

**FAIR PRACTICES CODE OF
S.I.CAPITAL & FINANCIAL SERVICES LIMITED**
(As approved by the Board of Directors on June 22, 2022)

I. PREAMBLE

Pursuant to Reserve Bank of India (RBI)'s Master Direction RBI/DNBR/2016-17/44 DNBR.PD.007/03.10.119/2016-17 (Updated as on June 14, 2022) named 'Master Direction - Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016' issued to Non-Banking Financial Companies (NBFCs), the Board of Directors have adopted this Fair Practices Code.

II. FAIR PRACTICES CODE

The Company's business would be conducted in accordance with prevailing statutory and regulatory requirements, with due focus on efficiency, customer-orientation and corporate governance principles. In addition, the Company would adhere to the Fair Practices Code in its functioning, the key elements of which are as follows:

1. Applications for Loans and their Processing

- a) All communication to the borrower shall be in the vernacular language or a language as understood by the borrower.
- b) Loan application forms shall include necessary information, which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and the borrower can take an informed decision. The loan application form may also indicate the documents required to be submitted with the application form.
- c) The Company shall devise a system of giving acknowledgement for receipt of all loan applications. Further, generally, the time frame within which the loan application will be disposed of would also be indicated in the acknowledgement.

2. Loan Appraisal and Terms/Conditions

The Company shall convey in writing to the borrower by means of approval letter or otherwise, the amount of loan approved - along with the terms and conditions, including the annualized rate of interest and method of application thereof. It would keep the acceptance of these terms and conditions by the borrower on the Company's files. The Company shall mention the penal interest charged for late payment in the loan agreement and shall furnish a copy of loan agreement, along with a copy of each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction/disbursement of loans.

3. Disbursement of Loans including Changes in Terms and Conditions

- a) The Company shall give notice to all its borrowers in the vernacular language or in 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.

The Company shall also ensure that changes in interest rates and charges are effected only prospectively. A suitable provision in this regard shall be incorporated in the loan agreement.

- b) Decision to recall / accelerate payment or performance under the agreement shall also be in consonance with the loan agreement.
- c) The Company shall release all securities on repayment of its full dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim the Company may have against its borrowers. 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 the Company is entitled to retain the securities till the relevant claim is settled/paid.

4. General

- a) The Company shall refrain from interference in the affairs of the borrower except for the purposes provided for 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).
- b) In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise - i.e., objection of the Company, if any - shall be conveyed to the borrower within 21 days from the date of receipt of any request. Such transfer shall be as per transparent contractual terms in consonance with law.
- c) In the matter of recovery of loans, the Company shall not resort to any harassment - such as persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc. The Company shall ensure that the staff is adequately trained to deal with the customers in an appropriate manner.
- d) The Company shall adopt a Grievance Redressal Mechanism to resolve disputes raised by customers, if any. It shall ensure that all disputes arising out of the decisions of lending by the Company's functionaries are suitably heard and disposed of within one month of receipt. The Company shall periodically review the Compliance of the Fair Practices Code and the functioning of the Grievances Redressal mechanism at various levels of management.
- e) The Company would display following information on notice board at offices of the company where business is transacted:
 - i. Name of Grievance Redressal Officer and contact details of the office where customers can direct their grievances.
 - ii. Contact details of 'the Officer-in-Charge of the Regional Office of DNBS of RBI' to whom customers can contact in case they are not satisfied with resolution provided by company or in case issue remains unresolved for more than one month.

5. Wide Dissemination and Periodic Review.

The Company shall put the above Fair Practices Code outlined hereinabove on its web site, for the information of various stakeholders. The Company would also review and refine the Code, as may be required periodically - based on its own experience and fresh guidelines, if any, to be issued by the RBI in this regard.

6. Complaints about excessive interest charged by the Company.

The Company shall lay out appropriate internal principles and procedures in determining interest rates and processing and other charges.

7. Regulation of excessive interest charged by the Company

- a) The Company shall adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium, etc. and determine the rate of interest to be charged for loans and advances.
- b) The rate of interest and the method of determination of degree of risk and rationale for charging different rate of interest to different categories of borrowers shall be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.
- c) The rates of interest and the approach for gradation of risks shall also be made available on the website of the Company. The information published in the website or otherwise published should be updated whenever there is a change in the rates of interest.
- d) The rate of interest should be annualized rates so that the borrower is aware of the exact rates that would be charged to the account.

8. Internal control system

As the primary responsibility for compliance with the Directions rest with the Company. Necessary organizational arrangements shall be made to assign responsibility for compliance to designated individuals within the Company and establish systems of internal control including audit and periodic inspection to ensure the same.

9. Grievance Redressal Mechanism for Customers

Grievance redressal mechanism is an instrument or process through which resolution to a grievance is provided to our clients. It is a process in which all the complaints and grievance are received and escalated to the concerned person from specific department to resolve it. Strategic decisions are also made by referring to client grievance and feedbacks. Clients can approach to the organization with their grievance and complaints and they can get their complaints resolved within the stipulated time frame by following our grievance mechanism, as given below.

Customers who wish to provide feedback or send in their complaint may use the following channels to communicate their grievance, during 10.00 a.m. to 5.00 p.m., Monday to Saturday (except public holidays).

- Email us at : info@sicaptal.co.in
- Call us at : 044 42145840
- Write to us at:
S.I.Capital & Financial Services Limited
64, Montieth Road, Egmore, Chennai - 600 008, Tamil Nadu

- a) In case the complaint is not resolved within the given time or if he/she is not satisfied with the solution provided by the company, the customer can approach the Complaints Redressal Officer, whose Name and details are as follows:

Mr. Subin C. B.
Grievance Redressal Officer
Tel. No: 9288007751
Email Id: subin@sicapital.co.in

- b) If the complaint/dispute is not redressed within a period of one month, the customer may appeal to Officer-in-Charge of the jurisdictional Regional Office of Department of Non-Banking Supervision of RBI as follows:

The General Manager
Department of Supervision (NBFC)
Reserve Bank of India
16, Rajaji Salai, Fort Glacis
Chennai – 600 001
Tamil Nadu
Ph No.044 25619843
Email :ssmnbfc2che@rbi.org.in

This Fair Practices code is to be reviewed by Board of Directors upon regulatory updates.