

# **SIL Investments Limited**

## **Fair Practice Code**

### **PREAMBLE**

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. Pursuant to the Notification issued by the Reserve Bank of India (RBI) by its Circular No. RBI/2006-07/138 DNBS (PD) CC No.80/03.10.042/2005-06 dated 28<sup>th</sup> September, 2006, SIL Investments Limited (hereafter referred to as 'SIL') formulated its Fair Practices Code (hereinafter "FPC"), to lay down the procedures/practices in dealing with business transactions. The Company is committed to adopt all the best practices prescribed by RBI from time to time and make appropriate modifications (if any/necessary) to this Code, to conform to the standards so prescribed. Accordingly, the revised FPC is adopted by SIL in conformity with RBI's consolidated instructions.

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

- SIL's official language for all communications within the Company or with third parties shall be English.
- All communications with the borrower shall be in English or in vernacular language / the language as understood and confirmed by the borrower.
- SIL will take a confirmation from the prospective borrower that all communications with the borrower shall be in English or in vernacular language / the language as understood by the borrower.
- Loan applications of SIL will 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 documents required to be submitted with the loan application including KYC documents will be informed to the borrower separately.
- SIL shall provide to the prospective borrower an acknowledgement for receipt of all loan applications. The time frame within which loan applications will be disposed of will be indicated in the acknowledgement.

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

- SIL shall convey in writing to the borrower, the fate of the loan application by means of sanction letter or otherwise. In case of sanction of loan, the sanction letter shall contain the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof.
- The acceptance of the terms and conditions communicated by the borrower shall be persevered by SIL on its record and copy of same shall be provided to the borrower upon its request.

- SIL shall mention the penal interest charged for late repayment in bold in the sanction letter and loan agreement.
- SIL will invariably furnish a copy of loan agreement along with a copy of each enclosures quoted in the loan agreement to all clients at the time to sanction/disbursement of loan.

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

- SIL shall give notice to the borrower, of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges, etc. Changes in interest rates and charges shall be effected prospectively and a suitable condition in this regard shall be incorporated in the loan agreement.
- Decision to recall / accelerate payment or performance under the agreement shall be in consonance with the loan agreement.
- SIL shall release all securities on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim SIL may have against borrower. 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 SIL is entitled to retain the securities till the relevant claim is settled/paid.

### **(IV) General**

- SIL will 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 its notice.
- In case of receipt of request from borrower for transfer of borrowers account, the consent or otherwise i.e. objection of SIL, if any, should be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per contractual terms entered into with the borrower and in consonance with status, rules, regulations and guidelines as may be applicable from time to time.
- In the matter of recovery of loans, SIL shall resort only to remedies which are legally and legitimately available to it and will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc.
- SIL shall ensure that the staff is adequately trained to deal with the customers in an appropriate manner.
- Pursuant to notification no. DNBS.204/CGM (ASR)-2009 dated 2 January 2009 in respect to regulation of excessive interest charged by NBFCs, SIL has adopted an Interest Rate Policy taking into account relevant factors such as cost of funds, margin and risk premium, etc. to determine the rate of interest to be charged for loans and advances and same is published and disseminated on the web-site of the Company.
- As a measure of customer protection and also in order to bring in uniformity with regard to prepayment of various loans by borrowers of Banks and NBFCs, SIL shall not charge foreclosure charges/pre-payment penalties on all floating term loans sanctioned to individual buyers.

## **(V) GRIEVANCE REDRESSAL MECHANISM**

- SIL will guide customers who wish to lodge a complaint and also provide guidance on what to do in case the customer is unhappy with the outcome.
- After examining the matter, SIL will send a response as soon as possible; SIL will also guide a customer on how to take the complaint further if the customer is not satisfied.
- A Principal/Nodal Officer has been appointed for the redressal of grievances of the customers including the borrowers, in connection with any matter pertaining to business practices, lending decisions, credit management and recovery. The name and contact details of the Principal/Nodal officer as under shall be displayed in the website of SIL.  
Name of the Officer: Mr. Lokesh Gandhi  
Designation: Company Secretary and Compliance Officer
- In case of any complaint/grievance, the borrowers may contact through any of the following channels:
  1. Telephone: 09769484106
  2. Website: [www.silinvestments.in](http://www.silinvestments.in)
  3. E-mail: [lokeshgandhi@silinvestments.in](mailto:lokeshgandhi@silinvestments.in)
- All grievances shall be heard and disposed off by a person at least one level higher to the person / designation against / relating to whom the grievance is made. After examining the matter, it will be our endeavor to provide the borrower/applicant with our final or other response, within a period of six (6) weeks from receipt of such complaint / grievance.
- The designated officer shall periodically review the implementation and compliance with this code including the redressal of grievances periodically and in any case at least once every quarter. A report to this effect shall be provided by the designated officer for perusal of the Board.

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