

## FAIR PRACTICE CODE OF KTDFC

### 1. 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 shall 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 shall indicate the documents required to be submitted with the application form.

(c) All loan applications shall be acknowledged by an acknowledgement slip giving information regarding the the time frame within which loan applications shall be disposed of. Time limit within which applications for loans shall be disposed is indicated below:

#### (i) Loan amount upto Rs. 10 Lakhs

(a) Vehicle Loans - 15 days

(b) Personal Loans - 15 days

(c) House Loans - 15 days

#### (ii) Loan amount above Rs. 10 Lakhs

(a) Vehicle Loans - 15 days

(b) Personal Loans - 15 days

(c) House Loans - 45 days

(iii) Construction/Project Loans- 60 days

The above mentioned time limit will be reckoned from the date of submission of duly filled in application form along with all required documents excluding the time required for obtaining external legal opinion, valuation, certificate confirmation etc.

### 2. Loan appraisal and terms/conditions

(a) The Company shall convey in writing to the borrower by means of sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions including annualised rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record. The penal interest charged for belated repayment shall also be indicated both in the loan sanctioned letter and also in the loan agreement.

(b) A copy of the loan agreement or enclosures quoted in the loan agreement shall be furnished to the borrower at the time of sanction/disbursal of loans.

### 3. Disbursement of loans including changes in terms and conditions

(a) The Company shall give notice to the borrower in the vernacular language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. The Company shall also ensure that changes in interest rates and charges are effected only prospectively.

(b) The decision taken by the Company to recall / accelerate payment or performance under the agreement shall be in consonance with the loan agreement.

(c) The Company shall release all securities on repayment of all dues or on realisation of the outstanding amount of loan including applicable interest, charges, fees etc. 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.

### 4. General

(a) The Company shall 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 lender).

(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. Such transfer shall be as per the terms and conditions in the loan agreement in consonance with law.

(c) In the matter of recovery of loans, 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.

(v) The Company has constituted Grievance Redressal Committee consisting of General Manager (Chairman), Company Secretary and Manager in charge of Loans and Fixed Deposits as members to resolve disputes arising in this regard. Duly ensuring that all disputes arising out of the decisions of the Company's functionaries are heard and disposed of at least at the next higher level. A periodical review of the compliance of the Fair Practices Code and the functioning of the Grievances Redressal Committee shall also be made and a consolidated report of such reviews shall be submitted to the Board at regular intervals.