

BEST CAPITAL SERVICES LIMITED

FAIR PRACTICE CODE

The Reserve Bank of India (RBI) has issued guidelines on Fair Practices Code for Non-Banking Financial Companies (NBFCs) vide Reserve Bank of India (“RBI”) Circular no. DNBR (PD) CC.No.054/03.10.119/2015-16 dated July 01, 2015, thereby setting standards for fair business and corporate practices while dealing with their customers. 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.

BEST CAPITAL SERVICES LIMITED. (“the Company”) hereby furnishes the Fair Practices Code (“the FPC”) based on the guidelines issued by RBI. The Company shall also make appropriate modifications in the FPC from time to time to confirm the standards that may be prescribed by RBI. The Fair Practices Code, as adopted herein below, is in conformity with the Guidelines on Fair Practices Code for NBFCs as contained in the aforesaid RBI Circulars.

The Company's business will be conducted in accordance with prevailing statutory and regulatory requirements, with due focus on efficiency, customer-orientation and corporate governance principles. In addition, the Company will adhere to the Fair Practices Code in its functioning, the key elements of which are as follows:

Following are the fair practice code adopted by the company:

(i) 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) Loan application forms would 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 may indicate the documents required to be submitted with the application form.

(c) The Company will devise a system of giving acknowledgement for receipt of all loan applications. Preferably, the time frame within which loan applications will be disposed of will be indicated in the acknowledgement.

(ii) Loan appraisal and terms/conditions

The Company would 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 annualised rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record. The Company will mention the penal interest charged for late repayment in bold in the loan agreement.

Company should provide 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 at the time of sanction / disbursement of loans.

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

(a) The Company would give notice to the borrower in the vernacular language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. Company would also ensure that changes in interest rates and charges are effected only Prospectively. A suitable condition in this regard would be incorporated in the loan agreement.

(b) Decision to recall / accelerate payment or performance under the agreement would be in consonance with the loan agreement.

(c) Company would 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 Company 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 Company are entitled to retain the securities till the relevant claim is settled/paid.

(iv) General

(a) Company would 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 lender).

(b) In case of receipt of request from the borrower for transfer of borrower account, the consent or otherwise i.e. objection of the Company, if any, would 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, the Company would not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc. As complaints from customers also include rude behavior from the staff of the companies. Company will ensure that the staff is adequately trained to deal with the customers in an appropriate manner.

d).As a measure of customer protection and also in order to bring in uniformity with regard to prepayment of various loans by borrowers of banks and NBFCs, it is advised that NBFCs shall 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 Company would also lay down the appropriate grievance redressal mechanism within the organization to resolve disputes arising in this regard. Such a mechanism would 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 would 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 may be submitted to the Board at regular intervals, as may be prescribed by it.

(vi) Grievance Redressal Officer

At the operational level, all NBFCs have to display the following 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.

Mr. Ashok Kurup

Grievance Redressal Officer

Best Capital Services Limited,

701,7th Floor Luhadia Tower,

Ashok Marg, C-scheme Jaipur 302001,

Phone +91-141-2378891,92

Email- grievance@bestcapital.in

(b) If the complaint / dispute is not redressed within a period of one month, 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.

Officer in Charge DNBS

Reserve Bank of India,

Rambagh Circle, Tonk Road,

P.B. No.12, Jaipur-302 004.

Phone+91-141-2560662

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.

(vii) Language and mode of communicating Fair Practice Code.

Fair Practices Code (which should preferably in the vernacular language or a language as understood by the borrower) based on the guidelines outlined hereinabove should be put in place by all NBFCs 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 should be put up on their web-site, if any, for the information of various stakeholders.

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

(a) The Board of Company would adopt an interest rate model taking into account relevant factors such as, cost of funds, margin and risk premium, etc 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 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 web-site of the companies or published in the relevant newspapers. The information published in the website or otherwise published would be updated whenever there is a change in the rates of interest.

(c) The rate of interest would be annualized rates so that the borrower is aware of the exact rates that would be charged to the account.

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

Board of Company would lay out 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 to be kept in view.

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

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 must be 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 may form a key component of such contracts/loan agreements.

B. The Company is engaged in the business of micro finance activities. The other fair practices as applicable to NBFC-MFIs are as under:

The Company Presently not into micro finance activities.

This updated Fair Practice Code has been approved in the meeting of the board of directors held on July, 2015 and same should be reviewed on annual basis before July. The same will be put on company's website for the information of various stakeholders.