

# FAIR PRACTICE CODE

**ECL Finance Limited**

**CIN:** U65990MH2005PLC154854

**Regd. Off:** Edelweiss House,

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Mumbai -400 098

Maharashtra, INDIA

**Tel:** +91 22 4009 4400

**Website:** <https://eclfinance.edelweissfin.com/>

Adopted in the Board Meeting held on:

March 15, 2013

Last Reviewed in the Board Meeting held on:

July 4, 2020

## FAIR PRACTICE CODE

**ECL Finance Limited (the Company/ ECLF), in pursuance of the Master Direction issued by Reserve Bank of India** for Systemically Important Non-Deposit taking Company and Deposit taking Non-Banking Financial Companies (NBFCs), has adopted the following Code for fair practices while dealing with customers.

The Fair Practice Code (FPC) is intended to cover the following areas:

- Applications for loans and their processing
- Loan appraisal and terms/conditions
- Disbursement of loans, including changes in terms and conditions
- General provisions and
- Grievance redressal mechanism

### 1. Applications for loans and their processing

(a) All relevant information pertaining to the loan/loan facility will be made available in the relevant loan application form(s) or through other modes (term sheet, teasers, etc.). The loan application form will also indicate the documents required to be submitted together with the duly completed application form.

(b) The client will have the option to receive all the correspondences, loan documents, recall notices etc relating to loan in vernacular language or a language understood by the Client. For this purpose the Client need to indicate his/her/its preference in the loan application form by selecting the appropriate option.

(c) Receipt of completed applications forms will be duly acknowledged. Applicants are required to insist for an acknowledgement in this regard.

(d) The acknowledgement would also indicate the approximate timeframe within which the applicant should contact the Company at its registered office to ascertain the status of the loan application.

### 2. Loan appraisal and terms/conditions

(a) Loan applications shall be assessed in accordance with the Company's credit appraisal process and policies. The client shall be advised in the language selected by him/her/it in the loan application of the outcome of the credit appraisal (approval/rejection) within the period for appraising the loan application indicated in the acknowledgment to loan application.

(b) Upon approval of the loan, the Company shall convey the amount of loan sanctioned, annualized interest rate, default interest rate and other important terms and conditions to the Client by way of sanction letter or otherwise in the language selected by the Client in the application form for correspondence, etc. The penal interest, if any, to be charged by the Company for late repayment, etc shall be mentioned in bold in the loan agreement, sanction letter, etc. An acceptance of such terms and conditions shall be retained by the Company.

(c) The Company shall enter into an agreement indicating the amount of loan sanctioned, annualised rate of interest applicable, including method of application thereof, along with the terms and conditions with the client. A copy of the said agreement along with schedule(s) and annexure(s) to the agreement will be provided to the client in the language opted by the client.

### **3. Disbursement of loans, including changes in terms and conditions**

(a) Any changes to the terms and conditions, including disbursement schedule, interest rates, service charges, prepayment charges, etc, shall be informed individually to the borrowers in case of account specific changes, and in case of others, the same shall be available at the registered office / corporate office of the Company or on website or be disseminated through print media if the Company so decide.

(b) Changes in the interest rates and charges shall be effected prospectively. A suitable condition to this effect will be inserted in the loan agreement.

(c) Decision to recall / accelerate payment or performance under the agreement shall be in accordance with the terms and conditions of the loan documents executed by the borrower with the Company.

(d) All securities pertaining to the loan would be released on receipt of full and final payment of the loans, subject to any legitimate or contractual right or lien or right to set-off which the Company or any other person may have under the loan documents against the borrowers. 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 right to retain or setoff the securities/sale proceeds from the securities or right to transfer the securities or sale proceeds is exercised by the Company . In the event of full and final payment of the loans along with other dues, if any, "No outstanding dues" certificate shall be issued by the Company within 1 month from the date of receipt of request from the borrower / customer.

(e) All notices, correspondence in respect of the loan will be made in the language opted by the Client in the loan application form.

### **4. Applicant with Disability (ies)**

The Company shall not discriminate in extending products and facilities including loan facilities to the physically / visually challenged applicants on the grounds of disability. They shall be treated at par with the other applicants and their application shall be dealt on merit as per the credit process and policy of the Company. All possible assistance will be provided to the applicants with the disability (ies) to enable them to understand, select and avail appropriate product or loan facility.

### **5. General provisions**

(a) The Company shall refrain from interference in the affairs of the borrower, except for the purposes and as provided in the terms and conditions of the loan documents or 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 request.

(c) In the matter of recovery of loans, the Company shall not resort to undue harassment viz persistently bothering the borrower at odd hours, use of muscle power for recovery of loans and would operate within the legal framework. The Company will ensure that all its employees are adequately trained to deal with the borrowers in an appropriate manner.

(d) The Company shall not charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to individual borrowers of retail financing products.

## **6. Interest Charges :**

a. The Board of Directors has adopted an interest rate model for determining the rate of interest to be charged on loans and advances, processing and other charges taking into account relevant factors such as, cost of funds, margin and risk premium, etc. 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 be disclosed to the borrower or customer in the application form and agreed interest shall be communicated explicitly in the sanction letter.

b. The rates of interest and the approach for gradation of risks shall also be made available on the website of the company. The information published in the website or otherwise published will be updated, whenever there is a change in the rates of interest.

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

## **7. Grievance Redressal**

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.

All disputes / complaints arising out of the decisions of the Company's functionaries including issues relating to services provided by the outsourced agency would be heard and disposed of after it is brought to their notice.

A consolidated report of periodical review with compliance with the Fair Practices Code and functioning of the grievances redressal mechanism at various levels of management would be submitted to the Board of Directors (or a committee thereof) at regular intervals.

The contact details of the Grievance Redressal Officer ("GRO") and the local office of RBI (which can be approached, if the complaint / dispute is not resolved within a period of one month) will be displayed at all the branches / places where the Company conducts its business.

## 8. Grievance Redressal Mechanism:

- 1) The Company has provided the following Grievance Redressal Mechanism to resolve any of its Customers Query / Grievances / Complaints:

<b>LEVEL - 1</b>	<p>a) The borrowers can directly approach the Branch Manager and enter his/her complaint/grievance in the compliant register maintained at the branch</p> <p>b) The concerned Employee / Relationship Manager shall guide the borrowers who wish to lodge a complaint.</p> <p>c) The borrower may also lodge complaints / grievances at the following email id -</p> <p>For Mortgages, SME and other retail loans : <a href="mailto:homeservice@edelweissfin.com">homeservice@edelweissfin.com</a>          For other loans : <a href="mailto:Eclf.grievancecell@edelweissfin.com">Eclf.grievancecell@edelweissfin.com</a></p>
<b>GRIEVANCE REDRESSAL OFFICER</b>	<p>The borrower / customer can also approach Grievance Redressal Officer at the following address :-</p> <p><b>Ms. Seema Naik</b>, Grievance Redressal Officer          Edelweiss House, Off. C.S.T Road, Kalina, Mumbai-400 098  <b>Tel No.</b> +91 (22) 2286 4400  <b>Email id:</b> <a href="mailto:Eclf.grievancecell@edelweissfin.com">Eclf.grievancecell@edelweissfin.com</a></p> <p>The Grievance Redressal Officer shall endeavour to provide the borrower / applicant with the resolution / response to the queries / complaints / grievances received from them within a period of <b>minimum 15 days and maximum 30 days</b> from the day of the receipt of the of the complaint / grievances.</p>
<b>LEVEL - 2</b>	<p>If the Complaint / Grievances is not resolved within a period of one month, the borrower / customer / applicant may appeal to :-</p> <p><b>The Officer - in - Charge</b>  <b>Department of Non - Banking Supervision</b>  <b>Reserve Bank of India</b>          3rd Floor, Near Maratha Mandir, Byculla,          Mumbai Central, Mumbai - 400008;  <b>Tel:</b> +91 22-23084121/ 23028436  <b>Fax:</b> +91 22-23022011  <b>Email id-</b> <a href="mailto:dnbsmro@rbi.org.in">dnbsmro@rbi.org.in</a></p>

## 9. Ombudsman Scheme

RBI vide its Notification Ref. CEPD. PRS. No. 4535/13.01.004/2018-19 dated 26<sup>th</sup> April, 2019, decided to extend the Ombudsman Scheme to those non-deposit taking NBFCs having customer interface and asset size of ₹100 crores (₹1 billion). Thus, the Company has adopted the Ombudsman Scheme as provided in **Annexure A** which shall be made available to the customers on the website of the Company.

- **POINTS TO COMPLY ALONGWITH REDRESSAL PROCEDURE THEREOF:**

- 1) The above information shall also be displayed outside the branches / places where the business of the Company is transacted for the benefit of the Customers and shall also be made available with such designated officers for reference purpose.
- 2) In case any complain / grievance received by the Concerned Employee / Relationship Manager the same shall be reported by him / her within 2 days from the receipt of the Complaint to the Grievance Redressal Officer / Nodal Officer / Principal Nodal Officer in order to ensure speedy resolution of the grievances / complaints.
- 3) It shall be the responsibility of the concerned employee / relationship manager to provide the necessary details pertaining to the complaint / grievance to the Grievance Redressal Officer / Nodal Officer / Principal Nodal Officer to redress and resolve the complaint / grievances.

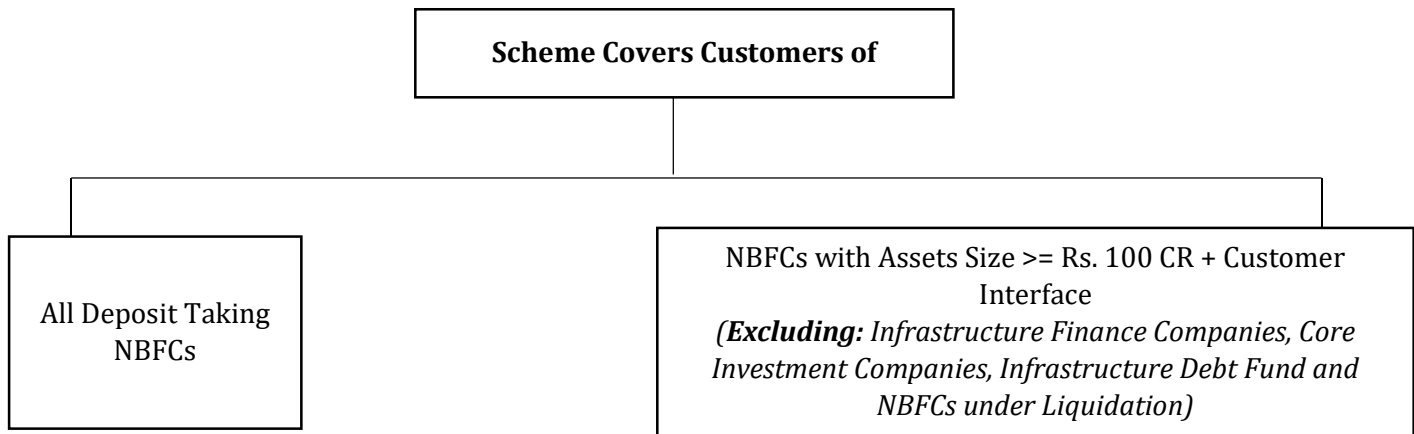
#### **10. Review of Policy**

This Code is effective from October 14, 2006 and has been amended / modified from time to time in the light of the Circulars, Directions, etc issued by the Reserve Bank of India and the practices followed by the Company. The Company shall provide for periodical review of the compliance of this Fair Practice Code and the functioning of the grievance redressal mechanism at various levels of management.

## ANNEXURE “A”

### OMBUDSMAN SCHEME FOR NON – BANKING FINANCIAL COMPANIES

#### SALIENT FEATURES



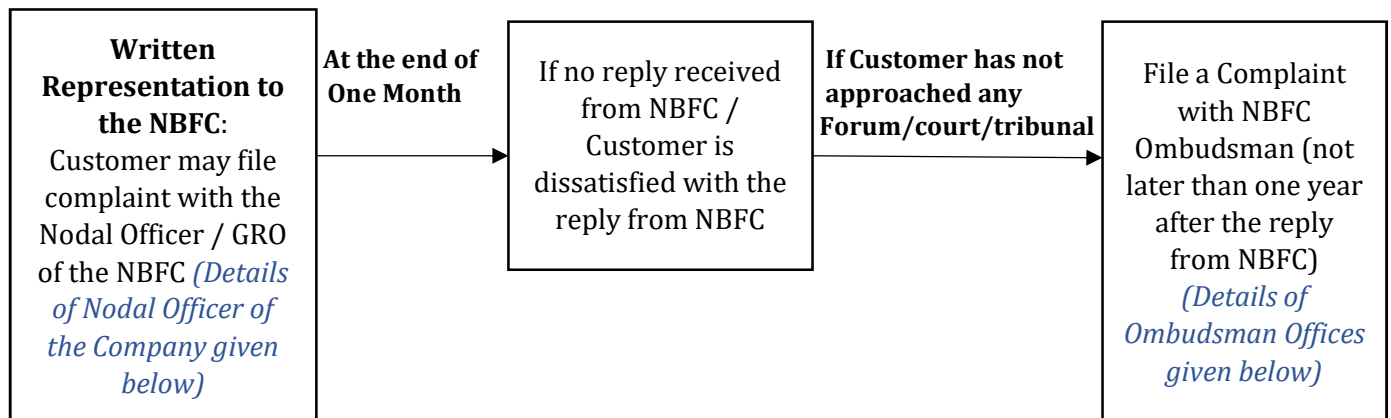
#### ➤ Grounds for filing a Complaint by a Customer:

- a) **Non – presentation** or inordinate **delay in the presentation of PDC** provided by the customer
- b) **Failure to convey in writing, the amount of loan sanctioned** along with terms and conditions including **annualized rate of interest** and method of application thereof;
- c) **Failure or refusal to provide sanction letter** / terms and conditions of sanction in vernacular language or a language as understood by the borrower
- d) **Failure or refusal to provide adequate notice on proposed changes being made in sanctioned terms and conditions** in vernacular language as understood by the borrower
- e) **Failure or inordinate delay in releasing the securities documents** to the borrower on repayment of all dues
- f) **Levying of Charges without adequate prior notice to the borrower** / customer
- g) **Failure to provide legally enforceable built – in repossession clause in the Contract** / loan agreement.
- h) **Failure to ensure transparency in the contract/ loan agreement** regarding (i) notice period before taking possession of security; (ii) circumstances under which the notice period can be waived; (iii) the procedure for taking possession of the security; (iv) a provision regarding final chance to be given to the borrower for repayment of loan before the sale/ auction of the security;

(v) the procedure for giving repossession to the borrower and (vi) the procedure for sale/ auction of the security;

- i) **Non-observance of directions issued by Reserve Bank** to the non-banking financial companies;
- j) **Non-adherence to any of the other provisions of Reserve Bank Guidelines** on Fair Practices Code for Non-Banking Financial Companies.

### ➤ **Procedure of Filing Complaint.**



### ➤ **How does Ombudsman take decision?**

- Proceedings before Ombudsman are summary in nature
- Promotes settlement through conciliation —→ If not reached, can issue Award/Order

### ➤ **Can a customer appeal, if not satisfied with decision of Ombudsman?**

**YES**, If Ombudsman's decision is appealable —→ **Appellate Authority: Deputy Governor, RBI**

### **NOTE:**

- This is an Alternate Dispute Resolution mechanism
- Customer is at liberty to approach any other court/forum/authority for the redressal at any stage
- For further details of the Scheme please visit [www.rbi.org.in](http://www.rbi.org.in)



### DETAILS OF THE NODAL OFFICER APPOINTED BY THE COMPANY

Nodal Officer	Details of PNO / NO	
<b>Principal Nodal Officer (PNO)</b>	<b>Ms. Kashmira Mathew</b> ECL Finance Limited Edelweiss House, Off. C.S.T Road, Kalina, Mumbai-400 098 <b>Tel No.</b> +91 (22) 4272 2554 <b>Email id:</b> <a href="mailto:Eclfgrievancecell@edelweissfin.com">Eclfgrievancecell@edelweissfin.com</a>	
<b>Zonal Nodal Officer (NO)</b>	<b>Delhi</b> <b>Ms. Vasudha Chaudhry</b> ECL Finance Limited No 104, 1st Floor Mercantile House 15 K G Marg Delhi 110001 India <b>Tel No.</b> +91 (11) 4357 1112 <b>Email id:</b> <a href="mailto:homeservice@edelweissfin.com">homeservice@edelweissfin.com</a>	<b>Kolkata</b> <b>Mr. Arup Das</b> ECL Finance Limited 9th Floor No 44 Park Street Kolkata West Bengal 700016 India <b>Tel No.</b> +033 2640 5287 <b>Email id:</b> <a href="mailto:homeservice@edelweissfin.com">homeservice@edelweissfin.com</a>  <b>Mr. Ronak B. Parmanandka</b> ECL Finance Limited Unit No F5, 1st Floor Trinity Tower 226/1 AJC Bose Road Kolkata West Bengal 700020 India <b>Tel No.</b> +033 – 4057 2810 <b>Email id:</b> <a href="mailto:homeservice@edelweissfin.com">homeservice@edelweissfin.com</a>
	<b>Chennai</b> <b>Mr. Sheen Paul</b> ECL Finance Limited No 19, 7th Floor Kochar Tower Venkatnarayanan Road T Nagar Chennai Tamilnadu 600017 India <b>Tel No.:</b> +080 – 4923 8969 <b>Email id:</b> <a href="mailto:homeservice@edelweissfin.com">homeservice@edelweissfin.com</a>  <b>Mr. Balaji Krishnan</b> ECL Finance Limited No 19, 7th Floor Kochar Tower Venkatnarayanan Road T Nagar Chennai Tamilnadu 600017 India	

	<b>Tel No.:</b> +080 – 4923 8969 <b>Email id:</b> <a href="mailto:homeservice@edelweissfin.com">homeservice@edelweissfin.com</a>
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**DETAILS OF NBFC – OMBUDSMAN APPOINTED BY RBI**

SR NO.	CENTRE	ADDRESS OF THE OFFICE OF NBFC OMBUDSMAN	AREA OF OPERATION
1	CHENNAI	C/o Reserve Bank of India Fort Glacis, Chennai 600 001 STD Code: 044 Telephone No : 25395964 Fax No : 25395488 Email : <a href="mailto:nbfcochennai@rbi.org.in">nbfcochennai@rbi.org.in</a>	Tamil Nadu, Andaman and Nicobar Islands, Karnataka, Andhra Pradesh, Telangana, Kerala, Union Territory of Lakshadweep and Union Territory of Puducherry
2	MUMBAI	C/o Reserve Bank of India Banking Ombudsman –II (NBFC Vertical) RBI Byculla Office Building Opp. Mumbai Central Railway Station Byculla, Mumbai-400 008 STD Code: 022 Telephone No : 23028140 Fax No : 23022024 Email : <a href="mailto:nbfcomumbai@rbi.org.in">nbfcomumbai@rbi.org.in</a>	Maharashtra, Goa, Gujarat, Madhya Pradesh, Chhattisgarh, Union Territories of Dadra and Nagar Haveli, Daman and Diu
3	NEW DELHI	C/o Reserve Bank of India Sansad Marg New Delhi -110001 STD Code: 011 Telephone No: 23724856 Fax No : 23725218-19 Email : <a href="mailto:nbfconewdelhi@rbi.org.in">nbfconewdelhi@rbi.org.in</a>	Delhi, Uttar Pradesh, Uttarakhand, Haryana, Punjab, Union Territory of Chandigarh Himachal Pradesh, and Rajasthan and State of Jammu and Kashmir
4	KOLKATA	C/o Reserve Bank of India 15, Netaji Subhash Road Kolkata-700 001 STD Code: 033 Telephone No : 22304982 Fax No : 22305899 Email : <a href="mailto:nbfckolkata@rbi.org.in">nbfckolkata@rbi.org.in</a>	West Bengal, Sikkim, Odisha, Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Bihar and Jharkhand