

INDO CREDIT CAPITAL LIMITED

FAIR PRACTICES CODE

1. PREAMBLE

INDO CREDIT CAPITAL LIMITED ('ICCL') is a Non-Banking Financial Company ('NBFC') operating under Reserve Bank of India ('RBI') regulations/directions and its activities are governed by the various Indian laws and RBI regulations/directions. Over the years, ICCL has created a nicheplace for itself in the Indian financial services market.

ICCL is committed to and conducts its business activities lawfully and in a manner that is consistent with its compliance obligations and meets the highest ethical standards. This Fair Practice Code has been taken on record and approved by the Board of Directors at their meeting held on 06th February, 2023.

The Fair Practices Code ('FPC') has been devised by ICCL with an endeavor to achieve synchronization of high ethical standards in its dealings with all its stakeholders such as shareholders, customers, employees, vendors, the community in which it operates etc.

ICCL would strive to provide valuable inputs to the stakeholders and facilitate effective interaction with ICCL and ensure utmost transparency.

This Code shall apply across all aspects of ICCL's operations including marketing, loan origination, processing, servicing, collection and other activities.

ICCL's Board of Directors and the management are responsible for establishing practices designed to ensure that its operations reflect a strong commitment to fair lending and that all employees are aware of that commitment.

Activities of ICCL are conducted in line with RBI / Company Law and prevailing local regulations/rules/laws/Acts. In the event this Policy is at variance with regulations/rules/laws/Acts at any stage due to omissions or changes in regulations/rules /laws/Acts, the regulations/rules/laws/Acts would prevail. If any clarifications are needed on these regulations/rules /laws/Acts, the same must be referred to Compliance Officer for its final opinion on the issue.

This FPC applies to all categories of products and services offered/to be offered by ICCL. ICCL mainly provides financing to Corporates and Individuals. Currently, ICCL does not deal in retail / vehicle finance / Gold loans. Accordingly, this Policy document is currently light on provisions related to retail lending and the document would be augmented as and when the same is taken up by ICCL.

Key Aspects:

The essence of the FPC lies in the following aspects that ICCL shall strive to follow in spirit and in letter:

- To provide professional, efficient, courteous, diligent and speedy services
- Not to discriminate on the basis of religion, caste, gender, descent in any manner
- To be fair and honest in any advertisement and marketing of loan products

- To provide customers with accurate and timely disclosure of terms, costs, rights and liabilities as regards loan transaction
- To attempt in good faith to resolve any disputes or differences with customers by setting up Grievance Redressal Mechanism within the organization
- To comply with all the regulatory requirements in good faith
- Seek to use governance structures that provide appropriate levels of oversight in the areas of potential conflicts of interest
- To implement compensation and other policies that align the interests of shareholders, management and employees
- Remain committed to compliance with applicable National, State, and local labour laws; support the payment of competitive wages and benefits to employees; provide a safe and healthy workplace in conformance with National and local law; and, consistent with applicable law, respect the rights of employees to decide whether or not to join a union and engage in collective bargaining
- Ensure compliances relating to FPC as prescribed under Indian Laws.

2. GUIDELINES ON FAIR PRACTICES CODE

a) Loan proposals and their processing

- (i) Given that ICCL mainly deals with Corporate Customers who are familiar with the English Language, the communication with the customers would be in English unless the customer is not comfortable with English communication in which case, vernacular language communications would be done with the customer to ensure that the customer understands the same.
- (ii) In the event of loan applications being received from potential customers, the same would be duly acknowledged and an indicative time given to the customer for processing of the loan request subject to timely availability of information.
- (iii) The customer shall be given all the necessary information adequately explaining the range of loan products available with ICCL to suit his needs.
- (iv) As part of the loan process, to *inter-alia* ensure utmost transparency, ICCL shall provide all necessary information to the customer along-with the term sheet/application/proposal as the case may be including but not restricted to fees/charges (if any) payable for processing, the non-refundable nature of fees in the case of non-acceptance of loan proposal, interest rates, repayment schedule, pre-payment options, foreclosure charges, etc.
- (v) ICCL shall provide information to the customers for papers / documents / inputs required for considering loan application.

(vi) Copies of executed documents would be provided to customers for their reference and records.

b) Loan appraisal terms and conditions

ICCL shall scrutinize the information submitted by the customer and additional data, if any, required shall be called promptly to facilitate expeditious consideration of the loan request. ICCL reserves the right to reject the loan request in the event of the applicant's participation into / adoption of activities which are harmful to the environment, public health, safety, non-committed to compliance with applicable National, State, and local labour laws; non supportive to the payment of competitive wages and benefits to employees and not providing a safe and healthy workplace in conformance with National and local laws; use of child or forced labour, etc.

Once the loan application is approved, ICCL shall convey in writing to the customer by means of sanction letter or term sheet or any other form of written communication key terms and conditions of the proposed exposure including:

- (i) The amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the customer on its record.
- (ii) Details of the default interest / penal interest rates (expressed in percentage per month / annum as the case may be) and the charges payable by the customers in relation to their loan account and method of application thereof (penal interest charged for late repayment of loan would be mentioned in bold in the loan agreement).
- (iii) Terms and conditions and other caveats governing the credit given by ICCL arrived at after negotiation.
- (iv) All other information which is relevant from the point of view of the transaction and all the parties involved.
- (v) A copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement would be furnished to the customer.
- (vi) Ensure disbursement of the loan sanctioned is in line with the agreed terms.
- (vii) Wherever possible, reasons for rejection of loan would be conveyed to the customers.

c) Types of fees/charges

- (i) All the fees / charges / interest would be payable as per mutual agreement.
- (ii) Syndication fees for cases where ICCL acts as arranger for loan shall be set out in the individual engagement letters.

d) Disbursement of loans including changes in terms and conditions

- (i) ICCL shall intimate the customer of any change/s proposed in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc.
- (ii) Changes in the interest rates, other than pre-agreed changes with the customers, would be made effective prospectively. A suitable condition in this regard shall be incorporated in the loan agreement, as applicable.
- (iii) All communication like acceptances (including for amendments or addendum) with the customer in relation to the sanction / facilities / loan / mandate / proposals shall be in writing.

e) Post disbursement supervision

- (i) Undue intervention into the customer's business affairs, not in accordance with the agreed terms and conditions shall be avoided unless new information comes to ICCL's knowledge.
- (ii) Decision to recall / accelerate payment or performance under the agreement shall be in consonance with the loan agreement.
- (iii) Before taking a decision to recall / accelerate payment or performance under the agreement or seeking additional securities, ICCL shall give notice to customers in consonance with the loan agreement.
- (iv) ICCL shall release all securities provided by the customer on repayment of all dues or on realization of all dues subject to any legitimate right or lien for any other claim ICCL may have against 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 ICCL is entitled to retain the securities till the relevant claim is settled /paid.

f) Collection of dues

If the customer does not adhere to repayment schedule, a defined process in accordance with the laws of the land will be followed for recovery of dues. The process will involve reminding the customer by sending the notice or by making personal visits. In case of default / anticipated default, while ICCL reserves the right to take recourse to all available legal and contractual remedies, it may also use the services of specialized recovery agencies / legal advisors.

In the event ICCL uses the recovery agencies or any other 3rd party, it would ensure that they operate within the FPC of the organization.

All the members of the staff or any person authorized to represent ICCL in collection or/and security repossession is expected to follow the guidelines set out below:

- (i) Customer would be contacted ordinarily at the place of business/occupation and if unavailable, at the place of residence or in the absence of any specified place, at the place of authorized representative's choice.
- (ii) Identity and authority to represent would be made known at the first instance.
- (iii) Customer privacy and dignity would be respected.
- (iv) Interactions would be in a civil manner and customers would not be harassed.
- (v) Normally customers will be contact between 0700 hrs and 1900 hrs (Indian Standard Time), unless the special circumstances of customer's business or occupation require otherwise.
- (vi) Customer's requests to avoid calls at a particular time or at a particular place would considered if reasonable.
- (vii) Endeavour shall be made to resolve disputes or differences in a mutually acceptable and in an orderly manner.

g) Prepayment options for the customer

For the fixed rate loans, pre-payment options available to the customer and the additional interest payable shall be mutually agreed on a case-to-case basis. Foreclosure charges, for individual customers would be considered in line with the then prevailing regulations.

h) Information secrecy

- (i) All personal information of the customer would be treated confidential and would not be disclosed to any third party unless required under prevailing regulations or unless agreed to by the customer in writing. The term 'Third party' excludes all Law enforcement agencies, Credit Information Bureau, RBI, other banks and financial institutions and any other State, Central or other regulatory body.
- (ii) Customer information would be revealed only under the following circumstances, namely;
 - If ICCL is compelled by law
 - If it is in the public interest to reveal the information
 - If It is in the interest of ICCL to require disclosure

i) General

- (i) In case of receipt of request for transfer of loan from the customer to another lender, the consent or otherwise i.e. objection of the ICCL, 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.
- (ii) If ICCL avails of the services of third parties for providing support services, ICCL will require that such third parties handle customer's personal and business information (if any available to such third parties) with the same degree of confidentiality and security as it would on its own.

- (iii) ICCL may, from time to time, communicate to customer's new features of products made available to them. Information about other products or promotional offers in respect of ICCL products/services, shall be conveyed only if the customer has given consent to receive such information/ service.
- (iv) ICCL does not envisage engaging any Direct Selling Agencies (DSAs) to market its products/ services.
- (v) In the event of receipt of any complaint from the customer that ICCL representative has engaged in any improper conduct or acted in violation of this FPC, ICCL shall take appropriate steps to investigate and take appropriate action in a time bound manner.

j) Grievance Redressal Mechanism (GRM)

In the event of any grievances / complaints by any customers, the same would be reviewed by the Grievance Redressal Officer who would address the same within 30 days of the receipt of the grievances/complaints. In the event, the customer is not satisfied with the response, the customer would have the option of raising the issue with the Senior Management and / or with the Officer in Charge of the Regional Office of DNBS of RBI. If the matter is not resolved within a period of 30 days or is not capable of being resolved then the customer shall be informed appropriately at the earliest opportunity. All communication in relation to the GRM shall be in writing.

In this regard, ICCL has also set up a dedicated e-mail address (compliance.cs2018@l@gmail.com) where customers and other stakeholders including vendors can submit their grievances, complaints and suggestions. All complaints received by ICCL shall be tabled at the meeting of the Board of Directors every quarter.

In line with prevailing regulations, ICCL will display the following information at places where its business is transacted:

- 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 ICCL.
- 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 (along with complete contact details of the Officer-in-Charge), under whose jurisdiction the registered office of the ICCL falls.

The Board of Directors shall annually review the compliance of the FPC and the functioning of the GRM. A consolidated report of compliance shall be submitted to the Board every year.

This FPC shall to be put up on ICCL web-site for the information of various stakeholders.