ pending before an Ombudsman or settled or dealt with on merits, by an Ombudsman, whether or not received from the same complainant or along with one or more complainants, or one or more of the parties concerned; and
 - ❖ pending before any Court, Tribunal or Arbitrator or any other Forum or Authority; or, settled or dealt with on merits, by any Court, Tribunal or Arbitrator or any other Forum or Authority, whether or not received from the same complainant or along with one or more of the complainants/parties concerned.
- The complaint is abusive or frivolous or vexatious in nature;
- The complaint to the Company was made after the expiry of the period of limitation prescribed under the Limitation Act, 1963, for such claims;
- The complainant does not provide complete information as specified in clause 11 of the Scheme;
- The complaint is not lodged by the complainant personally or through an authorised representative other than an advocate (unless the advocate is the aggrieved person).

III. Procedure for filing complaint

A Customer can file a complaint with Ombudsman at the end of one month if reply is not received from the Company; OR, the customer remains dissatisfied with the reply of the Company. The customer who has a grievance against the company on any one or more of the grounds mentioned in the clause "Grounds of Complaint", himself or through his authorised representative (other than an Advocate), make a complaint to the Ombudsman within whose jurisdiction the Branch/Registered Office of the company is located.

- A. The complaint, when in writing, shall be duly signed by the complainant or his authorized representative and shall be, as far as possible, in the form specified in 'Annex' or as near as thereto as circumstances admit, stating clearly:
 - i) the name and address of the complainant,
 - ii) the name and address of the branch or registered office of the company
 - iii) the facts giving rise to the complaint,
 - iv) the nature and extent of the loss caused to the complainant, and
 - v) the relief sought for.
- B. A complaint made through electronic means shall also be accepted by the Ombudsman and a print out of such complaint shall be taken on the record of the Ombudsman.
- C. The Ombudsman shall also entertain complaints covered by this Scheme received by the Central Government or Reserve Bank or other financial regulators and forwarded to him for

disposal.”

If customer is not satisfied with the decision of Ombudsman, he may prefer an appeal with the Appellate Authority namely Deputy Governor, RBI.

Note: This is an Alternate Dispute Resolution Mechanism and the customer is at liberty to approach any other court / forum / authority for the redressal at any stage.

Refer to www.rbi.org.in for further details of the Scheme

Name and address of the NBFC Ombudsman:

Sl. No	Centre	Address of the Office of NBFC Ombudsman	Area of Operation
1.	Chennai	C/o Reserve Bank of India Fort Glacis, Chennai 600 001 STD Code: 044 Tel No. 25395964 Fax No. 25395488	Tamil Nadu, Andaman and Nicobar Islands, Karnataka, Andhra Pradesh, Telangana, Kerala, Union Territory of Lakshadweep and Union Territory of Puducherry
2.	Mumbai	C/o Reserve Bank of India, RBI Byculla Office Building, Opp. Mumbai Central Railway Station, Byculla, Mumbai-400 008	Maharashtra, Goa, Gujarat, Madhya Pradesh, Chhattisgarh, Union Territories of Dadra and Nagar Haveli, Daman and Diu
3.	New Delhi	C/o Reserve Bank of India Sansad Marg, New Delhi -110001 STD Code: 011 Tel. No. 23724856 Fax No. 23725218-19	Delhi, Uttar Pradesh, Uttarakhand, Haryana, Punjab, Union Territory of Chandigarh Himachal Pradesh, and Rajasthan and State of Jammu and Kashmir
4.	Kolkata	C/o Reserve Bank of India 15, Netaji Subhash Road, Kolkata-700 001 STD Code: 033 Tel. No. 22304982 Fax No. 22305899	West Bengal, Sikkim, Odisha, Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Bihar and Jharkhand

Name and Contact details of the Principal Nodal Officer of the Company:

Mr. Surendra Kumar Agarwal
Srei Equipment Finance Ltd.
Y 10, Block EP, Sector V, Salt Lake,
Kolkata 700091
Phone: 033-66394700 Extn: 2634
E-mail: nodal.office@srei.com

The policy will be put up in the website of the company for information of various stakeholders in English and the vernacular language as understood by the customer.

Annexure

FORM OF COMPLAINT (TO BE LODGED) WITH THE OMBUDSMAN
[Clause 11(2) of the Scheme]
(TO BE FILLED UP BY THE COMPLAINANT)
All the fields are mandatory except wherever indicated otherwise

To

The Ombudsman Madam/Sir,

Sub: Complaint against (Place of Regulated Entity's branch or office) of..... (name of the Regulated Entity)

Details of the complaint:

1. Name of the complainant

2. Age (years).....

3. Gender.....

4. Full address of the complainant

.....

..... Pin Code

Phone No. (if available)..... Mobile Number.....

E-mail (if available)

5. Complaint against (Name and full address of the branch or office of the Regulated Entity)

.....

..... Pin Code

6. Nature of relationship/account number (if any) with the Regulated Entity

.....

7. Transaction date and details, if available

.....

(a) Date of complaint already made by the complainant to the Regulated Entity (*Please enclose a copy of the complaint*)

.....

(b) Whether any reminder was sent by the complainant? Yes/No (*Please enclose a copy of the reminder*)

.....

8. Please tick the relevant box (Yes/No)

Whether your complaint:

(i)	is sub-judice/under arbitration ¹ ?	Yes	No
(ii)	is made through an advocate, except when the advocate is the aggrieved party?	Yes	No
(iii)	has already been dealt with or is under process on the same ground with the Ombudsman?	Yes	No
(iv)	is in the nature of general complaint/s against Management or Executives of a Regulated Entity?	Yes	No
(v)	is on account of a dispute between Regulated Entities?	Yes	No
(vi)	involves employer-employee relationship?	Yes	No



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9. Subject matter of the complaint

.....

10. Details of the complaint:

(If space is not sufficient, please enclose a separate sheet)

.....

.....

.....

.....

.....

¹ Complaint is sub-judice/under arbitration if the complaint in respect of the same cause of action is already pending/dealt with on merits by any Court, Tribunal or Arbitrator or any other Authority, whether individually or jointly.

11. Whether any reply has been received from the Regulated Entity within a period of 30 days of receipt of the complaint by it? Yes/No

(if yes, please enclose a copy of the reply)

12. Relief sought from the Ombudsman

.....

..... (Please enclose a copy of documentary proof, if any, in support of your claim)

13. Nature and extent of monetary loss, if any, claimed by the complainant by way of compensation (please refer to clauses 15 (4) & 15 (5) of the Scheme)

Rs.....

.....

14. List of documents enclosed:

Declaration

(i) I/We, the complainant/s herein declare that:

a) the information furnished above is true and correct; and

b) I/We have not concealed or misrepresented any fact stated above, and in the documents submitted herewith.

(ii) The complaint is filed before the expiry of a period of one year reckoned in accordance with the provisions of clause 10 (2) of the Scheme.

Yours faithfully

(Signature of the Complainant/Authorised Representative)

AUTHORISATION



If the complainant wants to authorise a representative to appear and make submission on her/his behalf before the Ombudsman, the following declaration should be submitted:

I/We hereby nominate Shri/Smtas
my/our authorised representative whose contact details are as below:
Full Address
.....
..... Pin Code
Phone No:..... Mobile Number. E-mail

(Signature of the Complainant)