

Fair Practices Code (FPC)

I. PREAMBLE

It is, and shall be, the policy of Shardul Securities Limited (SSL) to make available to all eligible qualified applicants, without discrimination on the basis of race, caste, colour, religion, sex, marital status, age or handicap all financial products, either directly or through subsidiaries and /or associates.

SSL's shall treat all the clients consistently and fairly. The employees of SSL shall offer assistance, encouragement and service in a fair, equitable and consistent manner. SSL will also communicate its Fair Practices Code (FPC) to its customers by uploading the FPC on its website.

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

SSL'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 products including lending and that all employees are aware of this commitment.

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.

The Company has got appropriate risk management policy considering the nature of business.

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

1. Loans, guarantees and other products in the nature of financial assets
2. Other related activities

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

KEY COMMITMENTS

The key commitments which SSL promises to follow in its dealings 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 FPC.
 - 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. SSL 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 customer choose the one that meets his / her needs.
- c. SSL 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, SSL 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, SSL will guide the customer on how to take the complaint forward

- SSL will reverse any charges including interest applied to a customer's account due to an error or oversight on its part

II. SALES ORIGINATION

SSL will guide its customers in choosing products and services which meets his / her requirements.

a. Before the customer relationship is established, SSL 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 SSL require to collect from the customer to fulfill its 'Know Your Customer' norms and to comply with legal and regulatory requirements in force from time to time.

c. Once a customer has chosen a product, SSL will tell the customer how it works

d. SSL will guide its customer on rights and responsibilities specific to the mode of operation under which the product is taken

III. LOANS AND ADVANCES

a. Before offering any kind of fund based or non fund based non-banking facility SSL will assess the ability of the customer (prospective borrower) to repay.

b. Loan application forms of SSL 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. SSL shall 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. SSL shall 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 annualised rate of interest and method of application thereof. The acceptance of the terms and conditions communicated by the borrower shall be preserved by SSL in its records.

f. SSL shall give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. SSL shall ensure that changes in interest rates and other charges are effected only prospectively.

g. The decision of SSL to recall / accelerate payment or performance shall be in consonance with the terms of the loan agreement. SSL shall release all securities upon repayment of all dues or on realisation of the outstanding amount of loan subject to any legitimate right or lien for any other claim it may have against borrower. The borrower shall be given due notice with full particulars about the outstanding claims in case such right of set off is to be exercised.

h. SSL will refrain from interfering 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 deliberately or otherwise by the borrower, has come to its notice.

i. In case of receipt of request from the borrower for transfer of a borrower account to other NBFC, bank of financial institution, the consent or otherwise shall be conveyed within 21 days from the date of receipt of such request. Such transfer shall be in accordance with the contractual terms entered into with the borrower and in consonance with the statutes, rules, regulations and guidelines as may be applicable from time to time.

j. In the matter of recovery of loans, SSL 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, SSL 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 rights and responsibilities

clearly and in plain language. SSL will use legal or technical language only where necessary.

c. SSL will make available any charges applicable to products and services applicable at the time a customer signs up for the same.

d. If SSL increases any charges or introduces a new charge, SSL will notify the same to the customers.

e. SSL will provide the terms and conditions in respect of any product or service whenever a customer requests for the same.

V. CONFIDENTIALITY

a. Unless authorized by the customer SSL will treat all personal information as private and confidential

b. SSL will not reveal transaction details to any other entity including within the group other than the following exceptional cases

- If SSL have to provide the information by statutory or regulatory laws
- If there is a duty to the public to reveal this information
- If its interest requires us to provide this information (e.g. fraud prevention). SSL will not use this reason for giving information about customers to anyone else.
- If SSL have taken the customers permission (for instance at the time of loan sanctioning) to provide such information to its group / associate / entities or 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

VI. GRIEVANCE REDRESSAL MECHANISM

a. SSL 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 examining the matter, SSL will send a response as soon as possible; SSL will also guide a customer on how to take the complaint further if the customer is not satisfied.

VII. FORCE MAJEURE:

The various commitments outlined and made by SSL are applicable under the normal operating environment. In the event of Force Majeure, SSL may not be able to fulfill the commitments under the FPC to the entire satisfaction of the customer/s, the other stakeholders and the public in general

IX. EFFECTIVE DATE:

This FPC shall come into effect from October 30, 2006.