

Fair Practice Code

Pursuant to Reserve Bank of India (RBI)'s Circular DNBS (PD) CC No.80/03.10.042 /2005-06 of 28 September 2006, **RBI/2010-11/25DNBS (PD) CC No.185/03.10.042 /2010-11 dated July 1, 2010, RBI/2011-12/470 dated March 26, 2012 and RBI /2012-13/416 dated February 18, 2013 and Chapter VI of the RBI Master Direction DNBR. PD. 008/03.10.119/2016-17** September 01, 2016, issued to Non-Banking Financial Companies (NBFCs), we the Board of Directors adopt the following Fair Practices Code. The code applies to all loan products offered by the company.

The Fair Practices Code, as adopted herein below, is in conformity with the Guidelines on Fair Practices Code for NBFCs as contained in the aforesaid RBI Circular.

The Fair Practices Code applies to the following areas:

- Applications for loans and their processing
- Loan appraisal and terms/conditions
- Disbursement of loans including changes in terms and conditions
- Post disbursement supervision
- Other general provisions

I] Applications for loans and their processing

- **All communications to the borrower shall be in English or vernacular language or language as understood by the borrower.**
- Loan application forms shall include necessary information, which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions can be made and the borrower can take an informed decision. The loan application form shall also indicate the documents required to be submitted with the application form.
- After receipt of loan application and preliminary discussion with the prospective borrower, a term sheet will be issued indicating standard schedule of fees/charges relating to the loan application depending on the segment to which the accounts belong in a transparent manner. Likewise, amount of fee refundable in the event of non-acceptance of the application, pre-payment options and any other matter, which affects the interest of the borrower, will also be made known to the borrower at the time of discussion and issuance of term sheet.
- Receipt of completed application forms will be duly acknowledged. The timeframe within which the loan application will be disposed of would also be indicated at the time of discussion and/or in the acknowledgement. Generally, applications for retail financial products such as Loan against Shares, Promoter Funding and ESOP Finance etc. will be disposed of within a time frame of 30 days and those for Corporate Loans within 45 days from the date of submission of complete information.

In case of rejection of loan application, irrespective of category of loans or threshold limits, the same would be conveyed to the borrower suitably along with the main reason(s), which led to rejection of the loan application.

II] Loan appraisal and terms/conditions

- STCI shall convey in writing to the borrower in English or in vernacular language or language understood by the borrower by means of letter of intent or otherwise, the amount of loan approved - along with the terms and conditions, including the annualized rate of interest and method of application thereof. It would keep the acceptance of these terms and conditions by the borrower on the Company's files.
- STCI shall mention the penal interest / liquidated damages to be charged for default or late payment of dues '**in bold**' in the loan/facility agreement, besides mentioning prepayment penalty.

Copy of loan documents, along with a copy of all relevant enclosures will be made available to the borrower at the time of disbursement. Standard letter of intent would include instances of approval, disallowance, etc. STCI shall be under no legal obligation to consider increase/additional limits/facilities without proper review/assessment.

III] Disbursement of loans including changes in terms and conditions

- Disbursement of loans sanctioned shall be made immediately on compliance of terms and conditions including execution of loan documents governing such sanction.

- STCI shall give notice to the borrower in English or vernacular language or language as understood by the borrower of any change in the terms and including disbursement schedule, interest rates, service charges, pre-payment changes etc.
- Changes in interest rates and charges/levies will be effected prospectively. A suitable provision in this regard shall be incorporated in the loan agreement.
- Consequent upon such changes any supplemental deeds/documents or writings are required to be executed, the same shall also be advised. Further, availability of facility will be subject to execution of such deeds/documents or writings.

IV] Post disbursement supervision

- Post disbursement supervision would be constructive with a view to taking care of any genuine difficulties that the borrower may face.
- Before taking a decision to recall/accelerate payment or performance under the agreement or seeking additional securities, STCI would give reasonable notice to the borrower as per the agreement.
- The company shall release all securities pertaining to the loan on receipt of full and final payment of the loans subject to borrower satisfying any legitimate right/any other claim that STCI may have against the borrowers. If such right is to be exercised, borrowers would be given due and proper notice with requisite details.

V] Other general provisions

- The Company shall refrain from interference in the affairs of the borrower except for the purposes provided for 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). However, this does not imply that STCI's right of recovery and enforcement of security under Law as well as appointment of nominee directors, where required, is affected by this commitment.
- 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 to the borrower within 21 days from the date of receipt of any request. Such transfer shall be as per transparent contractual terms in consonance with law.
- In the event of clubbing of accounts and/or exercise of right of set-off against multiple loan accounts, the single borrower/borrower group will be given due notice before such right is exercised.
- Company's collection policy shall be built on courtesy, fair treatment and persuasion.
- In the matter of recovery of loans, the Company shall not resort to any harassment – such as persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc.
- STCI will not discriminate on the grounds of gender, caste, religion or region in its lending policy and activity.

VI] Complaints/ Grievance Redressal mechanism:

The Company shall have a Grievance Redressal Forum within the organisation to resolve disputes arising in this regard. All grievances arising out of decision of the Company's functionaries shall be heard and disposed off by a person at least one level higher to the person/ designation against/ relating to whom the grievance is made. After examining the matter, the Company shall endeavor to provide the borrower/ applicant with its final or other response, within a period of 2 weeks from receipt of such grievance. If the complaint is not resolved by the concerned officer (1st level of escalation) within 2 weeks of the receipt of the complaint or the response is not satisfactory, the customer may refer the grievance to the second level of escalation. The Board of Directors shall also provide for periodical review of the compliance of the Fair Practices Code and the functioning of the grievance Redressal mechanism at various levels of management. A consolidated report of such reviews shall be submitted to the Board at regular intervals, as may be prescribed by it. The constitution of the forum will be as under:

Grievance Against	Grievance Redressal Forum
MD/DMD	2nd level of escalation: Board 1ST Level of escalation: Chairman
Any Employee	2nd level of escalation MD 1ST Level of escalation DMD

Customers can direct their complaints to the Grievance Redressal Officer as per details below:

Name of Grievance Redressal Officer	Mr. Alope M Prasad, Deputy General Manager, A/B1- 802, A Wing, 8th floor, Marathon Innova, Marathon Next Gen Compound, Off. G.K Marg, Lower Parel, Mumbai 400013.
Contact Number	022-61425172
Fax Number	022-24991098
Email id	grievance@stcionline.com

In case the complaint /grievance is not redressed within a period of one month, the customer may appeal to the Officer-in-Charge of the concerned Regional Office of DNBS of RBI under whose jurisdiction the registered office of the Company falls as per the below details:

General Manager: Department of Non-Banking Supervision, Reserve Bank of India.

Mumbai Regional Office:

3rd floor, Opp. Mumbai Central Railway Station, Byculla, Mumbai 400 008.

Tel : (91-22) 2308 4121

Fax : (91 – 22) 2302 2011

Email : dnbsmro@rbi.org.in

VII] Publish on website

The Company shall publish the above Fair Practices Code outlined hereinabove in English on the website of the company, for the information of various stakeholders. Any borrower or stakeholder may request for translation of the fair practice code in vernacular language or a language understood by borrower.

VIII] Periodic Review

The Company would also review and refine the Code periodically whenever any fresh guidelines, are issued by the RBI in this regard. Any suggestions for better customer service are greatly valued by the company.

IX] Regulation of Rate of Interest

Appropriate internal principles and procedures in determining rate of interest and other charges shall be laid down and be subjected to review keeping in view the business exigencies, regulatory and customer sentiments, market practices etc. The Board of Directors have 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. For this purpose, a Minimum Lending Rate is in place for 3 different tenures viz. Short term, medium term and long term tenure. Also, an internal credit rating score card is in place to evaluate a borrower on various parameters including perceived risks to arrive at the appropriate rate of interest to be charged. The range of interest rate applicable to customers would be published/ updated on the website of the Company from time to time.

Accordingly, the present rate of interest charged to our customers is in the range of 9.50% to 21% p.a. payable monthly, subject to permissible deviations.