

Nivedita Mercantile and Financing Limited
Fair Practices Code

1. PREAMBLE

The Reserve Bank of India (RBI) has issued guidelines on Fair Practices Code for Non-Banking Financial Companies (NBFCs) thereby setting standards for fair business and corporate practices while dealing with their customers and also covers general principles on adequate disclosures on the terms and conditions of a loan.

Nivedita Mercantile and Financing Limited (“the Company”) hereby furnishes the Fair Practices Code (“the FPC”) based on the guidelines issued by RBI. The Company shall also make appropriate modifications in the FPC from time to time to conform to the standards that may be prescribed by RBI from time to time. The guidelines are framed and approved by the Board of Directors.

2. KEY OBJECTIVES

The key objectives of putting in place the FPC are as follows.

- a) To act fairly and reasonably in all dealings with its borrowers by ensuring that:
 - It’s products, services, procedures and practices will meet the broad requirements and standards in the FPC;
 - It’s products and services will be in accordance with relevant laws and regulations as applicable for the time being in force;
 - It’s dealings with its borrowers will rest on ethical principles of honesty, integrity and transparency.
- b) To help customers understand how our financial products and services work, by:
 - Giving verbal information about the financial schemes in Hindi and /or English and/or local vernacular language as understood by the borrower;
 - Explaining the financial implications of the transactions;
 - Helping the customer to choose the financial scheme.
- c) The Company will make every attempt to ensure that its customers would have trouble-free experience in dealing with it. However, in case of errors or commission and omissions, it shall:
 - deal with the errors promptly and effectively;
 - deal with the Grievances redressal in a quick and efficient manner and to the satisfaction of the customers;
 - Promptly handle Complaints;
- d) To adopt and practice a non-discrimination policy:

The Company shall not discriminate on the basis of age, race, caste, gender, marital status,

religion or disability.

3. APPLICATIONS 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 NBFCs can be made and an informed decision taken by the prospective borrower.
- b) The loan application form shall indicate the documents required to be submitted along with the application form.
- c) The Company shall issue an acknowledgement receipt for all loan applications. All the loan applications shall be disposed of within a period of 30 days from the date of receipt of duly completed Loan Application Forms together with the requisite documents and subject to receipt of all documents complying with prevailing rules and regulations by the borrower.
- d) All communication to the borrower shall be in the language understood and confirmed by borrower.

4. LOAN APPRAISAL AND TERMS/CONDITIONS

- a) The Company shall conduct a due diligence on the credit worthiness of the borrower, which will be an important parameter for taking decision on the application.
- b) The borrower would be informed by means of a written letter in vernacular language or language as understood by the borrower, of the amount of loan sanctioned or otherwise. The letter shall contain the broad terms and conditions governing the loan including the annualized rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record.
- c) A copy of the loan documents including loan agreement and annexures thereof shall be made available to the borrower at the time of sanction/ disbursement of loans. The loan agreement shall mention the penal interest charged for late repayment.
- d) The default interest rate will be mentioned in bold in the loan agreement.

5. DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS

- a) The Company will give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. The Company shall ensure that changes in interest rates and other charges are effected only prospectively. The suitable condition in this regard shall be incorporated in the loan agreement.

- b) Decision to recall/accelerate payment or performance under the agreement will be in consonance with the Loan Agreement.
- c) The Company will 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 the Company may have against borrower. If such 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 which Company is entitled to retain the securities till the relevant claim is settled/ paid.

6. GENERAL

- a) The Company shall not interfere in the affairs of the borrower except for the purposes provided in 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 within 21 days from the date of receipt of such 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 resort to the usual measures, which are legally and legitimately available to it and as per laid down guidelines and extent provisions and shall operate within the legal framework.

7. GRIEVANCE REDRESSAL MECHANISM

The Company shall also lay down the appropriate grievance redressal mechanism within the organization to resolve disputes arising in this regard. Such a mechanism shall ensure that all disputes arising out of the decisions of the Company's functionaries are heard and disposed of at least at the next higher level. The Board of Directors shall also provide for periodical review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management.

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

Nivedita Mercantile and Financing Limited

5th Floor, Sunteck Centre,
37-40 Subhash Road,
Vile Parle (East),
Mumbai - 400 057

If the complaint / dispute is not redressed within a period of one month, the customer may appeal to:

Officer-in-Charge
Department of Non-Banking Supervision,
Reserve Bank of India,
3rd Floor, Opp. Mumbai Central Railway Station,
Byculla, Mumbai- 400 008,
Tel No.: 022-2308 4121/2302 8436.

8. REGULATION OF EXCESSIVE INTEREST CHARGED

To ensure that there the customers are not charged excessive interest rate and charges on loans and advances by the Company, the Board of the Company has adopted “**Interest Rate Policy and Gradation of Risks**” and the same has been put up on the Company’s website www.niveditaindia.com.

The Board of directors shall review the compliance of the Fair Practice Code and the customer grievances redressal mechanism on an annual basis.

The Code will be available on our website www.niveditaindia.com.