

EDELWEISS FINANCE & INVESTMENTS LIMITED

Pursuant to RBI Circular No. RBI/2006-07/138 DNBS (PD) CC No. 80/03.10.042/2005-06
dated September 28, 2006
(Adopted in the Board Meeting held on October 14, 2006)

Fair Practices Code

1. PREAMBLE

Edelweiss Finance & Investments Limited (EFIL), in pursuance to the directions issued by the Reserve Bank of India (RBI), has adopted the following Fair Practice Code (**the Code**) to provide valuable inputs to customers and facilitate effective interaction between the customers and EFIL. The Code is intended to cover the following areas:

- (i) Applications for loans and their processing.
- (ii) Loan appraisals and terms/conditions.
- (iii) Disbursement of loans including changes in terms and conditions.
- (iv) General terms and conditions
- (v) Grievance redressal.
- (vi) Marketing third party products.

2. KEY COMMITMENTS

The key commitments which EFIL intends to follow are as under:

- (i) Not to discriminate on the basis of race, caste, colour, religion, sex, marital status, age, handicap, physical disability, descent or any of them.
- (ii) To treat all the clients consistently, fairly and in transparent manner. The employees of EFIL will offer assistance, encouragement and service in a fair, equitable and consistent manner and provide the information in the language understood by them.
- (iii) To ensure that its products, services, procedures and practices meet the standard set out in the Code and comply with the applicable laws.
- (iv) To communicate the Code to its customers by providing printed copies of the Code or by hoisting the same on its website, if any.
- (v) To provide the services in diligent, speedy and professional manner.
- (vi) To 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.
- (vii) To be fair and honest in marketing its financial products and/or products of third party.
- (viii) To provide accurate and timely disclosure of the terms, implications, costs, etc. in respect of loan transactions and help the customers to choose the product which meet their requirements.
- (ix) To rectify/correct the mistakes quickly.
- (x) To set up appropriate redressal mechanism to ensure quick, efficient and amicable resolution of customers' complaints/disputes.
- (xi) To ensure that the implementation of the Code is the responsibility of the entire organisation.

The Board of Directors of EFIL and the management team are responsible for implementing the Code, and also to ensure that all its employees are aware of the commitment of EFIL towards in customers and stakeholders.

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3. APPLICABILITY OF THE CODE

(i) Application for loans and their processing

- a. The loan application form or other modes (term sheet etc.), will include necessary information or the necessary information will be provided upfront which are likely to affect the interests of the prospective borrower, to enable the prospective borrower to make out a meaningful comparison with the terms and conditions offered by other Non Banking Finance Companies (NBFC)/banks and arrive at informed decision. 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 the purpose the Client need to indicate his/her preference in the loan application form by selecting appropriate option.
- c. The loan application forms will also indicate the documents required to be submitted along with the application form.
- d. EFIL shall provide to the prospective borrowers an acknowledgement for receipt of all loan applications. An indicative time frame within which loan applications will be disposed off will be mentioned in such acknowledgement.

(ii) Loan appraisal and terms/conditions

- a. All the loan applications shall be accessed in accordance with EFIL's credit appraisal process and policies. The client shall be advised in the language selected by him/her in the loan application of the outcome of credit appraisal (approval/rejection) within the period for appraising the loan application indicated in acknowledgment to loan application.
- b. Upon approval of the loan, EFIL 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 application form for correspondence etc. A written acceptance of such terms and conditions shall be retained by EFIL.
- c. EFIL shall enter into an agreement indicating the amount of loan sanctioned, annualized 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.

(iii) Disbursement of loans, including changes in terms and conditions

- a. EFIL shall give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. EFIL shall ensure that changes in interest rates and other charges are effected only prospectively. The loan agreement shall contain a specific clause to this effect.

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- b. The decision to recall / accelerate payment or performance under the loan agreement shall be in consonance with the terms and conditions of the loan documents executed by the borrower with EFIL.
- c. EFIL 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 of the same with full particulars about the outstanding claims and the conditions under which EFIL is entitled to retain the securities till relevant claim is settled/paid.
- d. All notices, correspondence in respect of the loan will be made in the language opted by the Client in the loan application form.

(iv) Applicant with Disabilit(ies)

EFIL 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 applicant and their application shall be dealt on merit as per the credit process and policy of EFIL . All possible assistance will be provided to the applicant with the disability(ies) to enable them to understand, select and avail appropriate product or loan facility.

(v) General Provisions

- a. EFIL 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.
- b. In case of receipt of request from the borrower for transfer of a borrowal account to other NBFC, bank or financial institution, the consent or otherwise i.e. objection of EFIL 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.
- c. In the matter of recovery of loans, EFIL shall not resort to undue harassment viz persistently bothering the borrower at odd hours, use muscle power for recovery of loans and would operate within the legal framework. EFIL will ensure that all its employees are adequately trained to deal with the borrowers in an appropriate manner.

(vi) Grievance Redressal

EFIL is committed to provide a high standard of service but occasionally we may not live up to the expectations of the customers/borrowers. If this happens, we want to hear from the customers as it gives us the chance to rectify the same and to improve the service.

The customer including the applicants with disability(ies) can give the complaints in person or contact us through any of the following three channels:

- Telephone: 022 - 40094400
- Fax: 022 - 42273838
- Mail: Edelweiss Finance & Investments Ltd, Edelweiss House, Off. C.S.T Road, Kalina, Mumbai - 400 098
- E-mail to: Efil.Grievancecell@edelcap.com

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EFIL would strive for quick and satisfactory resolution of the complaint - within seven working days, if possible, from receipt of the complaint. In case of delay in resolution of the complaints, the customers would be kept informed of the progress.

In case the customer is not happy with the resolution of the complaint, the customer would be guided how to take forward the complaint.

(vii) Marketing third party products

- a. EFIL will provide the customers the requisite information about third party products if any marketed by it so as to enable them to take informed decision.
- b. EFIL will inform the prospective customers the place from where the additional information can be obtained by them in respect of third part products.

4. EFFECTIVE DATE

This Code is effective from October 14, 2006 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 EFIL. EFIL 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 management.