

DVARA KSHETRIYA GRAMIN FINANCIAL SERVICES PRIVATE LIMITED

Regd. Off.: 10th Floor, Phase -1, A1, IITM-Research Park,
Kanagam Village, Taramani, Chennai – 600 113

DVARA KSHETRIYA GRAMIN FINANCIAL SERVICES PRIVATE LIMITED	
POLICY	FAIR PRACTICE CODE
VERSION	4.0
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PROCESS OWNER	COMPLIANCE OFFICER

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VERSION

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FAIR PRACTICE CODE

The Reserve Bank of India vide its circular no : RBI / 2006-07 /138 DNBS (PD) CC No. 80 / 03.10.042 / 2005-06 issued on September 28, 2006 and as amended thereto, outlined all NBFC's to adopt the Fair Practices Code based on guidelines given therein. Reserve Bank of India vide it's a Master Direction No. RBI/DNBR/2016-17/45 DNBR (PD). 008/03.10.119/2016-17 dated September 01, 2016 on Fair Practices Code to be implemented by all Non - Banking Financial Companies (NBFCs). This Master circular consolidates all the FPC compliance requirements issued by RBI from time to time.

RBI directed the Board of NBFCs to implement a Fair Practice Code based on these revised Guidelines. The Guidelines provide a broad framework for Fair Practice standards for the Company to follow when dealing with its customers. Since RBI would issue circular instructions on an on-going basis, any subsequent amendment would be updated accordingly.

I. Objective of the Code

The Code has the following objectives:

1. Promote fair practices by setting minimum standards in dealing with customers
2. Increase transparency thereby customers can have a better understanding of what types of services level can be expected from the Company
3. Foster customer confidence in the Company

II. Application of the Code

The Code applies to all products offered by the Company.

The Company will continue to evaluate multiple products to meet the financing requirements of its customers. The Code will continue to apply to any product that is developed and provided by the Company to its customers.

III. Applications for loans

1. The Loan Application form shall provide comprehensive information including information about fees and charges (if any) payable for processing and amount of such fees refundable in case of non-acceptance of application, pre-payment options and other such information which affects the interest of the borrowers.
2. At the time of establishing initial contact with a client, a preliminary list of secondary information that the Company requires for processing the loan request will be provided to the client.
3. The Company shall provide acknowledgement for receipt of loan applications.
4. The Company will analyse / verify the information provided by the customer within a reasonable period of

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time. If additional details / documents are required, the Company will intimate the customers at the earliest.

IV. Loan appraisal & Sanction Letter for the Loan facilities

1. The Company will ensure that there is proper assessment of each credit application. The assessment will be in line with the Company's credit and investment policies and procedures.
2. If the credit application meets all necessary internal credit, legal and compliance requirements, the Company will convey, in writing, the final terms of sanction to the customer through a Sanction Letter.
3. Each sanction letter will contain:
 - a. Details of the facility, including annualized interest rates, fees charged and any other costs applicable, prepayment options etc.
 - b. Terms and conditions of sanction, including covenants and conditions that the customer is to follow.
 - c. Necessary information required from the customer including KYC requirements.
4. All the necessary information required by the customer to meaningfully compare the Company's terms with terms available from other financial institutions to have an informed decision.
5. The Company will also indicate, either in the sanction letter, or through a separate communication, the time frame within which the transaction is expected to be completed.
6. The Company will indicate in the sanction letter that the terms provided therein are subject to internal credit, legal and compliance.
7. The Company will obtain an acceptance of the terms and conditions from the customer and keep the said acceptance on its record.
8. A copy of the facility agreement / documentation, loan card / fact sheet, along with a copy each of all enclosures quoted in the loan agreement will be furnished to the customer in the language understood by the customer at the time of execution of the said facility documentation.

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V. Disbursement of loans

1. The Company will ensure timely disbursement of loans in conformity with the terms and conditions governing such loans as communicated to the customer.
2. It will give notice of any change in the terms and conditions including execution schedule, interest rates, service charges, prepayment charges etc.
3. It will also ensure that changes in interest rates and charges are effected only prospectively.

VI. Post disbursement supervision

1. The Company will carry out post-disbursement supervision in accordance with normal business practice, the signed facility documentation / sanction letter, and the guidelines issued by the Reserve Bank of India from time to time.
2. The Company will carry out any decision to recall / accelerate payment or performance under the agreement, only after giving sufficient notice and in consonance with the facility documentation.
3. The notice will provide full particulars about the remaining claims and the provisions under which the Company is entitled to retain the securities till the relevant claim is settled / paid.

VII. Outsourcing Activities

The Company shall be accountable for inappropriate behaviour of its employees or employees of the outsourced agency and shall provide timely grievance redressal, and the details of the Redressal mechanism will be made in the loan agreement and also in the Fair Practice Code displayed in its office/ branch premises/ website.

VIII. General

1. The Company would not cause interference in the day-to-day affairs of the customer except as provided in the terms and conditions of the facility documentation (unless new information not earlier disclosed by the customer, or the occurrence of a materially adverse event, has come to the notice of the Company).
2. The Company will not discriminate on grounds of sex, caste and religion in the matter of dealing with its customers. However, this does not preclude the Company from participating in credit-linked schemes framed for weaker sections of the society.
3. In the matter of recovery of loans, the Company will adopt legally valid processes and not resort to undue harassment or use of force viz. use of threatening or abusive language, persistently bothering the borrowers at odd hours (before 9:00 AM and after 6:00 PM), harassing relatives, friends or co-workers of the borrower, publishing names of the borrower, use or threat of use of violence or other similar means to harm the borrower or borrower's family/ assets/ reputation, misleading the borrower about the extent of the debt or

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the consequences of non-repayment, use of muscle power for recovery of loans, etc.

4. In case of receipt of request for transfer of borrowal account, either from the borrower or from a bank/financial institution that proposes to take over the account, the consent or otherwise from the Company would be conveyed within 21 days from the date of receipt of request.

IX. Complaints, Grievances and Feedback

The Company shall lay down the appropriate grievance redressal mechanism within the organization to resolve disputes arising. The mechanism will be as per the Customer Grievance Handling Policy of the Company as approved by the Board of Directors and updated from time to time.

The contact details of the Grievance Redressal Officer who can be approached for resolution of the Complaints, Grievances and Feed back shall be displayed in its office/ branch premises/ website of the Company.

X. Review

A review of compliance of the Fair Practices Code and the functioning of the grievance redressal mechanism would be done by the Management regularly and a consolidated report of such reviews will be submitted to the Audit committee/Board of Directors periodically. An updated copy of this code shall be put up on the Company's website.
