

FAIR PRACTICE CODE

B.B.BANTHIA FINANCE PRIVATE LIMITED

Company has adopted following practice to comply with THE RBI CIRCULAR DNBS.CC.PD.No. 320/03.10.01/2012-13 dated February 18, 2013. Aim of adopting these practices is to have a transparent trade with customers and company with strong customer grievance redressal mechanism to be placed and also to comply the regulatory guidelines

Applications for loans and their processing

All communications to the borrower shall be in the vernacular language or a language as understood by the borrower.

Loan application forms should include necessary information which affects the interest of the borrower to bring transparency and fair practice. The loan application form shall contain the checklist containing list of the documents required to be submitted along with the application form.

After receipt of application form from borrower, acknowledgement receipt clearly mentioning the time frame within which loan applications will be disposed of, shall be handed over to the borrower.

Loan appraisal and terms and conditions

The amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof, shall be conveyed in writing to the borrower in the vernacular language or a language as understood by the borrower by means of sanction letter or otherwise, and accepted copy these terms and conditions by the borrower shall be kept on record. Penal interest charged for late repayment in bold in the loan agreement.

Copy of the loan agreement, preferably in the vernacular language or a language as understood by the borrower, along with a copy each of all enclosures quoted in the loan agreement shall be furnished to all the borrowers at the time of sanction / disbursement of loans.

Disbursement of loans and changes in terms and conditions

Notice to the borrower shall be given 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. and it shall be also ensured that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard shall be incorporated in the loan agreement.



Post-disbursement supervision of all loans shall be in accordance with normal business practice, the terms of sanction and the guidelines issued by the Reserve Bank of India from time to time.

Decision to recall / accelerate payment or performance under the agreement shall be carried only in consonance with the loan agreement.

All securities on repayment of all dues or on realisation of the outstanding amount of loan subject to any legitimate right or lien for any other claim which the company may have against borrower shall be released. 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 NBFCs are entitled to retain the securities till the relevant claim is settled / paid.

General

There shall be no 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 company.

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, shall be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.

In the matter of recovery of loans, undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc is strictly restricted and is against the company's code of conduct. Regular training to all staff who interact with customers, is organized for appropriate behavior with customer. Foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to individual borrowers shall not be charged.

Responsibility of Board of Directors

The Board of Directors has designed appropriate grievance redressal mechanism within the organization to ensure that all disputes arising out of the decisions of company's functionaries are heard and disposed of at least at the next higher level. The Board of Directors shall periodically review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism. A consolidated report of such reviews may be submitted to the Board at regular intervals, as may be prescribed by it.



Language and mode of communicating Fair Practice Code

Fair Practices Code based on the guidelines outlined hereinabove are put in place with the approval of the Boards within one month from the date of issue of this circular.

Interest Rates and Gradation of Risk

Company has adopted following practice to comply with THE RBI CIRCULAR DNBS. 204 / CGM (ASR)-2009 dated January 2, 2009 and vide its Guidelines on FPC for NBFCs NBS.CC.PD.No.266/03.10.01/2011-12 dated March 26, 2012 and subsequently DNBS (PD) CC No.388/03.10.042/2014-15 dated July 01, 2014. Aim of adopting these practices is to communicate the annualized rate of interest to the borrower along with the approach for gradation of risk and rationale for charging different rates of interest to different categories of borrowers to have a transparent trade with customers and also to comply with the regulatory guidelines.

Interest Rate

Appropriate internal principles and procedures in determining interest rates and processing and other charges shall be followed in line with the approved company policies from time to time.

The rate of interest arrived shall be based on the weighted average cost of funds, administrative costs, risk premium and profit margin.

Gradation of Risk

The decision to give a loan and the interest rate applicable to each loan account shall be assessed on a case to case basis, based on multiple parameters such as the type of asset being financed, borrower profile and repayment capacity, borrower's other financial commitments, past repayment track record if any, the security for the loan as represented by the underlying assets, loan to value ratio, mode of payment, tenure of the loan, geography (location) of the borrower, end use of the asset etc.

The rates of interest are subject to change as the situation warrants and are subject to the discretion of the management on a case to case basis.

The rate of interest informed are annualized rates so that the borrower is aware of the exact rates that would be charged to the account.


(Rajesh Birdichand Banthia)


Director

DIN No. 06814787


(Suyog Rajesh Banthia)

Director

DIN No. 06814791


(Gaurav Shailesh Banthia)

Director

DIN No: 06814782