



## Fair Practice Code

### PREAMBLE

It is, and shall be, the policy of Capital Trust Limited (hereinafter referred as CTL) to make all eligible qualified applicants, without discrimination on the basis of race, cast, colour, religion, sex, marital status, age or handicap, all financial products, either directly or through subsidiaries and/or associates.

CTL's policy is to treat all the clients consistently and fairly. The employees of CTL will offer assistance, encouragement and service in a fair, equitable and consistent manner. CTL will also communicate its Fair Practice Code (hereinafter referred as FPC) to its customers by uploading the FPC it on its website "[www.capital-trust.com](http://www.capital-trust.com)"

CTL will ensure that the implementation of the FPC is the responsibility of the entire organization .CTL's fair lending practices shall apply across all aspects of its operations including marketing, loan origination, processing, servicing and collection activities. Its commitment to FPC will be demonstrated in terms of employee accountability, training, counseling, and monitoring, auditing programs and internal controls, and optimal use of technology.

CTL's Board of Directors and the management team are responsible for implementing the fair practices hereinafter detailed , and also to ensure that its operations reflect its strong commitment to all the stakeholders for offering in a fair and equitable manner, the various financial services and product including lending and that all employees are aware of this commitment.

The Reserve Bank of India has issued guidelines on Fair Practice Code for Non Banking Finance Companies (NBFCs) thereby setting standards for fair business and corporate practices while dealing with their customers .The Company shall adopt all the best practices prescribed by RBI from time to time and shall make appropriate modifications if any necessary to this code to conform to the standards so prescribed.

This Fair Practice Code applies to the following categories of products and services offered by us (currently offered or which may be introduced in future date)

1. Loans, guarantees and other products in the nature of financial assets
2. Third party products offered through a network consisting of the branches of CTL, its subsidiaries and associates.

The FPC is applicable to the above irrespective of whether the same is provided physically, over the phone, on the internet or by any method whatsoever, existing or futuristic.

### KEY COMMITMENTS

The key commitments which CTL promises to follow in its dealing with its customers are:

- a. To act fairly and reasonably in all dealings with its customers by ensuring that :
  - ♦ Its products, services, procedures and practices will meet the commitments and standards in this PFC.
  - ♦ Its products and services will meet relevant laws and regulations as applicable
  - ♦ Its dealings with its customers will rest on ethical principles of honesty, integrity and transparency.

- b. CTL will assist customers in understanding how its financial products and services work by:
- ◆ Providing information about them in simple Hindi and /or English and or the local language.
  - ◆ Explaining their financial implications and
  - ◆ Helping the customers choose the one that meets his / her needs.
- c. CTL will make every attempt to ensure that its customers have a trouble-free Experience in dealing with it; but in the case of errors or commissions and Omissions, CTL will deal with the same quickly and sympathetically
- ◆ Mistakes will be corrected quickly
  - ◆ Complaints will be handled quickly
  - ◆ In case a customer is not satisfied with the way a complaint is handled, CTL will guide the customer on how to take the complaint forward.
  - ◆ CTL will reverse any charges including interest applied to a customer's account due to an error or oversight on its part.

### **SALES ORIGINATION**

CTL will guide its customers in choosing products and services which meets his / her requirement.

- a. Before the customer relationship is established, CTL will:
- ◆ Give the customer information explaining the key features of the services and products the customer has shown interest in.
  - ◆ Give information on accounts, products and services which may suit the customer's needs.
  - ◆ Clearly state the information that CTL require to collect from the customer to fulfill its "Know Your Customer"(KYC) norms and to comply with legal and regulatory requirements in force from time to time.
  - ◆ Request for additional information about the customer and his / her family to build a database, but this information may be furnished by the customer only if he / she wishes to do so.
- b. CTL will provide information on the various channels that can be used to access its products and services. The customer will also be informed on where further information on this is available
- c. Once a customer has chosen a product CTL will tell the customer how it works.
- d. CTL will guide its customers on rights and responsibilities specific to the mode of operation under which the product is taken

### **III LOAN AND ADVANCES**

- a. Before offering any kind of fund based on non fund based non- banking facility CTL will assess the ability of customers (prospective borrower) to repay.
- b. Loan application forms of CTL 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 non banking finance companies can be made and an informed decision taken by the prospective borrower.
- c. The loan application form shall indicate the documents required to be submitted along with the application form.
- d. CTL will provide to the prospective borrower an acknowledgement for receipt of all loan applications. An indicative time frame within which loan applications will be disposed of will be mentioned in such acknowledgement.
- e. CTL will convey in writing to the prospective borrower the fate of the loan application by means of sanction letter or otherwise. In the case of sanction of loan, the sanction letter shall contain the terms

and conditions including annualized rate of interest and method of application thereof. The acceptance of the terms and conditions communicated by the borrower shall be preserved by CTL in its records.

- f. CTL will give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. CTL shall ensure that changes in interest rates and other charges are effective only prospectively. The loan agreement shall contain a specific clause to this effect.
- g. In the matter of recovery of loans, CTL shall resort only to remedies which are legally and legitimately available to it and will avoid using recovery measures during odd hours of the day.

#### IV TERMS AND CONDITIONS

- a. When a customer accepts a product or service for the first time, CTL will provide the customer with the Rules and Regulations that are relevant to the product / service.
- b. All terms and conditions will be fair and will set the customer's right and responsibilities clearly and in plain language. CTL will use legal or technical language only where necessary.
- c. CTL will make available any charges applicable to products and services applicable at the time a customer signs up for the same.
- d. If CTL increases any charges or introduces a new charge, CTL will notify the same to the customers.
- e. CTL will provide the terms and conditions in respect of any product or service whenever a customer requests for the same.

#### V MARKETING AND PRODUCT SYNERGY

- a. CTL will ensure that advertising and promotional material is clear, fair reasonable and not misleading.
- b. CTL will provide the customers with a full range of financial products the customer is eligible for. Some of these products / services will be its own; some others may be the products of the group or associate companies and also companies with which CTL may have arrangements with.
- c. It will be the Endeavour of CTL to bring synergy between the various financial services, financial products, by cross selling these products to its clientele.

#### VI CONFIDENTIALITY

- a. Unless authorized by the customer CTL will treat all personal information as private and confidential.
- b. CTL will not reveal transaction details to any other entity including within the group other than the following exceptional cases:
  - ♦ If CTL have to provide the information by statutory or regulatory laws
  - ♦ If there is a duty to the public to reveal this information
  - ♦ If its interests requires us to provide this information (e.g. fraud prevention.). CTL will not use this reason for giving information about customers to any one else (including group companies) for marketing purposes.
  - ♦ If CTL have taken the customers permission (for instance at the time of loan sanctioning) to provide such information to its group / associate / entities for companies for providing other products or services.
  - ♦ Where the customer asks us to reveal such information to its group / associate / entities or companies for providing other services or products.

#### VII. GRIEVANCE REDRESSAL MECHANISM

- a. CTL will guide customers who wish to lodge a complaint and also provide guidance on what to do in case the customer is unhappy with the outcome.

- b. After the explaining the matter, CTL will send a response as soon as possible; CTL will also guide a customer on how to take the complaint further if the customer is not satisfied.
- c. A legal Officer has been appointed for the redressal of grievances of the customers including the borrowers, in connection with any matter pertaining to business practices, lending decisions, credit management and recovery. The name and contact details of the legal officer shall be displayed in the website of CTL.

#### **VIII FORCE MAJEURE:**

The various commitments outlined and made by CTL are applicable under the normal operating environment. In the event of Force Majeure, CTL will not be able to fulfil the commitments under the FPC to the entire satisfaction of the customer/s, the other stake holders, and the public in general.

#### **IX EFFECTIVE DATE:**

This FPC has been in effect as of 31st January.2007.