

# **SHRIRAM TRADE FINANCE CO LTD**

## **FAIR PRACTICES CODE**

The RBI has forwarded to all NBFCs guidelines based on which a Fair Practices Code is to be adopted and followed by NBFCs. Accordingly a Fair Practices Code has been framed and approved by the Board to be implemented in the company.

### **Guidelines on Fair Practices Code for NBFCs**

#### **(i) Applications for loans and their processing**

(a) Loan application forms should 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 informed decision can be taken by the borrower. The loan application form may indicate the documents required to be submitted with the application form.,

(b) An acknowledgement for receipt of all loan applications should be given.

Preferably, the time frame within which loan applications will be disposed of should also be indicated in the acknowledgement.

#### **(ii) Loan appraisal and terms/conditions**

We should convey in writing to the borrower by means of sanction letter or otherwise, 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 borrower on its record. The rate of interest to be charged shall be disclosed to the borrower in the application form and communicated explicitly in the

sanction letter. The rate of interest should be annualized so that the borrower is aware of the exact rate which will be charged to him. A copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement should be given to all the borrowers at the time of sanction / disbursement of loans.

**(iii) Disbursement of loans including changes in terms and conditions**

(a) A notice should be given to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. It should also be ensured that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard should be incorporated in the loan agreement.

(b) Decision to recall / accelerate payment or performance under the agreement should be in consonance with the loan agreement.

(c) On repayment of all dues or on realisation of the outstanding amount of loan subject to any legitimate right or lien for any other claim we may have against borrower all securities should be released. 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 we are entitled to retain the securities till the relevant claim is settled/paid.

**(iv) General**

(a) We should refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the borrower, has come to our notice.)

- (b) In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise should 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.
- (c) In the matter of recovery of loans, undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc., should not be resorted to.
- (d) All our contract/loan agreement should have a built in repossession clause which must be legally enforceable. To ensure transparency, the terms and conditions of the contract/loan agreement should also contain provisions regarding: (a) notice period before taking possession; (b) circumstances under which the notice period can be waived; (c) the procedure for taking possession of the security; (d) a provision regarding final chance to be given to the borrower for repayment of loan before the sale / auction of the property; (e) the procedure for giving repossession to the borrower and (f) the procedure for sale / auction of the property. A copy of such terms and conditions must be made available to the borrowers.

### **Grievance Redressal – Contact Details**

In case of grievances you may contact the Grievance Redressal Officer, please contact us in any of the following ways:

**Grievance Redressal Officer:**

Mr.R.Kumbeswaran

**Email:**

[shriramstfc@yahoo.com](mailto:shriramstfc@yahoo.com)

You may send a written communication to our office at the following address:

**Grievance Redressal Officer:**

Shriram Trade Finance Company Limited  
“SPL Sriram Nivas”, Third Floor,  
No:38, Venkatakrisna Road,  
Mandaveli, Chennai-6000 028.  
Tamil Nadu, India. **Tel : 91-44-24610104**

In case the borrower is not satisfied with the decision of the Grievance Redressal Officer of the Company, he may approach the Officer in Charge of the Regional Office of Department of Non-Banking Supervision of RBI at the address given below:

**Department of Non-Banking Supervision :**

Chennai Regional Office,  
Fort Glacis, Rajaji Salai,  
Chennai-600 001, India.  
Tel: +91 44 25361631  
Email: dnbs@rbi.org.in