

Fair Practice Code

Policy Owner:	Compliance
Prepared By:	Kajol Tak
Reviewed By I:	Dharmesh Shah
Reviewed By II:	Tom Brown
Approved By:	Board of Directors

Purpose

This Code has been framed in accordance with Master Circular on Fair Practice Code as issued by Reserve Bank of India (“RBI”) and amendments thereon.

This Fair Practice Code (“FPC” or “the Code”) seeks to provide to the customers an effective overview of the practices which will be followed by CSI Leasing India Private Limited (“CSI” or “the Company”) with respect to the financial facilities and services offered by the Company to its customers. The Code will allow the customers to make informed decisions regarding the financial facilities and services made available to them. Further, it will promote a fair and cordial relationship between the customer and the Company. The Company’s business shall be conducted in accordance with prevailing statutory and regulatory requirements, with due focus on efficiency, customer-orientation and corporate governance principles.

Commitments outlined in this Code are applicable under a normal operating environment. In the event of force majeure, the Company may not be able to fulfil the commitments under this Code.

Scope of the Code

This Code is aimed at providing customers with an overview of the practices followed by CSI for their dealings with CSI. The scope of this document is limited to the financial services provided to the customer during the tenure of their business relationship with CSI. It is based on the guidelines on the Fair Practices Code as set out by the RBI.

Applications for financing and leases and their processing

- 1) All communications to the customer shall be in English or the vernacular language or a language as understood by the borrower.
- 2) The finance/lease application forms shall 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 an informed decision can be taken by the borrower. The application form shall indicate the documents required to be submitted with the application form.

- 3) The Company shall provide acknowledgement of receipt of all finance/lease applications. The time frame within which the application should be disposed-off shall be made known to the borrower. In any case the customer shall be kept informed by the salesperson regarding the status of the application from time to time.

Appraisal

- 1) In accordance with CSI's prescribed risk-based assessment procedures, each application for leasing and financing shall be assessed and suitable margin/securities shall be stipulated based on such risk assessment and our prevailing guidelines, however without compromising on due diligence.
- 2) The sanction of financing/leasing limits along with the terms and conditions, including late charges applicable to them, shall be conveyed to the applicant in writing.
- 3) Applicant's acceptance of terms and conditions shall be obtained in writing.
- 4) A copy of the agreement and financing/leasing documents, including a copy of all relevant enclosures, shall be provided to the customer at the time of sanction of finance/lease.

CSI is under no legal obligation to consider or increase additional limits or facilities without proper review and assessment.

Disbursement

In the event that a customer's agreement is subject to any changes in its terms and conditions, including variations in its disbursement schedule, interest rates, lease rate factor, service charges, prepayment charges etc., a written notice will be provided to the customer in advance by the Company.

Changes in interest rates and charges will be applied as of the effective date of such a change and not retrospectively.

Any decision to recall or accelerate payment due to customer performance under the finance agreement will be in accordance with the terms permissible under the finance agreement.

CSI will, subject to the contractual terms in accordance with the prevailing law, release all securities associated with a customer finance/lease agreement on repayment of all dues, or on the realization of the outstanding amount of the finance subject to any legitimate right or lien for any other claim the Company may have against the customer. If such right of set off is to be exercised, the customer shall be given notice about the same with full particulars about the remaining claims and the conditions under which CSI is entitled to retain the securities until the relevant claim is settled or paid.

If, because of such changes, any supplemental deeds, documents or writings are required to be executed, the same shall also be notified to the customer. Further availability of the facility will be subject to execution of such deeds documents or writings.

General Provisions

a. Non-Interference

The Company shall not interfere in the affairs of the customer except for the purposes set out in the terms and conditions of the finance and lease agreements (unless new information that was not earlier disclosed by the customer, comes to the notice of the Company).

b. Transfer of Amount

In the event that the customer expresses a request to transfer its obligations under the agreement to another party, the Company will give its decision (consent or otherwise) within 21 days from the date of receipt of the request subject to receipt of all the required information or documents required to evaluate such request of transfer. Any transfer of a customer's agreement to another party shall be subject to the contractual terms in accordance with the prevailing law.

c. Recovery Process

In the event that it is necessary to recover overdue payments from customers, the Company will not unduly harass or persistently bother the customer at inconvenient hours or use undue pressure for the recovery of overdue payments.

The Company shall ensure that the staff is adequately trained in handling collection activity in a professional manner by adopting a due legal process as per the law of the land.

The Company charges interest only as per the terms of the finance/lease agreement/sanction Letter. Any delay in payment of instalments as per the repayment schedule will attract penal interest at such rate as has been communicated to the customer in the sanction letter and/or finance/ lease Agreement.

The company may arrange for enforcing security charged to it of the delinquent borrower, if required, with an aim only to recover the amount due.

The company shall ensure that the entire process of enforcing its security, valuation and realization thereof is fair and transparent.

d. Privacy and Confidentiality

i. The Company will ensure that all personal information of customers shall be treated as private and confidential (even when the customers are no longer customers), and shall not be revealed to anyone, , other than in any of the following exceptional cases:

- If the information is required to be given by law or under the direction of any financial regulator/s;
- If the information is required to be given to the bankers or funders;
- If the Company has entered into an outsourcing arrangement as per RBI Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs and is providing information to the service provider on a 'need to know' basis in accordance with the said guidelines;

- If there is a duty towards the public to reveal the information;
 - If the Company's interests require them to give the information (for example, to prevent fraud) but the same shall not be used as a reason for giving information about customer or customer accounts [including customer name and address] to anyone else;
 - If the customer requests the Company to reveal the information, or with the customer's permission;
 - The Company shall not use customers' personal information for marketing purposes unless the customer specifically authorizes to do so.
- ii. The Company may give the information about the conduct of the customer's account to the credit referencing agencies after intimating about the same to the customers.
- iii. The Company may give information to credit rating agencies about the personal debts the customer owes to the Company if:
- The customer has fallen behind with his / her payments;
 - The amount owed is not in dispute; and
 - The customer has not made proposals that the Company is satisfied with, for repaying its debt, following Company's' formal demand.
- iv. In the above cases, Company shall notify the customer in writing that it plans to give information about the debts the customer owes to the Company to credit rating agencies. At the same time, the Company shall explain to the customer the role of credit rating agencies and the effect the information they provide can have on customer's ability to get credit.
- v. The Company may give credit rating agencies other information about the customer's account if the customer has given his / her permission to do so. A copy of the information given to the credit rating agencies shall be provided by the Company to the customer, if so demanded.

Responsibility of Board of Directors

The Board of Directors ("**Board**") of Company shall lay down appropriate grievance redressal mechanism within the organization. Such mechanism would ensure that all disputes arising out of the decisions of 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 grievance's redressal mechanism at various levels of management. A consolidated report of such reviews may be submitted to the Board at regular intervals, as may be appropriate.