

**FAIR PRACTICES CODE**

**(PURSUANT TO MASTER DIRECTION- NON-BANKING FINANCIAL COMPANY-  
SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING  
COMPANY (RESERVE BANK) DIRECTIONS, 2016)**

**For GeeCee Fincap Limited**

*(Effective Date: 18<sup>th</sup> May, 2017)  
Reviewed & Updated by the Board of Directors*

## ➤ INTRODUCTION

- GeeCee Fincap Limited (“GCFL”) a systemically non deposit taking Non-Banking Finance Company (NBFC-ND-SI) registered with Reserve Bank of India (the Bank).
- GeeCee Fincap Limited is an Investment NBFC but it also has small lending business, which includes Loans to its group Companies & parties outside the group. In compliance with Fair Practice Code (FPC) the “Guidelines on Fair Practices Code for NBFCs” as issued by the Reserve Bank of India (RBI) vide its Circular No. RBI/DNBR.PD.008/03.10.119/2016-17 Dtd. 01.09.2016, the Board of Directors (Board) of GCFL at its meeting held on 18<sup>th</sup> May, 2017 had approved and adopted the Fair Practice Code (FPC) which is reviewed and updated by the Board of Directors periodically.
- This code will be called as GeeCee Fincap Limited (GCFL) - Fair Practices Code.
- The Code covers the general principles on adequate disclosures on the terms and conditions of the loan and the procedures to be followed when dealing with the borrowers.
- This FPC is divided into two categories;
  1. Loan to the Group Companies\*
  2. Loan to the entities outside the group (Including Real Estate Lending other than Housing Finance Lending).

*(\*It shall have meaning as provided in Chapter II of Section 3 (vi) of the Master Direction DNBR.PD.008/03.10.119/2016-17 dated 01.09.2016.)*

- The Company will not engage in any type of retail lending.

This FPC deals with promoting (a) good and fair business practices and (b) a fair and cordial relationship between borrowers / customers.

## ➤ SCOPE AND IMPORTANCE:

- The Reserve Bank of India considered it necessary in the public interest and to prevent the affairs of any Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI) and Deposit taking Non-Banking Financial Company (NBFC-D) from being conducted in manner detrimental to the interest of investor and depositors or in any manner detrimental to the interest of NBFCs, RBI has issued Non-Banking Financial Company- Systemically important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- With a view to setting out fair practices in a transparent manner and in compliance with the Reserve Bank Circular referred above, Company has framed the following guidelines as its Fair Practices Code.
- This Code deals with promoting good and fair business practices and fair cordial relationship between Company and borrowers/ customers.

➤ **FAIR PRACTICES CODE**

Fair Practices Code can be divided into following categories:

**1. LOAN TO GROUP COMPANIES :**

1. Applications for Loans and their processing
2. Loan appraisal and terms/conditions
3. Disbursement of Loans including changes in terms and Conditions
4. Interest charges and excessive interest policy

**2. LOAN TO THE ENTITIES OUTSIDE THE GROUP (INCLUDING REAL ESTATE LENDING- OTHER THAN HOUSING FINANCE LENDING).**

1. Applications for Loans and their processing (For Group and Entities outside the Group)
2. Loan appraisal and terms/conditions
3. Disbursement of Loans including changes in terms and Conditions
4. Interest charges and excessive interest policy

**3. General conditions**

**4. Responsibility of Board of Directors**

**5. Confidentiality**

**6. Grievance Redressal Mechanism**

**7. Ombudsman For NBFC's**

**8. Repossession of Vehicles financed by applicable NBFC's**

**9. Lending against collateral of gold jewellery**

**10. Digital lending**

**11. Force Majeure**

**1. LOAN TO GROUP COMPANIES:-**

**Applications for Loans and their processing**

The Company is in the business of investing and lending and offers various products in real estate lending and corporate lending (excluding retail lending). As GCFL provides revolving loan facility to its group companies, GCFL will enter into an agreement with all those Group Companies ("Group Company Borrower hereinafter referred to as GCB").

All communications to the GCB shall be in English and/or in the language as understood by GCB. As GCFL will be entering into loan agreement with GCB, request letter and acceptance letter will be issued / accepted for each transaction other than acknowledgement receipt's and application forms.

**Loan Appraisal and terms/conditions**

The Loan to the group Companies are interest bearing and repayable on demand. Interest on Loan will be decided mutually by the parties at the time of disbursement of Loan as per terms of Revolving Loan facility Agreement. All the terms and conditions including the rate of interest and charges for late repayment shall be mentioned in the loan agreement.

**Disbursement of loans including changes in terms and conditions**

As the basic purpose of the Company's funding to Group Companies is to support its group Companies in order to strengthen their business. Company gives loan to its group Company on their request and after proper authorization based on availability of funds with the company.

As the loan agreement will include the details regarding interest rates, services charges if any, late repayment charges, separate notice will not be required to be issued to GCB.

The entire loan to GCB will be unsecured and no security will be created against the GCB.

**Regulation of Interest charged**

Interest on Loan will be decided mutually by the parties at the time of disbursement of Loan as per terms of Revolving Loan facility Agreement & considering the cost of funding of GCFL.

The rate of interest will be annualised.

**2. LOAN TO THE ENTITIES OUTSIDE THE GROUP (INCLUDING REAL ESTATE LENDING):**

**Applications for Loans and their processing**

- i. Other than Group Company lending GCFL also extend's term loan to other Body Corporates and has other product i.e. real estate lending (Other than Housing Finance Lending).

For Term Loans to Body Corporates: As GCFL extends term loan to other Body Corporates, loan agreement is entered into between GCFL and the Corporate Borrower ("CB") for a fixed tenure. The Company shall communicate to CB in English language however if the CB is not able to understand the English language, the Company shall communicate either in Hindi or vernacular language whichever is the convenient to CB.

As GCFL will be providing term loan it will enter into loan agreement with such CB interalia including all the terms and condition with respect to Interest rate/ Penal Interest rate/Service charges, disbursement and repayment schedule other than application forms and acknowledgement receipts. For every disbursement demand promissory note and Letter of continuity shall be issued.

ii. Real Estate Lending (Only to Body Corporates)

Apart from term loan to body corporates the GCFL also provides lending to body corporates in real estate business for meeting their project cost which is secured against their unsold units.

GCFL shall communicate to its borrower in English language however if the borrower is not able to understand the English language, the Company shall communicate either in Hindi or vernacular language whichever is the convenient to the borrower.

The Loan application forms shall include all necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other Non-Banking Financials Companies can be made and informed decision can be taken by the borrower. The loan application may also indicate the documents to be submitted with the application form.

The Company shall provide acknowledgement for receipt of all loan applications and an indicative time frame within which loan application will be disposed off will be mentioned in such acknowledgement.

As the lending in this case would entirely depend upon the type of project of the borrower and their track record for completion of project on time along with other factors like liquidity risk and their CIBIL score the time required to dispose off the loan application would differ from case to case basis and thus no time line is fixed for said purpose.

**Loan Appraisal and terms/conditions**

i. Other than Group Company lending GCFL also extend's term loan to other Body Corporates and has other product i.e. real estate lending (Other than Housing Finance Lending).

For Term Loans to Body Corporates: The Company shall convey in writing in English or in such language as understood by the corporate borrower (CB) by means of sanction letter or otherwise, the amount of loan approved, 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 borrowers in Company's file. Copy of loan agreement, if any, along with all relevant enclosure will be made available to the corporate borrower.

As GCFL will be providing term loan it will enter into loan agreement with such CB interalia including all the terms and condition with respect to Interest rate/ Penal Interest rate/Service charges, disbursement and repayment schedule other than application forms and acknowledgement receipts.

For every disbursement demand promissory note and Letter of continuity shall be issued.

ii. Real Estate Lending (Only to Body Corporates)

As the lending in this case would entirely depend upon the type of project of the borrower and their track record for completion of project on time along with other factors like liquidity risk, repayment capacity and such other factors as may be identified from time to time there won't be any fixed /standard form of agreement that will be entered into between GCFL and the borrower.

However whenever GCFL enters into loan agreement with each of the borrower all the communications will be done in English or in such language as understood by the corporate borrower (CB) by means of sanction letter or otherwise, the amount of loan approved, 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 borrowers in Company's file. Copy of loan agreement, if any, along with all the relevant enclosures will be made available to the borrower.

**Disbursement of loans including changes in terms and conditions**

i. Other than Group Company lending GCFL also extend's term loan to other Body Corporates and has other product i.e. real estate lending (Other than Housing Finance Lending).

For Term Loans to Body Corporates: The Company shall convey in English or in such language as understood by the corporate borrower 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. The loan agreement shall contain a specific clause to this effect.

Decision to recall / accelerate payment or performance under the agreement shall be in consonance with the terms and conditions. The entire loan to the corporate borrower will be unsecured and no security will be created for such lending. GCFL shall ensure timely disbursement of loans sanctioned on total compliance of terms and conditions including execution of loan documents governing such sanction.

ii. Real Estate Lending (Only to Body Corporates)

The Company shall convey in English or in such language as understood by the borrower 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. The loan agreement shall contain a specific clause to this effect.

Decision to recall / accelerate payment or performance under the agreement shall be in consonance with the terms and conditions.

The Company 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 that the Company 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 the Company is entitled to retain the securities till the relevant claim is settled/paid.

GCFL shall ensure timely disbursement of loans sanctioned on total compliance of terms and conditions including execution of loan documents governing such sanction.

### **Regulation of Interest charged**

- i. Other than Group Company lending GCFL also extend's term loan to other Body Corporates and has other product i.e. real estate lending (Other than Housing Finance Lending).

For Term Loans to Body Corporates: Interest on Loan will be as decided by the parties at the time of disbursement of Loan as per terms of Agreement & considering the cost of funding of GCFL. The schedule for rate of interest and repayment schedule will be provided in the loan agreement.

The rate of interest will be annualised rate so that the borrower is aware of the exact rates that would be charged to the account.

- ii. Real Estate Lending (Only to Body Corporates)

As the lending in this case would entirely depend upon the type of project of the borrower and their track record for completion of project on time along with other factors like liquidity risk, repayment capacity, the amount of loan required, the tenure of loan, project stage and the CIBIL score of the borrower there won't be standard rate of interest fixed for all the borrowers in the category.

At each meeting of the Credit Committee of the Company discussion will be made about the loan sanction and the terms and condition of sanctioning the loan including the rate of interest and levying of penal interest in case of default. The Sanction letter will contain all the agreed terms between the borrower and GCFL which will differ from case to case basis. The rate of interest will be annualised rate so that the borrower is aware of the exact rates that would be charged to the account.

### **3. General Conditions**

- Company shall refrain from interference in the affairs of the borrower except for what is provided in the terms and conditions of loan documents (unless, information not disclosed by the borrower, has been noticed by the Company as a lender).
- In case of receipt of any request from the borrower for transfer of loan accounts, the consent or otherwise objection of GCFL, if any, shall be conveyed within 21 days from the date of receipt of request or within a stipulated time as mutually agreed by the company and the borrower. Such transfer shall be as per the transparent contractual terms in consonance with law.
- In the matter of recovery of loans, the Company will resort to remedies which are legally and legitimately available without undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc. For avoiding rude behaviour from the staff members to the customers, GCFL will make all efforts so that their staff is adequately

trained to deal with customers in an appropriate manner. GCFL shall not discriminate on grounds of sex, caste and religion including physically/visually challenged applicants on grounds of disability in the matter of lending. However, this does not preclude the company from participating in credit – linked schemes framed for weaker sections of the society.

**4. RESPONSIBILITY OF BOARD OF DIRECTORS TOWARDS AN EFFECTIVE GRIEVANCE REDRESSAL MECHANISM**

The Board of Directors of GCFL will also lay down an appropriate grievance redressal mechanism within the organization. Such a mechanism shall ensure that all disputes arising out of the decisions of its functionaries are heard and disposed of at least at the next higher level.

**5. CONFIDENTIALITY**

- All borrowers' personal information shall be treated as private and confidential.
- The Company shall not reveal transaction details to any other entity including within the Group other than the following exceptional cases:
  - i. The Company provides information because of statutory or regulatory laws.
  - ii. If there is a duty to reveal this information to the public.
  - iii. If Company have taken the customer's permission or on written request of the customer (for instances at the time of Loan sanctioning) to provide such information to its Group /Associate /entities or Companies for providing product or services.

**6. GRIEVANCE REDRESSAL MECHANISM**

- The implementation of the Fair Practice Code shall be the responsibility of the Company. The Company shall make every effort to ensure that its dealing with borrowers / customers is smooth and hassle free. Any complaint brought to the notice of the Company by a borrower / customer will be handled expeditiously.
- In case of any complaints/grievance, the customer should either make a written complaint addressed to Grievance Redressal Officer at the registered office of the Company during the office hours (10: 00 a.m. to 06:00 p.m.) or email the Company at [suresh@gcvl.in](mailto:suresh@gcvl.in) with

Brief Summary of Complaint

Complete contact address/phone number of the complainant

The Grievance Redressal Officer will strive to provide an initial response to the customer's complaint within 7 days of the complaint being lodged.

- Following are the details of Grievance Redressal Officer who is responsible to resolve the complaints of customers against the Company:
  - i. Name: Vazhathara Vasudevan SureshKumar
  - ii. Telephone no/ Mobile No: 9820024867
  - iii. E-mail address: suresh@gcvl.in



- If the complaint / dispute is not redressed within a period of 15 days, the customer may appeal to the Officer-in-Charge of the Regional Office of DNBS of RBI (with complete contact details), under whose jurisdiction the registered office of the applicable NBFC falls.
- The Board of Directors shall periodically review the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism. A report of such reviews may be submitted to the Board at regular intervals, as may be prescribed by it.

**7. OMBUDSMAN FOR NBFC'S**

As per RBI's notification Ref.CEPD.PRS.No.3590/13.01.004/2017-18 dated February 23, 2018 and Notification No. RBI/2017-18/133 DNBR. PD. CC. No 091/03.10.001/2017-18 dated February 23, 2018 and as per latest RBI notifications CEPD. PRD. No.S873/13.01.001/2021-22 dated November 12, 2021 and CO.CEPD.PRS.No.S874/13-01-008/2021-2022 dated November 15, 2021 GCFL does not fall under the category of NBFC to adopt integrated Ombudsman Scheme, 2021 and thus appointment of Internal Ombudsman is not required. The applicability for the Ombudsman Scheme, 2021 is considered on standalone basis for GCFL and not on group level.

**8. REPOSSESSION OF VEHICLES FINANCED BY APPLICABLE NBFC'S**

As GCFL is not into the line of financing vehicles the Company is not thus not required to have a defined set of code for this category of financing.

**9. LENDING AGAINST COLLATERAL OF GOLD JEWELLERY**

As GCFL is not into the line of category of lending against collateral of gold jewellery the Company is not thus not required to have a defined set of code for this category of financing.

**10. DIGITAL LENDING**

The RBI vide its Notification No. RBI/2019- 20/258 DOR (NBFC) (PD) CC. No.112/03.10.001/2019-20 dated June 24, 2020 had issued directions for sourcing of loans over Digital Lending Platforms (Digital Lending) however as GCFL is not engaged in any type of Fin-tech / Digital lending it is not required to have a defined set of code for this category of financing.

**11. FORCE MAJEURE**

In the event of Force Majeure, the Company may not be able to fulfil the commitments outlined under this Fair Practices Code.

12. EFFECTIVE DATE:

The Policy is effective from the date of receiving approval from the board of directors i.e. 18th May, 2017

13. REVIEW OF THE POLICY

The policy and any act under this policy should be reviewed as and when found suitable by the Board of Directors.