

DURGESH MERCHANTS LIMITED

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Email ID: durgeshmerchants@gmail.com, CIN: L51219DL1984PLC248322, Website:
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FAIR PRACTICE CODE FOR NON- BANKING FINANCE COMPANY

The Company **DURGESH MERCHANTS LIMITED** having its registered office at **D-220, Basement, Defence Colony, New Delhi-110024** hereby makes the following Fair Practice Code for doing the business of Loan Financing.

POLICY STATEMENT

This India - Fair Practice Code Policy (the 'Policy') sets minimum fair practice standards for Durgesh Merchants Limited (the 'Company') to follow during the processing, granting and disbursement of a loan, and the procedure to be followed thereafter.

The objectives of this Policy are as follows:

- Promote fair practices by setting minimum standards when dealing with clients.
- Increase transparency so that clients can have a better understanding of what type of products, terms and conditions and service levels can be expected from the Company.
- Foster client confidence through transparent dealing.
- Comply with Reserve Bank of India ('RBI') directives in this regard. RBI, vide its notification RBI/2015-16/16, DNBR (PD) CC.No.054/03.10.119/2015-16, dated 1 July 2015, as updated from time to time, has mandated framing of a 'Fair Practice Code' with the approval of the Board. In compliance with the RBI directive, this 'Fair Practice Code' is being framed.

POLICY REQUIREMENTS KEY COMMITMENT

To help borrowers / clients understand the Company's financial products and services by:

- Ensuring that the client is given clear information about the Company's product and services, the terms and conditions and interest rates/service charges, which apply to him or her. Keeping clients informed about changes in the interest rates, charges, terms and conditions, etc.
- To act fairly and reasonably in all dealings with the client by:
 - Meeting the commitments and standards in this Policy for products and services offered by the Company
 - Making sure that products and services meet relevant principles of integrity and transparency
 - Handling client complaints promptly
- To treat personal information of clients as private and confidential



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- Wherever applicable, the documents (such as loan agreements and its annexure, sanction letter, term sheets, notices, etc.) that need to be signed by the client and/or given to the client should be in a language which the client understands. Similarly, any communication with the client shall be in a language which the client understands.

Applications for loans and their processing:

(a) All communications to the borrower shall be in the vernacular language or a language as understood by the borrower.

(b) Loan application forms would 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 informed decision can be taken by the borrower. The loan application form would indicate the documents required to be submitted with the application form.

(c) The Company would give acknowledgement for receipt of all loan applications. The time frame within which loan application shall be disposed of shall also be indicated in the acknowledgement. The company would verify the loan applications within a reasonable period of time. If additional details / documents are required, it would intimate the customers immediately.

Loan appraisal and terms/conditions:

(a) The Company would ensure that there is proper assessment of credit application made by borrowers. The assessment would be in line with the Company's credit policies and procedures.

(b) The Company shall convey in writing to the borrower in the vernacular language as understood by the borrower by means of sanction letter, the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record. The Company shall also communicate to the borrower if the loan is rejected. The Company should mention the penal interest charged for late repayment in bold in the loan agreement.

(c) The Company shall furnish a copy of the loan agreement preferably in the vernacular language or a language as understood by the borrower along with a copy each of all enclosures quoted in the loan agreement to the borrowers at the time of sanction / disbursement of loans.

(d) The Board of the Company has adopted an interest rate model taking into account relevant factors such as, cost of funds, margin and risk premium, etc and determines the rate of interest to be charged for loans 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 be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.

(E) The rates of interest and the approach for gradation of risks shall also be made available on the web-site of the companies or published in the relevant newspapers. The information published in the website or otherwise published should be updated whenever there is a change in the rates of interest.



Disbursement of loans including changes in terms and conditions:

(a) The Company would ensure timely disbursement of loans sanctioned in conformity with the terms and conditions governing such sanction. The Company shall give notice to the borrower in the vernacular language as understood by the borrower of any change in the terms, including disbursement schedule, interest rates, service charges, prepayment charges etc.

(b) The Company shall ensure that changes in interest rates and charges are affected only prospectively. A suitable condition in this regard should be incorporated in the loan agreement.

(c) Decision to recall / accelerate payment or performance under the agreement should be in consonance with the loan agreement.

(d) The Company shall 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 shall be given notice about the same with full particulars about the remaining claims and the conditions under which the Company is entitled to retain the securities till the relevant claim is settled/paid.

CONFIDENTIALITY

• The Company shall treat client information as private and confidential and shall be guided by the following principles and policies: The information shall be imparted by the Company only in the following circumstances:

- Information required to be given under law or as demanded or required by statutory authorities
- Information is given with client's specific written permission

GENERAL:

(a) The Company should refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of 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, should be conveyed within 21 days (Twenty One) from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.

(c) In the matter of recovery of loans, consistent with its policy over the years, the Company shall not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc. The Company's staff are adequately trained (including not to behave rudely with customers) to deal with customers in an appropriate manner. The contract/loan agreement with the borrower shall contain the repossession clauses in line with RBI circular no. RBI/2008-09/454 DNBS (PD) CC No. 139/03.10.001/2008-09 dated 24th April 2009.

(d) Company shall not charge foreclosure charges/ prepayment penalties on all floating rate term loans sanctioned to individual borrowers, with immediate effect.



COMPLAINTS, GRIEVANCES AND FEEDBACK

In compliance with RBI circular No. DNBS.CC. PD. No. 320/03.10.01/2012-13 dated 18th February 2013, the Company shall appoint the Grievance Redressal Officer (Nodal Officer) whom the client can contact in case of any grievance / issue. The display board shall be displayed prominently from where the Company is transacting its business.

The grievance redressal mechanism will be as follows:

- If a complaint is received in writing or over the phone, the same has to be recorded in the complaint register and a complaint number would be given which would be referred to in future.
- All complaints must be resolved as per the Clients Complaint policy number.
- If the complaint is against any Company official, then the same has to be heard and redressed by officials at the next higher level.
- If the complaint is arising out of the decisions of Company staff, then the same has to be heard and disposed of at least at the next higher level.
- Status of complaints received; disposed of, pending and other specified details shall be put up to the Investor Grievance Committee of the Company for advice. The Investor Grievance Committee shall update the Board, during the Board meeting, about the status of all investor grievances redressed/pending.

GRIEVANCES:

Ms. Jayanti Sharma, Director of the Company is the Grievance Redressal Officer under the Fair Practices Code who can be approached by the public for resolution of complaints against the Company in the below mentioned address:

DURGESH MERCHANTS LIMITED

D-220, Basement, Defence Colony, New Delhi-110024

Email ID: durgeshmerchants@gmail.com

If the complaint / dispute is not redressed within a period of one month, the customer may appeal to the Officer-in-Charge of the Regional Office of Department of Non-Banking Supervision (DNBS), Reserve Bank of India, New Delhi, under whose jurisdiction the registered office of the Company falls.

For the benefit of our customers, the above information on "grievances" will be displayed at our branches / places where business is transacted.

For **DURGESH MERCHANTS LIMITED**



Jayanti Sharma
Director
DIN: 05285845



Date: April 19, 2016
Place: New Delhi