

I. PREAMBLE

The Reserve Bank of India (RBI) has issued guidelines on Fair Practices Code for Non- Banking Financial Companies (NBFCs) thereby setting standards for fair business and corporate practices while dealing with their customers. Fort Finance Limited (“the Company”) hereby furnishes the Fair Practices Code (“the FPC”) based on the guidelines issued by RBI. The Company shall also make appropriate modifications in the FPC from time to time to conform to the standards that may be prescribed by RBI from time to time. Considering the nature of business of the Company, it is proposed to establish the following as the Fair Practices Code for the Company’s lending activities. Based on the current business of the Company, the Fair Practices Code shall apply to the following categories of products and services offered by the Company.

- a) Loans against Financial Securities
- b) Financing the acquisition of Securities including without limitation through (A) book building, (B) public offer, (C) open offer, (D) private placement, (E) an initial or continuous offer for sale, (F) Right Issue, (G) ESOS, (H) purchase on the floor of the Stock Exchange or otherwise, (I) purchase and/or subscription of units of mutual funds.
- c) Unsecured Loan, Personal Loan /Business Loans
- d) Secured Retail Loans viz. Loan against properties, Lease Rental Discounting etc.
- e) Receivable based funding and any other type of loan as and when decided by the Management

II. KEY OBJECTIVES

The key objectives of putting in place the FPC are as follows.

- a) To act fairly and reasonably in all the dealings with borrowers by ensuring that:
 - I. The Company’s products, services, procedures and practices will meet the broad requirements and standards in the FPC;
 - II. The Company’s products and services will be in accordance with relevant laws and regulations as applicable for the time being in force;
 - III. The Company’s dealings with its borrowers will rest on ethical principles of honesty, integrity and transparency.

b) The Company will assist its customers in understanding as to what are the broad features of its financial products and services and what are the benefits and risks involved in availing the same by

- I. Providing information about the products and services in simple manner;
- II. Explaining the financial implications of using the products and services.

c) The Company will make every attempt to ensure that its customers have trouble-free experience in dealing with it. However, in case of error of commission and/or omission it shall:

- I. Deal with the errors promptly and effectively;
- II. Deal with the Grievances redressal in a quick and efficient manner and to the satisfaction of the customers;
- III. Promptly handle Complaints;
- IV. Have Escalation process, in the event of dissatisfaction of the borrower in handling his complaint(s);

III. APPLICABILITY OF FAIR PRACTICE CODE

The FPC will be applicable to the following broad areas:

- i. Loan applications and processing thereof
- ii. Loan appraisal and terms/conditions
- iii. Disbursement of loans including changes, if any, in terms and conditions
- iv. Post disbursement supervision/monitoring
- v. Other general provisions

i. Loan applications and processing thereof

- Loan Application Forms will be made available to the prospective borrowers on request.
- Loan documentation set will, inter alia, include the broad features and the terms and conditions governing the loan. This would enable the borrowers to take an informed decision by comparing and analyzing the terms offered by the Company with other lenders in the market. The said Form shall also specify the documents required to be submitted by the borrowers.
- Loan Application Form shall list out the additional information required from the borrowers and their family members in order to enable the Company to create the database.
- Loan Application Form shall provide for giving an acknowledgement to the borrowers acknowledging receipt of the same.

- All the loan applications shall be disposed of within a period of 90 days from the date of receipt of duly completed Loan Application Forms together with the requisite documents and subject to receipt of all documents complying with prevailing rules and regulations by the borrower.
- All communication with the borrowers shall be in the language understood and confirmed by borrowers.

ii. Loan appraisal and terms/conditions

- The Company shall consider all the loan applications keeping in mind the risk based assessment procedures adopted by it.
- The Company, before sanctioning the loan, would assess the ability of the borrowers to repay the loan.
- The grant of the loan shall be communicated to the borrowers in writing through a Sanction Letter. The borrowers shall give their acknowledgement in writing in token of their acceptance of terms and conditions governing the loan. The Sanction Letter shall contain the broad terms and conditions governing the loan including the annualized rate of interest and method of application thereof.
- A copy of the loan documents including loan agreement and annexures thereof shall be made available to the borrower.
- The default interest rate will be mentioned in bold in the loan agreement.
- In case of lending under consortium arrangement, the participating NBFC/banks would decide the timeframe to complete appraisal of the proposal and communication of the decision. The Company will abide by the decision of the consortium.

iii. Disbursement of loans including changes in terms and conditions

- Disbursement of amount of loans sanctioned may be made available to the borrowers on demand subject to completion of all formalities including execution of loan documents.
- Any change in the terms and conditions, disbursement schedule, interest rate, service charges, prepayment charges, etc. shall be notified to the borrowers in writing.
- Change in the interest rates and service charges shall be made applicable prospectively. The loan agreement shall contain a specific clause in this regard.

iv. Post Disbursement Supervision

- The decision, if any, of the Company to recall/accelerate payment or performance of loan shall be in accordance with the terms and conditions of the Loan Agreement.
- The Company shall give reasonable time to the borrowers before recall the loan or asking.
- The collaterals lying with the Company shall be released on receipt of full and final repayment of loans subject of course to any legitimate right or lien and set off for any other claim that the Company might have against the borrowers. However, in cases where the borrower has availed facility allowing him to borrow/draw monies within the overall amount

sanctioned as and when needed by him, the collateral may be retained by the Company for operational convenience and to protect its interest from potential default by the borrowers.

v. Other General Provisions:

- The Company shall refrain from interfering in the affairs of the borrowers except as provided in the terms and conditions governing the loan as contained in the loan documents (unless new information, not earlier disclosed by the borrower, has come to its notice).
- The Company shall generally convey its consent within a reasonable period of time to all requests from the borrower to transfer the loan account of a particular borrower to other NBFC, bank or financial institution. Such transfer shall be in accordance with the contractual terms entered into with the borrower and in accordance with the statutes, rules, regulations and guidelines as may be applicable from time to time.
- The Company shall not discriminate on the grounds of gender, caste or religion in its lending policy and activities.
- In the case of recovery of loans, the Company shall resort to the usual measures, which are legally and legitimately available to it and as per laid down guidelines and extent provisions and shall operate within the legal framework.
- The Company shall provide the terms and conditions in respect of its lending activities or services whenever the borrower requests for the same.
- On request from borrower for closure of his loan account, the request will be executed within 21 days from receipt thereof request subject to clearance of pending dues and completion of all the formalities as prescribed by the Company. In case the request cannot be executed in the time frame stated above due to any reason, the same may be communicated to the borrower.

IV. CONFIDENTIALITY

- Unless authorized by the borrower, the Company will treat all his personal information as private and confidential.
- The Company may not reveal transaction details of the borrowers to any other persons except under following circumstances:
 - i. If the Company is required to provide the information to any statutory or regulatory body or bodies;
 - ii. If arising out of a duty to the public to reveal the information;
 - iii. If it is in the interest of the borrowers to provide such information (e.g. fraud prevention);
 - iv. If the borrower has authorized the Company to provide such information to its group / associate / entities or companies or any such person/ entity as specifically agreed upon;

V. COMPLAINTS

In case of any complaint/grievances of the borrowers, the same shall be intimated by them in writing to the Grievance Redressal Officer. The Grievance Redressal Officer shall immediately make all efforts to redress the grievances. The concerned employees shall guide the borrowers who wish to lodge a complaint.

VI. GRIEVANCE REDRESSAL MECHANISM

The Company has provided for four tier Grievance Redressal Mechanism to resolve any of its customers query / grievance.

Level 1:

The first level of complaint is normally registered at Branch level from where the customer has availed the loan. The Branch head would be responsible to resolve the grievance/complaint within a time period of three working days from the date of receipt of the complaint.

Level 2:

If the query is not resolved in three working days, the grievance/ complaint to the Company would be escalated to the Grievance Redressal officer who has to address it within a time period of 15 working days which includes the first seven days of Level 1. The details of the Grievance Redressal Officer are given as follows:

Name of the Grievance Redressal Officer:

Address: _____

Tel: _____

E-mail ID: _____

Level 3:

If the complaint is not resolved within 15 days, the customer shall complaint to the Managing Director of the Company at his following email ID: _____

Level 4:

If the complaint / dispute is not redressed within a period of one month from date of its receipt, the customer may appeal to:

Deputy General Manager,

Department of Non-Banking Supervision,

Reserve Bank of India, Post Box No.4528,

Bombay Central Post Office,

Opp: Bombay Central Rly.Stn.,

Mumbai - 400008, Tel No.: 022- 23084121

Points to be complied along with the redressal process thereof:

- The name and address of the Grievance officer shall be displayed outside the branches / places where the business of the Company is transacted for the benefit of the customers.
- In case of complaints received, the concerned Branch Head would report the matter with full details within 2 days from date of receipt, to Grievance Redressal department.
- The Grievance Redressal department shall take all necessary steps to redress and address the grievance, and will send a response as soon as possible and in any case not later than a maximum period of 15 days.
- Any unresolved / not replied grievance shall be escalated to the Managing Director of the Company, who shall take all necessary steps to redress and resolve the grievance, and will send a response as soon as possible and in any case not later than a maximum period of 15 days of its receipt from the receipt from the Grievance Redressal department.
- The Status Report on all complaints shall be placed before the Board of Directors for their review on a quarterly basis by the Grievance Redressal officer /Managing Director.

VII. FORCE MAJEURE

- The various commitments outlined and made by the Company shall be applicable under the normal operating environment. In the event of any Force Majeure circumstances, the Company may not be able to fulfill the objectives under the FPC to the entire satisfaction of the borrowers, the stakeholders and the public in general.
- In order to enhance the value and relevance to the borrowers, this code shall be under review from time to time.