

PIRAMAL ENTERPRISES LIMITED

Policy: Fair Practices Code

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Approving Authority: Board of Directors

FAIR PRACTICES CODE (FPC)

The Reserve Bank of India (RBI) has issued guidelines on Fair Practices Code for Non-Banking Finance Companies (NBFCs) thereby setting standards for fair business and corporate practices while dealing with their customers (**RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17**) issued on September 1, 2016). This code is formulated in pursuance of the guidelines issued by the Reserve Bank of India on fair practice code for NBFCs, to ensure better service and provide necessary information to customers to take informed decisions.

Piramal Enterprises Limited (hereinafter referred to as PEL and/ or Company) being an Non-Banking Financial Company registered with the Reserve Bank of India shall adopt all the best practices prescribed by RBI from time to time and shall make appropriate modifications if any necessary to this Code to conform to the standards so prescribed. The Company's policy is to treat all the clients consistently and fairly. The employees of the Company will offer assistance, encouragement and service in a fair, equitable and consistent manner.

The Company will ensure that the implementation of the FPC is the responsibility of the entire organisation. The Company's fair lending practices shall apply across all aspects of its operations including marketing, loan origination, processing, and servicing and collection activities.

Objectives

The Code has been developed to:

1. To promote good and fair practices by setting minimum standards in dealing with customers;
2. To increase transparency so that the customer can have a better understanding of what they can reasonably expect of the services;
3. To encourage market forces, through competition, to achieve higher operating standards;
4. To promote a fair and cordial relationship between customer and PEL.

Applicability of the Code

This code shall apply to all employees of PEL and other persons authorized to represent it in the course of its business, whether the products and services are provided across the counter, over the phone, by post, through interactive electronic device, on the internet or by any other method.

Commitments

- i. PEL shall adhere to this code to act fairly and reasonably in all dealings, on the ethical principle of integrity and transparency, to meet the standard practices prevalent in the industry.
- ii. PEL would provide clear information, without any ambiguity, to the customer in understanding:
 - a) Products and services together with its terms and conditions including interest and service charges
 - b) Benefits available to customer
- iii. PEL will take corrective actions and promptly resolve issues in light of the objectives of this code.

- iv. PEL shall treat all personal information of customers as private and confidential and shall not divulge any information to third person unless required by any law or Government authorities including Regulators or Credit agency or where the sharing of information is permitted by the customer.
- v. PEL shall not discriminate its customers on the basis of race, caste, gender, marital status, religion or disability. However, the restrictions, if any, as mentioned in the loan products shall continue to apply.
- vi. Before the customer relationship is established, the Company will:
 - a) Give the customer information explaining the key features of the services and products the customer has shown interest in.
 - b) Give information on accounts, products and services which will suit the customer's needs.
 - c) PEL shall explain the requirements of KYC guidelines to its customers and inform them about the documents required for establishing the identity of the customer before loan sanctioning, account opening and operation. PEL would obtain only such information to meet with company's KYC, Anti-Money Laundering or any other statutory requirements. In case any additional information is asked for, it will be sought separately and shall specify the objective of obtaining such additional information.

Loans and Advances

All loan application received by PEL will be processed in-line with the internal policies and criteria. If PEL cannot provide the loan to the customer, it shall communicate the same to the customer through its appointed representatives or directly to the customer.

Disclosure and Transparency

PEL shall provide all necessary information which affects the interest of the borrower.

Application for loans and their processing

- a) Loan application forms of the Company will include necessary information which are likely to affect the interests of the prospective borrower, so that a meaningful comparison with the terms and conditions offered by other Non-Banking Finance Companies can be made and an informed decision taken by the prospective borrower.
- b) The loan application forms may also indicate the documents required to be submitted along with the application form.
- c) The Company shall provide to the prospective borrower an acknowledgement for receipt of completed loan applications. PEL would inform the borrower about its decision within a reasonable period of time from the date of receipt of all required information in full.
- d) The Company will process finance applications based on information provided in writing, in order to ensure a fast and accurate processing service.
- e) All communications to the borrower shall be in the vernacular language or a language as understood by the borrower.
- f) Sanction letter in the vernacular language or a language as understood by the customer to be issued to all customers whose loan have been sanctioned after due diligence.

- g) Ensure that all finance agreements and enclosures provided to customers contain the terms and conditions and the rate of interest, which shall be annexed to the finance agreement.

PEL clients are reputed firms/ Corporates, and hence all communications will continue to be in English. The term sheet/sanction letter exchanged with the customers will incorporate the rate of interest and details of securities and documentation, occasions on which penal interest rate will be charged upfront before the disbursement. Copy of documents will be shared with the borrowers.

Loan Appraisal and Terms & Conditions

- i. The Loan applications shall be assessed in accordance with PEL's credit appraisal process.
- ii. Upon approval of the loan, an agreement/ sanction letter preferably in vernacular language or a language as understood by the customer indicating the amount of loan sanctioned, annualised rate of interest applicable, including method of application thereof, penal interest or delayed payment charges (in case of delay in payments of instalments beyond due dates) along with the terms and conditions, shall be conveyed to the loan applicant in writing. A written acceptance of such terms and conditions shall be retained by PEL.
- iii. The basis of the rate of interest charged to customers will be as per the Company's Interest Rate Policy and will be agreed in advance with customers by way of sanction letter/loan agreement.
- iv. Any clause relating to penal interest charged for late repayment will be specified in bold in the Loan Agreement. PEL at the time of sanction / disbursements of loans will furnish a copy of loan agreement to the borrower.

Disbursement of Loans, including changes in terms & conditions

- i. In the event that a customer's agreement is subject to any changes in its terms and conditions, including variations in its disbursement schedule, interest rates, service charges, prepayment charges etc. notice in writing in vernacular language or a language as understood by the customer will be provided in advance by PEL. Changes in interest rates and charges will be applied as of the effective date of such a change and not before this date.
- ii. Any decision to recall or accelerate payment or customer performance under the agreement will be in accordance with the terms permissible under the respective loan agreement.
- iii. PEL will, subject to the contractual terms in accordance to the prevailing law, release all securities associated with a customer finance agreement on repayment of all dues, or on the realization of the outstanding amount of the loan subject to any legitimate right or lien for any other claim the Company may have against the customer. If the 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 the company is entitled to retain the securities till the relevant claim is settled / paid.

Rate of Interest

- i. The Company shall frame appropriate internal principles and procedures for determining the interest rates and processing and other charges, if any, and also to ensure that they are not excessive. The Company shall, at the time of disbursal, ensure that the interest rate and other

charges, if any, on loan and advances are in strict adherence to above referred internal principles and procedures.

- ii. The Company shall disclose in the application form and explicitly in the sanction letter the rate of interest and the approach for gradation of risk and rationale for charging different rate of interest to different categories of borrowers.
- iii. The Company shall publish the rates of interest and the approach for gradation of risks in the relevant newspapers or in the website of the Company and shall be updated whenever there is a change in the rate of interest.
- iv. The rate of interest shall be annualized rates to make the borrower aware of the exact rates that would be charged to the account.

Guarantors

When a person is considered to be a guarantor to a loan, PEL shall inform him/her the following under acknowledgement:

- i. Letter/ Deed of Guarantee stating the terms of liability as guarantor.
- ii. PEL shall keep him/her informed of any default in servicing of the loan by the borrower to whom he/she stands as a guarantor.

General Provisions

- i. The Company shall refrain from interference in the affairs of the customer except for the purposes set out in the terms and conditions of the finance agreements (unless new information comes to the notice, that was not earlier disclosed by the customer, comes to the notice of the Company).
- ii. In the matter of recovery of loans, the Company shall not resort to undue harassment viz., persistently bothering the borrower at odd hours, use of muscle power for recovery of the loan.
- iii. The contract/loan agreement contains an in-built repossession clause which is legally enforceable.
- iv. In the event that the customer expresses a request to transfer its obligations under the agreement to another party, PEL will give its decision (consent or otherwise) within 21 days from the date of receipt of the request. Any transfer of a customer's agreement to another party shall be subject to the contractual terms in accordance to the prevailing law.
- v. PEL shall charge interest only as per the agreed terms with the borrower.
- vi. Any delay in payment of instalments as per the repayment schedule will attract penal interest at such rate as has been communicated to the customer in the Sanction Letter and Loan Agreement.

Grievance Redressal Mechanism

At PEL, customer service and satisfaction are our prime focus. We believe that providing prompt and efficient service not only to attract new customers, but also to retain existing ones. In order to make PEL's redressal mechanism more meaningful and effective, a structured system has been built. This system would ensure that the redressal sought is just and fair and is within the given frame- work of rules and regulation.

Internal Machinery to handle Customer Grievances/ Complaints:

Customers who wish to provide feedback or send in their complaint may use the following channels:

Call us at +91 22 62309200 (between 10:00 am to 5:00 pm, from Monday to Friday except on holidays).

Write to us at the below mentioned address:

Piramal Enterprises Limited

Piramal Ananta, Agastya Corporate Park,
Opposite Fire Brigade,
Kamani Junction, LBS Marg
Kurla (West), Mumbai 400070
Maharashtra, India

In case the complaint is not resolved within a period of fifteen days or if the customer is not satisfied with the solution provided by PEL, the customer can approach the Grievance Redressal Officer/ Nodal Officer. The name and contact of the Grievance Redressal/ Nodal Officer is as follows:

Compliance Officer

Tel. No.: +91 22 62309200

Email Id: Nodal.Officer@piramal.com

If the complaint/dispute is not redressed within a period of fifteen days, the customer may appeal to the Department of Supervision of RBI (with his/ her complete contact details) to the below authority:

The Chief General Manager
Department of Supervision
Reserve Bank of India
3rd Floor, World Trade Centre, Centre 1
Cuffe Parade, Colaba
Mumbai- 400005

To register complaints, the customers may use any of the channels mentioned above (refer Internal Machinery to handle the customer complaints). Complaints that are received at our end will be seen in the right perspective and would be analysed from all possible angles.

The communication of PEL's stand on any issue will be provided to the customers. Complaints that require some time for examination of issues involved will be acknowledged promptly.

The Board of PEL shall periodically review the compliance of this Fair Practices Code and functioning of the Grievance Redressal Mechanism.

Review of the Policy

The Policy shall be reviewed by the Board as and when required.
