

**FAIR PRACTICES CODE**  
**&**  
**OMBUDSMAN SCHEME**

**Edelweiss Retail Finance Limited**  
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*Adopted in the Board Meeting held on May 11, 2013*

*Last reviewed by the Board of Directors in its meeting held on January 28, 2022*

## FAIR PRACTICE CODE

Edelweiss Retail Finance Limited (the Company/ERFL), 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) For retail financing products, the Company shall not charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned for purposes other than business to individual borrowers, with or without co-obligant(s).

#### **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 are 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 Mechanism**

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.

Edelweiss Retail Finance Limited (the Company/ ERFL), in pursuance of the Directions issued by Reserve Bank of India for 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:

<b>LEVEL - 1</b>	<p>The borrowers can directly approach the Branch Manager and enter his/her complaint/grievance in the compliant register maintained at the branch. The concerned Branch Official shall guide the borrowers who wish to lodge a complaint. The borrower may also lodge complaints / grievances through any of the following channels:</p> <p>Email id: <a href="mailto:assistance@eclf.com">assistance@eclf.com</a>; Toll free: 1-800-1026371-Monday-Friday(10 a.m. to 5 p.m.)</p>
<b>LEVEL - 2</b>	<p>In case the customer is dissatisfied with the response received, he/she can also approach Grievance Redressal Officer at the following address :-</p> <p>Ms. Sudipta Majumdar            First Floor, 3B, Rajendra Park, Pusa Road, New Delhi- 110005            Tel No. +91 (11) 4004 2301;            Email id: <a href="mailto:grievances@eclf.com">grievances@eclf.com</a></p> <p>The Grievance Redressal Officer shall endeavour to provide the complainant with the resolution / response to the queries / complaints / grievances received as earliest as possible.</p>
<b>LEVEL - 3</b>	<p>If the Complaint / Grievances is not resolved within a period of one month, the borrower / customer / applicant may appeal to :-</p> <p>The Officer - in - Charge            Department of Non - Banking Supervision Reserve Bank of India            3<sup>rd</sup> Floor, Near Maratha Mandir, Byculla, Mumbai Central, Mumbai - 400008;Tel: +91 22-23084121/ 23028436 Fax: +91 22-23022011            Email id- <a href="mailto:dnbsmro@rbi.org.in">dnbsmro@rbi.org.in</a></p>

- **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 complaint / grievance is 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 Customer service Team & Grievance Redressal 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 Customer service Team & Grievance Redressal Officer to redress and resolve the complaint / grievances.

#### **8. Review of Policy**

This Code is effective from March 15, 2013 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 managements.