

S. E. INVESTMENTS LTD.

FAIR PRACTICE CODE

INTRODUCTION

This is a compulsory Code which sets minimum standards of business practices for the NBFC's to follow when they are dealing with customers. It provides protection to the customers and explains how NBFC's are expected to deal in their business operations.

The Code does not replace or supersede regulatory or supervisory instructions of the Reserve Bank of India (RBI) and we will comply with such instructions/directions issued by RBI from time to time. Provisions of the Code may set higher standards than what is indicated in the regulatory instructions and such higher standards will prevail as the Code represents best practices voluntarily agreed to by us as our commitment to the customers.

BACKGROUND:

Reserve Bank of India (RBI) vide Circular issued dated September 28, 2006, Circular Letter No. RBI/2006-07/138- DNBS(PD) CC No.: 80/03.10.042/2005-06 (including Residuary Non-Banking Financial Companies) has issued guidelines on Fair Practices Code for Non-Banking Financial Companies, prescribing broad guidelines on fair practices that are to be adopted and disseminated on the website of the Company for information of the public. In accordance with the broad guidelines prescribed by RBI and subsequently amended from time to time, S.E Investments Limited has framed its Fair Practices Code, the same has now been reviewed pursuant to the conversion from Deposit Accepting (Category A) to Non Deposit Accepting (Category B) NBFC on 8th day January' 2014.

1. OBJECTIVE

1.1 Objectives of Fair Practices Code

- To ensure transparency in the Company's dealings with its Customers
- To ensure compliance with legal norms in matters relating to recovery of advances
- To strengthen mechanisms for Resolving the customer grievances.

1.2 Application of the Code

This Code applies to:

- 1.** Loan facility provided by our branches and HO. ii. Safe Deposit Lockers (Vaults' Facility)

(Facility (ii) is provided at our Head Office only)

2. KEY COMMITMENTS

2.1 Key Commitments to the customers:

- Meeting the commitments and standards provided in this Code for the services and products offered, and in the procedures and practices we follow;
- Sincere endeavor to ensure the services and products offered meet relevant laws and regulations in letter and spirit;
- Ensuring our dealings are based on ethical principles of integrity, honesty and transparency

2.2 Information to Customer:

- Giving all the information in vernacular language
- Ensuring that customers are given clear information about the products and services offered, the terms and conditions, interest rates/service charges
- Prompt resolution of customer's queries

3. TRANSPARENCY

The interest rates, fees and other charges, other legal and technical compliances to be undertaken while

giving the loan and thereafter can be easily get from the Branch offices and also from H.O.

3.1 General Information

Prior to establishment of a customer relationship, we will:

- a) Give clear information explaining the key features of the services and products best suited to the individual needs of the borrower, including applicable interest rates and other necessary terms and condition, by way of giving in-principal approval

- b) Take documents required to prove customer's identity and address (KYC) to comply with legal, regulatory and internal policy requirements.
- c) Give information on customer's rights and responsibilities, especially, regarding availing of nomination facility offered on safe deposit vaults and other prerogatives.

3.2 Terms and Conditions

- a) We will advise the relevant terms and conditions for the services asked
- b) All terms and conditions will be fair, and we will set out respective rights, especially with regard to nomination facility, and liabilities and obligations clearly, as far as possible in plain and simple language.

3.3 Changes in Fees and Other Charges, and other Terms and Conditions:

- a) Any change in interest rates and other charges will be notified to the customer before exposing the running facility to the revised rates.
- b) Any changes to terms and conditions will be informed through appropriate channels.
- c) Changes will be made with prospective effect after giving due notice.

4. Loan processing

4.1 Applications for loans and their processing

- 4.1.1 At the time of issuing application form for a loan proposal we will provide clear information about the interest rates applicable, whether floating rate or fixed rate, the fees/charges payable for processing, part of processing fees refundable if loan amount is not sanctioned/disbursed, pre-payment options and charges, penal interest for delayed repayments, and any other matter which affects the interests of the borrower, so that a meaningful comparison with those of other institutions can be made and informed decision can be taken by the customer. The loan application form shall indicate the documents required to be submitted with the application form.
- 4.1.2 Acknowledgement receipt of all facility applications to be issued instantly on receipt of duly authenticated applications.

- 4.1.3 Loan applications will be disposed of within a reasonable period from the date of issuing acknowledgement of receipt of application.

4.2 LOAN APPRAISAL AND TERMS/CONDITIONS

- a) Loan proposal will be appraised in accordance with company's prescribed risk assessment procedures, suitable securities condition will be stipulated accordingly based on such risk assessment and company's extant guidelines, without compromising on due diligence.
- b) Sanction letter or otherwise any such documents' detailing particulars of amount sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof will be given on sanctioning the proposal and keep the acceptance of these terms and conditions by the borrower on its record.
- c) Rejection of the proposal will be communicated with reasons within a reasonable time of login.
- d) The penal interest chargeable on delayed payments (for late payment) shall be communicated to the borrower by way of BOLD letters in the loan agreement.

4.3 DISBURSEMENT OF LOANS, INCLUDING CHANGES IN TERMS AND CONDITIONS

- a) Disbursement of loans sanctioned is to be made immediately on execution of loan documents governing such sanction.
- b) Any change in the terms and conditions, including disbursement schedule, prepayment charges, interest rate and service charges etc shall be effected only prospectively and such changes will be informed individually to the borrowers in case of account specific changes and in case of others by Public Notice//through Print and or other Media from time to time.
- c) Consequent upon such changes any supplemental deeds documents or writings are required to be executed, the same shall also be advised.
- d) We will supply authenticated copies of all the loan documents executed by you along with a copy each of all enclosures quoted in the loan document.
- e) We will give written receipt for all documents to title taken as security/ collateral for any loan received from you.

4.4 POST DISBURSEMENT SUPERVISION

- a) Decision to recall/ accelerate payment or performance under the agreement should be in consonance with the loan agreement and Before taking such decision or seeking additional securities the company would give reasonable notice to the customer.
- b) All securities pertaining to the loan would be released on receipt of full and final payment of the loans, subject to any legitimate right or lien and set off for any other claim that the company may have against the borrowers. If such right is to be exercised, borrowers would be given due and proper notice with requisite details along with the conditions under which the company is entitled to retain the securities till the relevant claim is settled/paid.

4.5 CLOSING OF ACCOUNT

- a) We will return all unrealised cheques received from customer after receiving outstanding balances from the borrower.
- b) We will return all the securities / documents/title deeds to mortgaged property within 15 days of the repayment of all dues agreed to or contracted. If any right to set off is to be exercised for any other claim, we will give due notice with full particulars about the claims and retain the securities/ documents/title to mortgaged property till the relevant claim is settled/paid.
- c) The company shall not charge foreclosure charges / pre-payment penalties on all floating rate term loans sanctioned to individual borrowers, with immediate effect.

5. GENERAL

- a) The company would refrain from interference in the affairs of the borrower except for what is provided in the terms and conditions of loan sanction documents (unless new information, not earlier disclosed by the borrower, has come to the notice of the company as lender). However, this does not imply that company's right of recovery and enforcement of security under Law is affected by this commitment.
- b) No discriminate on the grounds of gender, caste or religion in its lending policy and activity.
- c) In the case of recovery, company would resort to the usual measures as per laid down guidelines and extant provisions, and would operate within the legal framework.
- d) Clarifications required by the borrowers are given on e-mail.

- e) In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise i.e. objection of the NBFC, if any, 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.
- f) In the matter of recovery of loans, the company should not resort to undue harassment viz; persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc.
- g) The Company's staff are adequately trained (including not to behave rudely with the customers) to deal with the customers in a polite and professional manner.

6. COMPLAINTS, GRIEVANCES AND FEEDBACK

Grievance Redressal Mechanism:

- a) The Company has laid down the appropriate grievance Reddressal mechanism within the organization to resolve disputes arising in this regard. Such a mechanism ensures that all disputes arising out of the decisions of the functionaries are heard and disposed of at least at the next higher level.
- b) The Board shall periodically review the compliance of the Fair Practices Code and the functioning of the grievances Redressal mechanism at various levels of management
- c) Response to a complaint would be given within a maximum period of one month from the date of complaint, unless the nature of complaint requires verification of voluminous facts and figures.
- d) Complete details of Branch Heads, Grievance Redressal Officer (GRO) at Corporate Office and Officer-in-Charge of the Regional Office of DNBS of RBI are given hereunder :-

Branches	Name of Branch Head	Mob. No.	Ph. No.	Fax No.	Email Id
Jaipur	Mr. Satya Prakash Sharma	9314142990	01414068888	1414068810	jaipur@seil.in

Jodhpur	Mr. Ramendra Singh	8449885885	02912638927	2912638926	jodhpur@seil.in
Mathura	Mr. Pankaj Parashar	9319069056	05652424310	—	mathura@seil.in
Ahmedabad	Mr. Pradeep Chahar	9998123238	07927544830	—	ahmedabad@seil.in
Mumbai	Mr. Gaurav Chaubey	7738386151	02242288888	0224228882	mumbai@seil.in
Aligarh	Mr. Anupam	9837000392	05712421866	—	aligarh@seil.in
Bareilly	Mr. Pradeep Sharma	8923283323	05812510755	—	bareilly@seil.in
Agra	Mr Rahul Chaturvedi	9897342315	05624028888	0562-4028888	agra@seil.in
Delhi	Mr Anup Kumar	8802121540	01143518888	011-43518888	delhi@seil.in
Bharatpur	Praven Singh	09116012625		—	raj.btp@seil.in
Dausa	Vishal Gupta	09116012619	1427-223388	—	raj.dausa@seil.in
Hindaun	Naresh Singh	09116012624	7469-230042	—	raj.hindaun@seil.in
Tonk	Vikram Singh	09116012616	1431-254222	—	raj.tonk@seil.in
Chittorgarh	Dharmendra Singh	09116012610	1472-240164	—	raj.chittorgarh@seil.in
Kota	Ashok	09116012613	7442-360313	—	raj.kota@seil.in

	Choudhary				il.in
Bhilwara	Puspendra Singh Tomer	9116012605	1482-230294	—	raj.bhilwara@seil.in
Udaipur	Sohan Singh	09116012602	294-2420333	—	raj.udaipur@seil.in
Rajsamand	Gaurav Baldi	09116012607		—	raj.rajsamand@seil.in
Sitapur	Kripa Sindhu Pandey	8938921234		—	bm.sitapur@seil.in
Sanchor	Rahul Sharma	9116012632			raj.sanchor@seil.in
Sawai Madhopur	Vikram Singh	9116012616	07465-222033		raj.sawaimadhopur@seil.in
Bhoor Chauraha, Bulandshahr	Yashpal Singh	7617662345	-	-	bulandshahr@seil.in
Siyana, Bulandshahr	Mukesh Chaudhary	7617672345	-	-	bulandshahr@seil.in
Gulaothi, Bulandshahr	Bhupendra Singh	7251019797	-	-	bulandshahr@seil.in
Indri Harayana	Jitendra Kumar Vidyarthi	7027862744	-	-	hkpm01@seil.in
Garhmukteshwar, Hapur	Kapil Singh	9540211861	-	-	garh@seil.in
Jhagirabad, Bulandshahr	Yashpal Singh	07617672345	-	-	jahangirabad@seil.in
Gharaunda, Karnal	Jitendra Kumar	7027862744	-	-	hkpm01@seil.in

	Vidyarthi				il.in
Simbhaoli, Distt Hapur	Sanjeev Kumar	7251019666	-	-	simbhaoli@ seil.in
Hasanpur, District Amroha	Laxman Singh	8077639352	-	-	hasanpur@ seil.in

f) Grievance Redressal Officer (GRO)

Designation	Name	Address	Mob. No.	Ph. No.	Fax No.	Email Id
Grievance Redressal Officer (GRO)	Mr. Anurag Sinha	101, CSC, Pocket 52, CR Park, Near Police Station, New Delhi-110019	98377276 03	011- 4351888 8	011- 4351881 6	anurag.sinha @seil.in

- g) The Company shall display at all its branches / places where business is transacted the above details of Grievance Redressal Officer viz. contact details (Telephone / Mobile nos. as also email address) who can be approached by the public for resolution of complaints against the company.

If the complaint/dispute is not redressed within a period of one month, the customer may appeal to the Officer- in Charge as per the below mentioned contact details :

Officer-in-Charge of the Regional Office of DNBS of RBI

Officer & Designation	Address	Phone No.	Fax No.	Telex No.
The Manager, (Department of Non-Banking Supervision), Reserve Bank of India	6, Sansad Marg, RBI Building, P.B. no. 123, New Delhi-110001	011-23714456	011-23713672	031-66361

7. Regulation of Interest to be charged from the borrower:

- a) The Company has laid out appropriate internal principles and procedures in determining interest rates and processing and other charges.
- b) The Company has adopted an interest rate model taking into account relevant factors such as, cost of funds, margin and risk premium, etc and determined the rate of interest to be charged for facilities and advances. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers shall also be disclosed to the borrower or customer in the loan application form and shall also communicated explicitly in the sanction letter. It shall also be made available on the web-site of the company or published in the relevant newspapers. The information published in the website or otherwise published should be regularly updated whenever there is a change in the rates of interest.
- However, the penal charges rate is fixed at 3% pm compounded monthly (previous Rs. 2 per day per thousand or such higher rate as may be specified by the company due to various circumstances stands revised) in respect of the period for which the amount remains overdue. This rate is applicable in respect of each and every loan account until and unless specifically mentioned therein. It is pertinent to mention that normal interest is not chargeable on overdue amount for the defaulted period, when the penal charges are applicable.
- In the case of installments at flat rate of interest, the calculation of instalments is done at the time of booking of loan case and the flat interest after merging in instalment part takes the character of principal and no further interest can be applied. In the circumstances, the only way to recover the loss to the company for the delay in installments is levying late fees. When late fees is charged no interest is recovered for the period of default.

In case of fixed period lump sum repayable loans the interest rate is settled and charged as per agreed terms, however, here also when late fees is applied due to delay or default, only late fees is applied / recovered and interest is not applied/recovered for the default period.

- c) Internal Credit Rating Model has been adopted for gradation of risks which is considered to determine the rates of interest.
 - d) The rate of interest to be charged to the account will also be mentioned in annualized form.
8. Clarification regarding repossession of vehicles financed by NBFC's (issued vide CC No. 139 dated April 24, 2009)
Presently the company is not engaged into financing of vehicles hence these guidelines are not applicable.

This Code will be reviewed by Board of Directors from time to time, review will be undertaken and updated in a transparent manner.