

# **FAIR PRACTICES CODE POLICY**

## **BEST CAPITAL SERVICES LIMITED**

### **Registered Office:**

**701, 7<sup>TH</sup> Floor, Luhadia Tower,  
Ashok Marg,  
C-Scheme, Jaipur 302001.INDIA  
CIN NO: U67120RJ1995PLC009942.**

The Reserve Bank of India vide its circular, no. **RBI/2015-16/16 DNBR (PD) CC.No. 054/03 .10. 119/2015-16** dated July 1, 2015, issued (consolidated) guidelines on Fair Practices Code (FPC) for all NBFCs to be adopted by them while doing lending business. The guidelines inter alia, covered general principles on adequate disclosures on the terms and conditions of a loan and also adopting a non-coercive recovery method.

**Following are the fair practice code adopted by the company M/S Best Capital Services Ltd. :**

**A. (i) Applications for loans and their processing**

- (a) All communications to the borrower are in the vernacular language or a language as understood by the borrower.
- (b) Loan application forms 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. The loan application form is to indicate the documents required to be submitted with the application form.
- (c) The Company have devised a system of giving acknowledgement for receipt of all loan applications. Preferably, the time frame within which loan applications is to be disposed of also indicated in the acknowledgement.

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

The Company conveys in writing to the borrower in the vernacular 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 keeps the acceptance of these terms and conditions by the borrower on its record. The Company communicates about the Penal interest on delayed payments from its borrowers by way of bold letters in the loan agreement.

The Company furnishes a copy of the loan agreement preferably in the vernacular language as understood by the borrower along with a copy each of all enclosures quoted in the loan agreement to all the borrowers and guarantors at the time of sanction / disbursement of loans.

**(iii) Disbursement of loans including changes in terms and conditions**

- (a) The Company gives 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. The Company also ensures that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard is incorporated in the loan agreement.
- (b) Decision to recall / accelerate payment or performance under the agreement should be in consonance with the loan agreement.

(c) In Case the Company accepts any security against the loans made, the same is released 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 the Company may have against borrower. If such right of set off is exercised, the borrower is given notice about the same with full particulars about the remaining claims and the conditions underwhich the Company is entitled to retain the securities till the relevant claim is settled/ paid.

#### **(iv)General**

(a) The Company refrains from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless information, not earlier disclosed by the borrower, comes to our notice).

(b) In case of receipt of request from the borrower for transfer of borrower's account, the consent or otherwise i.e. objection of the Company, if any, is conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.

(c) In the matter of recovery of loans, the Company will not resort to undue harassment viz; persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc. The Company ensures that the staff are adequately trained to deal with the customers in an appropriate manner.

As a measure of customer protection and also in order to bring in uniformity with regard to prepayment of various loans by borrowers of NBFC, the NBFC do not charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to individual borrowers, with immediate effect.

#### **(v) Responsibility of Board of Directors**

The Board of Directors of the Company have already laid down the appropriate grievance redressal mechanism within the organization. Such a mechanism ensure that all disputes arising out of the decisions of lending institutions' functionaries are heard and disposed of at least at the next higher level. The Board of Directors also provide for periodical review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such reviews are submitted to the Board at regular intervals, as prescribed by it.

**(vi)** This updated Fair Practice Code has been approved in the meeting of the board of directors. The same put on company's website for the information of various stakeholders.

### **(vii) Grievance Redressal Officer**

At the operational level, The Company have displayed the information prominently, for the benefit of their customers, at their branches / places where business is transacted:

- (a) The name and contact details (Telephone / Mobile nos. as also email address) of the Grievance Redressal Officer who can be approached by the public for resolution of complaints against the Company.
- (b) If the complaint / dispute is not redressed within a period of 15 days, the customer may appeal to the Officer-in-Charge of the Regional Office of DNBS of RBI (complete contact details), under whose jurisdiction the registered office of the NBFC falls.

In short, the public notice should serve the purpose of highlighting to the customers, the grievance redressal mechanism followed by the company, together with details of the grievance redressal officer and of the Regional Office of the RBI.

### **(viii) Language and mode of communicating Fair Practice Code**

Fair Practices Code (which is in the vernacular language or a language as understood by the borrower) based on the guidelines outlined hereinabove be put in place by the Company with the approval of their Boards within one month from the date of issue of this circular. NBFCs will have the freedom of drafting the Fair Practices Code, enhancing the scope of the guidelines but in no way sacrificing the spirit underlying the above guidelines. The same is put up on the web-site, if any, for the information of various stakeholders.

### **(ix) Regulation of excessive interest charged by NBFCs (Notification No. DNBS.204/CGM (ASR)-2009 dated January 2, 2009)**

- (a) The Board of the Company adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans 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 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 also made available on the web-site of the company and / or published in the relevant newspapers. The information published in the website or otherwise published updated whenever there is a change in the rates of interest.
- (c) The rate of interest be annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

**(x) Complaints about excessive interest charged by NBFCs (issued vide CC No. 95 dated May24, 2007)**

The Company do not charge excessive rates and the rates charged from its borrowers are as per prevailing market conditions, cost of fund, operating costs and subject to regulations and conditions from the regulator.

**(xi) Clarification regarding repossession of vehicles financed by NBFCs (issued vide CC No. 139, dated April24, 2009)**

The Company have a built in re-possession clause in the contract/loan agreement with the borrower which is legally enforceable. To ensure transparency, the terms and conditions of the contract/loan agreement 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 made available to the borrower in terms of circular wherein it was stated that NBFCs 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 form a key component of such contracts/loan agreements.

**B. The Company is not engaged in the business of micro finance activities. The other fair practices as applicable to NBFC-MFIs are not applicable:**

The Company Presently not into micro finance activities.

**C. Lending against collateral of gold jewellery**

**The company is presently not financing against gold jewellery.**

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