



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 to its customers. This Fair Practice Code has been revised taking into account the new guidelines on “Fair Practice Code for NBFCs” issued by RBI on 26th March’2012 and its subsequent updates.

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 of 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.

Definitions

- a) “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.
- b) “Customer” includes borrower, lessee and hirer.

SEFPL Fair Practices Code

1. Applications for facilities and their processing:

- a) Customers who have evinced interest in availing the facilities from Company should fill up the facilities application form, complete in all aspects and should submit the same to the Company’s nearest office;
- b) The application so received will be acknowledged by the Company immediately on submission and will be processed for sanction of the facility. The Company will consider all the documents submitted and the information provided, verify the credit worthiness of the customer and evaluate the



proposal at its sole discretion and will grant facility by issuing a sanction letter within 21 days from the date of receipt of the facility application and if no communication is received by the customer, the facility application is deemed to have been rejected and the Company will not send any communication for rejected cases;

- c) Offer/sanction letter in the vernacular language or a language as understood by the customer to be issued to all the customers whose facility have been sanctioned after due-diligence.

2. Facilities Appraisal and Terms and Conditions:

- a) The Company shall convey in writing to the customer by means of offer/sanction letter in vernacular language or a language as understood by him the following:

- i. Amount financed;
- ii. Documents to be submitted for disbursement of the facility;
- iii. Rate of interest;
- iv. Details of security to be offered;
- v. Repayment schedule;
- vi. Penal interest or delayed payment charges;
- vii. Documents to be executed by the guarantor and co-applicant for disbursement.
- viii. Others terms as may be required

- b) Copy of the offer/sanction letter will have to be accepted. The customer will have to return to the Company a copy of the offer/sanction letter duly acknowledged by him as a token of acceptance.

- c) In case the agreement/other document is written in a language other than vernacular language, the customer before signing such agreement/document will be explained the terms and condition of the agreement in vernacular language or a language as understood by him by a translator. The translator will also sign that he has explained all the terms and conditions of the



agreement to the customer.

- d) The Company should mention the penal interest charged for late repayment in bold in the facilities agreement.
- e) The Company should furnish a copy of the facility agreement along with a copy each of all enclosures quoted in the facility agreement to the customers after disbursement.
- f) The company shall not charge any foreclosure charges/prepayment penalties on floating rate term loans sanctioned to the individual borrower.

3. Disbursement of Facilities and changes in Terms and Conditions:

- a) Any change in terms and condition like change in interest rate, tenure, all charges/ fees would be communicated to the customer in writing in vernacular language or a language as understood by the customer;
- b) Decision to recall / accelerate payment or performance under the agreement shall be in consonance with the facilities agreement.
- c) 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

4. 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, 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 law.

- c) In the matter of recovery of dues, consistent with its policy over the years, the company shall not resort to undue harassment to the customer. The Company's staff are adequately trained (including not to behave rudely with the customers) to deal with the customers in a professional manner. Any agency to whom such activities are outsourced/ entrusted will have to be shortlisted and empanelled as per the Company policies issued from time to time.
- d) The contract / facilities agreement with the customer shall contain the repossession clauses in line with RBI Circular No.RBI/2008-09/454 DNBS (PD) CC. No.139/03.10.001/2008-09 dated 24th April 2009.

5. 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) A toll free number (1800-266-7734) for recording grievances of the customer has been initiated and the same has been intimated to the customers;
- b) A separate email (sefpl@srei.com) has been created wherein customer can send their grievances via email;
- c) Online submission of queries/request [/Complaints/Grievances] can be done at our website www.srei.com;
- d) Customer walk-in at Branches/ Regional Office/ Head Office;
- e) These complaints will be received by our Customer Service Department at Head Office in Kolkata through a complaint tracking module. These complaints would be then referred to respective location and functions for resolution.
- f) 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 1[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 Grievance Redressal Cell, Srei Equipment Finance Ltd, Y 10, Block EP, Sector V, Salt Lake, Kolkata 700091

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

Mr. Rajesh Agarwal
Srei Equipment Finance Ltd,
Y 10, Block EP, Sector V,
Salt Lake, Kolkata 700091
Phone: 033-66394700 Extn: 2622
E-mail: rajesh.agarwal@srei.com

The compliance of the Fair Practices Code as well as functioning of the customer grievance redressal cell / Nodal Officer shall be reviewed by the Credit Committee from time to time.

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 2231 2121, Fax: +91 33 2230 9589.

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

- a) The company has laid down criterion for determination of interest rate based on the following parameters:
- i. Weighted Average Cost of Borrowing
 - ii. Administrative and Establishment Cost
 - iii. Cost of Risk
 - iv. Cost of Capital
 - v. Profit Margin



- b) The decision to give a facility and the interest rate applicable to each facility account is assessed on a case to case basis, based on multiple parameters such as the type of the asset being financed, customer profile and repayment capacity, customer's other financial commitments, past repayment track record (if any), the security for the facility as represented by the underlying assets, loan to value ratio, mode of payment, tenure of the facility, geography (location) of the customer, end use of the asset etc. Such information is collated based on customer inputs and field inspection by the Company officials. The rates of interest are subject to changes as the situation warrants and are subject to the discretion of the Management on a case-to case basis.
- c) Internal Credit Rating Model has been adopted for gradation of risks which is considered to determine the rate of interest. All floating interest rates are linked to Srei Benchmark Rate, which are published in the website and is updated whenever there is a change in the rate of interest.
- d) The rate of interest to be charged to the account will also be mentioned in annualized form.

The fair practice code will be put up in the website of the company for information of various stakeholders.

The Board of Directors of the Company shall review the Code and its implementation from time to time.

Place: Kolkata

Date:

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- ✓ Approved and adopted by the Board of Directors on 14th May, 2008
 - ✓ Modified, approved and adopted by the Board of Directors on 11th May, 2012
 - ✓ Reviewed, approved and adopted by the Board of Directors on 7th Nov, 2012
 - ✓ Reviewed, approved and adopted by the Board of Directors on 22nd July, 2015
 - ✓ Reviewed, approved and adopted by the Board of Directors on 3rd September, 2018