

GUJARAT INVESTA LIMITED

Fair Practice Code

Fair Practices Code (RBI CIRCULAR- DNBS.CC.PD.No.320 /03.10.01/2012-13 dated February 18th 2013)

Introduction

Gujarat Investa Limited which was originally incorporated as a Private Limited Company in the name & style of Gujarat Investa Private Limited on 22.01.1993 subsequently, the Company was converted into Limited company to Gujarat Investa Limited with Registrar of Companies, Ahmedabad on 15.02.1995. The Company was registered with the Reserve Bank of India as a Non Banking Finance Company (NBFC). The company is professionally managed and is presently listed with Bombay Stock Exchange

The company is engaged into the business of finance, investment, leasing and to lease finance lease operations of all kinds, hire or otherwise acquire any immovable or movable property and any rights or privilege which the company may think necessary or convenient for the purposes of its business and in particular any land, buildings, easements, machinery, plant and stock in trade and either to retain any property so acquired for the purpose of the Company's business or turn the same to account as may seem expedient. Purchasing or acquiring, construct, sell, dispose off, manage, turn to account and deal in real and personal property of all kinds.

GIL has established the following guidelines as a Fair Practices Code for its dealings with customers.

Scope of GIL's Fair Practice Code

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

Objectives of Fair Practice Code

- To provide full information/knowledge to customers regarding the products and services offered by GIL so as to enable them to take an informed decision.
- To increase transparency, so that, customers can have a better understanding of what they can reasonably expect of the services.
- To promote a fair and cordial relationship between the customer and GIL.

Application for Loans and their processing:

- Loan application forms will include necessary information which affects the interests 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 loan application form may indicate the list of documents required during submission of the application form.

- GIL shall acknowledge the receipt of completed application forms. The time frame within which loan applications will be disposed of will also be indicated in the acknowledgement.
- The Company will process finance applications based on information received in writing, in order to ensure a fast and accurate processing service.
- Information typically required by GIL to process a finance application will depend on the type of business and / or organization applying for finance and will also include details such as the applicant's name, address, business, years of operation, financial details (the extent dependent on the financing value required) and any applicable business or practice registration number etc.
- GIL will:
 1. Provide clear information with regards to interest and fees (if any) charged on an individual contract basis.
 2. Process the application within the reasonable timeframe of receipt of the necessary details, provided all required information is available to GIL at the time of submission by the customer.
 3. Provide written confirmation of its decision to the customer, including the amount of the finance sanctioned, the terms and conditions of the finance, including the annualized rate of interest (and method of application thereof), and any terms of acceptance – including the period for which the acceptance is valid.
 4. Issue Sanction letter/term sheet describing the terms and conditions, to all customers whose financial facility has been sanctioned, after due diligence.
 5. Ensure that all finance agreements and enclosures provided to customers contain the terms & conditions, and the rate of interest, which shall be enclosed with the finance agreement.
 6. Keep on record for a reasonable time all details relating to the finance application decisions.

Loan Appraisal and Terms & Conditions

- The Loan applications shall be assessed in accordance with GIL's credit policy.
- Upon approval of the loan, a sanction letter/term sheet indicating the amount of loan sanctioned, annualized rate of interest applicable (including method of application thereof), penal interest or delayed payment charges (in case of delay in payments of installments beyond due dates) along with the terms and conditions, shall be conveyed to the loan applicant in writing. A written acceptance of such terms and conditions shall be retained by GIL.
- The basis of the rate of interest charged to customers will be as per the Company's Interest Rate Policy and will be agreed in advance with customers by way of finance contract documentation.
- A copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement shall be provided to all the borrowers at the time of sanction / disbursement of loans.

Disbursement of Loans, including changes in terms & conditions

- 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, service charges, prepayment charges etc. A notice in writing will be provided to the customer in advance by GIL. 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.
- GIL will, subject to the contractual terms in accordance to the prevailing law, release all securities associated with a customer finance agreement on repayment of all dues, or on the realization of the outstanding amount of the loan 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 borrower shall be given notice about the same with full particulars about the remaining claims and the conditions under which GIL is entitled to retain the securities till the relevant claim is settled.

General Provisions

- GIL shall not interfere in the affairs of the customer except for the purposes set out in the terms and conditions of the finance agreements (unless new information that was not earlier disclosed by the customer, comes to the notice of the Company).
- In the event that the customer expresses a request to transfer its obligations under the agreement to another party, GIL will give its decision (consent or otherwise) within 21 days from the date of receipt of the request. Any transfer of a customer's agreement to another party shall be subject to the contractual terms in accordance to the prevailing law.
- In the event that it is necessary to recover overdue payments from customers, GIL will not unduly harass or persistently bother the customer at inconvenient hours, or use undue pressure for the recovery of overdue payments. GIL 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.
- GIL charges interest only as per the terms of the Finance Agreement/Sanction Letter. Any delay in payment of installments as per the repayment schedule will attract penal interest at such rate as has been communicated to the customer in the Sanction Letter and Loan Agreement..
- GIL shall ensure that the entire process of enforcing its security, valuation and realization thereof be fair and transparent.

Grievance Redressal Mechanism

GIL has an established complaints and grievance procedure (see below), for which the Company's Finance and Operations Director is accountable. Any grievance or complaint raised

by a customer will be treated in accordance with the established processes and policies of the Company.

SFS shall display the following information prominently, for the benefit of its customers, at the branches / places where business is transacted:

- The name and contact details (Telephone / Mobile nos. and email address) of Nodal Grievance Redressal Officer who can be approached by the public for resolution of complaints against the Company. The customer may approach the Nodal Grievance Redressal Officer of GIL. Mr. Purshottam Agarwal has been appointed as the Nodal Grievance Redressal Officer.

If the complaint / dispute is not redressed within a period of 15 days from the date of receipt of Complaint by the Nodal Grievance Redressal Officer, the Customer may appeal to the Officer-in-Charge of the Regional Office of Department of Non-Banking Supervision (DNBS) of Reserve Bank of India,

To,
Asst. General Manager,
Department of Non Banking Supervision,
Reserve Bank of India,

Ahmedabad regional office,
1st Floor, Nr. Gandhi Bridge,
Ahmedabad – 380014

under whose jurisdiction the registered office of the NBFC falls.

Customer can contact the Company at the details mentioned below:

Nodal Officer

Gujarat Investa Limited

3 & 4, Shivalik Plaza, Opp. Atira, Ambawadi,

Ahmedabad - 380015

Tel: +91(0)79 22172949

Email: gujarat.investa@gmail.com

Issuance of No Due Certificate

GIL shall issue NOC/ NDC after 30 days of settlement of all dues by the Customers.

Review of Policy on Fair Practices Code

The Board of GIL will periodically review its compliance to this Fair Practices Code through accurate recording, analysis and review complaints and customer feedback records. The Board will also take steps to address any deficiencies where required and appropriate.

Interest Rate Model

The rate of interest is established through Gujarat Investa Limited's interest rate model, which takes into consideration aspects such as market borrowing (cost of funds), margin and risk premiums.

Our approach to the gradation of risk is not intended to discriminate between classes of borrowers but instead customize the interest rate to correspond with the loan amount. The

decision to offer a loan, and the interest rate established are thus carefully assessed, and applied on a deal-by-deal basis and consideration of the associated level of risk.

Besides market conditions, the interest rate offered is also based on the borrower's possibility of default, their past, present and projected cash flows, the borrower's credit record, the security of the loan as represented by underlying assets or other financial guarantees.

This information is collated through information provided by the customer, credit reports and market intelligence. Please note that additional charges (e.g. prepayment fees / late payment fees) may be applied during the life cycle of a contract.