

PIRAMAL ENTERPRISES LIMITED

FAIR PRATICE CODE

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FOR INTERNAL USE ONLY

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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 will adopt all the best practices prescribed by RBI from time to time and will 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 will 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 will 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 will 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 will treat all personal information of customers as private and confidential and will 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 will 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 will 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 will 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 will 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 will communicate the same to the customer through its appointed representatives or directly to the customer.

Disclosure and Transparency

PEL will 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 will 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 will 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 will be annexed to the finance agreement.

PEL Wholesale 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 -penalty 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 will 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 -charges or penalty or delayed payment charges (in case of delay in payments of instalments beyond due dates) along with the terms and conditions, will be conveyed to the loan applicant in writing. A written acceptance of such terms and conditions will 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 -charges 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.
- v. If the Company cannot provide the loan to the customer, it will communicate in writing the reason(s) which, in the opinion of the Company after due consideration, have led to rejection of the loan applications. In case the proposal does not meet the internal risk parameters of the Company, the borrower would be intimated accordingly.

Disbursement of Loans, including changes in terms & conditions

- i. In the event that a customer's agreement/loan 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 penal 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 will 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 will 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 will, at the time of disbursement, 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 will 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 will publish the rates of interest and the approach for gradation of risks in the relevant newspapers or in the website of the Company and will be updated whenever there is a change in the rate of interest.
- iv. The rate of interest will 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 will inform him/her the following under acknowledgement:

- i. Letter/ Deed of Guarantee stating the terms of liability as guarantor.
- ii. PEL will 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 will 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 will 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 will be subject to the contractual terms in accordance to the prevailing law.

- v. PEL will 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 -charges 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 contact details of the Grievance Redressal/ Nodal Officer are as follows:

Grievance Redressal Officer/ Nodal Officer

Tel. No.: +91 22 62309200

Email Id: Nodal.Officer@piramal.com

If the complaint/dispute is not redressed within a period of one month, 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 will periodically review the compliance of this Fair Practices Code and functioning of the Grievance Redressal Mechanism.

Advertising, Marketing and Sales

- a) The Company will ensure that all advertising and promotional material is clear, and factual.
- b) In any advertising in any media and promotional literature that draws attention to a service or product and includes a reference to an interest rate, the Company will also indicate whether other fees and charges will apply, and that full details of the relevant terms and conditions are available on request or on the website.
- c) The Company will provide information on interest rates, common fees, and charges (including penal charges, if any) through putting up notices in their branches; through telephone or help-lines; on the company's website; through designated staff/ help desk; or providing service guide/ tariff schedule.
- d) If the Company avails services of third parties for providing support services, the Company will endeavour that such third parties handle customer's personal information (if any available to such third parties) with the same degree of confidentiality and security as the Company would.
- e) The Company will, if felt appropriate, communicate to customers various features of their products availed by them from time to time. Information about their other products or promotional offers in respect of products/ services, may be conveyed to customers only if he/ she has given his/ her consent to receive such information/ service either by mail or by registering for the same on the website or on customer service number.
- f) Company has prescribed a code of conduct for their Direct Selling Agencies (DSAs) whose services are availed to market products/ services which amongst other matters require them to identify themselves when they approach the customer for selling products personally or through phone.
- g) In the event of receipt of any complaint from the customer that the Company's representative/ courier or DSA has engaged in any improper conduct or acted in violation of this Code, appropriate steps shall be initiated to investigate and to handle the complaint and to make good the loss.

Process for release of securities/property documents in the event of demise of sole/joint borrowers

In case of contingent event of demise of sole/joint borrower, the Company will return original property documents to the nominee/legal heirs.

In case of obtaining original documents of deceased customers, the following documents of nominee/legal heirs will be verified by the Company:

- i. Customers Death certificate
- ii. Document establishing relationship as per existing KYC norms.
- iii. Legal Heir Certificate/Succession Certificate/Letter of Administration
- iv. Nominee /legal heir photo ID proof
- v. Nominee/Legal Heir Photo & Signature ID proof
- vi. If all legal Heirs are not present at the time of document collection: POA from each of them to be obtained in format as desired by the company.

Review of the Policy

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