



**CREST**  
**VENTURES**

**CREST VENTURES LIMITED**

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**FAIR PRACTICES CODE**

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# **FAIR PRACTICES CODE**

## **1. INTRODUCTION AND BACKGROUND**

Crest Ventures Limited (hereinafter referred to as “the Company” or “CVL”) is a company incorporated under the Companies Act, 1956 having Corporate Identification Number (CIN) L99999MH1982PLC102697. CVL is a non-deposit taking non-systemically important non-banking financial company registered and regulated by the Reserve Bank of India (RBI) as a Non Banking Finance Company (“NBFC”), bearing Registration No. N-13.01888 dated 14th December, 2007.

The Reserve Bank of India, (RBI), vide its notification number DNBS (PD) CC No.80/03.10.042/2005-06 dated September 28, 2006 and subsequently through various other notifications has prescribed the broad guidelines on fair practices that are to be framed and approved by the Board of Directors of all Non-Banking Financial Companies (NBFCs). All of this has been consolidated in last Master Circular – Fair Practices Code notification number DNBR.(PD).CC.No.054/03.10.119/2015-16 dated July 1, 2015.

The requirement further prescribes that the Fair Practices Code (FPC) so framed and approved by the Board of Directors should be published and disseminated on the web-site of the company, if any, for the information of the public.

As a result, CVL has framed the “comprehensive Fair Practice Code which is covered in this document and it shall be placed on the CVL website.

## **2. GUIDING PRINCIPLES, KEY COMMITMENTS AND DECLARATIONS**

CVL’s policy is to treat all its clients fairly at all times. CVL has adopted 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. The employees / representatives of CVL will offer assistance, encouragement and service to the customers in a fair, equitable and consistent manner.

The Board of Directors and the management team of CVL are responsible for implementing the FPC and also to ensure that its operations reflect its strong commitment to all the stakeholders for offering in a fair and equitable manner, the various financial services and products including lending as CVL may provide from time to time and that all CVL employees / representatives shall be aware of this commitment.

## **3. APPLICABILITY**

CVL will ensure that the implementation of the FPC is the responsibility of the entire organization. CVL’s fair lending practices shall apply across all aspects of its operations including loan origination, processing, servicing and collection activities. It’s commitment to



FPC will be demonstrated in terms of accountability, training, monitoring and internal controls and optimal use of technology.

Additional guidelines on fair practices mandated by RBI vide notification dated March 26, 2012, for NBFC-MFI and for NBFCs engaged in lending against collateral of gold jewellery are not applicable to CVL, since it does not engage in such activities.

#### **4. NON-DISCRIMINATION POLICY**

CVL will not discriminate between its customers on the basis of gender, caste, color, race or religion.

#### **5. KEY PRINCIPLES ON APPLICATIONS FOR LOANS AND THEIR PROCESSING**

- a) All communications to the borrower shall be in a language as understood by the borrower. In case the application is made in a language other than English, CVL will obtain a written confirmation from the client / borrower about their understanding of the English language and acceptance of English as the preferred language for all correspondence with CVL. In case the client applies to CVL in a language other than English, CVL will endeavor to communicate in the said vernacular language as understood by the client.
- b) The Company's loan application forms / agreements shall include necessary information which affects the interest of the borrower, so that meaningful comparison with the terms and conditions offered by other NBFCs can be made and informed decision can be taken by the borrower.
- c) The loan application forms / agreements shall contain the list of documents required to be submitted by the client / borrower.

#### **6. KEY PRINCIPLES ON LOAN APPRAISAL AND TERMS / CONDITIONS**

- a) CVL shall conduct a due diligence of the borrower, which will be an important parameter for taking decision on the application. The assessment would be based on credit requirement and credit worthiness of the borrower and all credit related and such other information, as may be called for / collected by CVL.
- b) CVL shall convey to the prospective borrower the status of the loan application by means of sanction / offer letter or otherwise. In the case of sanction of loan, the sanction / offer letter shall contain the terms and conditions which, inter alia, should include the annualized rate of interest and method of application thereof.
- c) CVL shall also mention the penal interest charged for late payment in the offer letter / agreement.

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- d) CVL shall obtain an acceptance from the borrower and the security provider on the said sanction/offer letter/agreement with the borrowers' and the security providers' signature which states that the client confirms having read, understood and agreed to the terms of the Offer Letter or Agreement. The Company shall maintain a record of such acceptance.
- e) CVL shall furnish a copy of the loan agreement along with a copy of each of enclosures quoted in the loan agreement to all clients post execution of the same by all parties to the agreement.

#### **7. KEY PRINCIPLES ON DISBURSEMENT OF LOANS (INCLUDING TERMS AND CONDITIONS)**

- a) Prior to disbursement of loans, the rate of interest shall be mutually agreed by the Company and the borrower. The client will communicate the terms of disbursement including loan amount, rate of interest, tenure of loan, next interest re-set date, frequency of interest payment in his/her disbursement instructions letter to the Company and the same shall be confirmed by CVL post disbursement of the loan along with the schedule of interest and principal amount payment.
- b) CVL has an internal Interest Rate Policy in place. The Company shall, at the time of disbursement, consider the parameters of the Interest Rate Policy while determining all commercial terms including interest rate on loan and advances to ensure that the commercial terms agreed with the borrower are not excessive.
- c) CVL shall ensure that the decision to recall / accelerate payment or performance under the agreement would be in consonance with the loan agreement.
- d) CVL shall release all securities on repayment of all dues or on realisation of the outstanding amount of loan subject to any legitimate right or lien for any other claim that CVL 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 CVL is entitled to retain the securities till the relevant claim is settled/ paid.

#### **8. GENERAL**

- a) CVL will refrain from interfering in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan documents, unless new information not disclosed earlier, 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 borrower account to other NBFC, bank or financial institution, the consent or otherwise of CVL shall be conveyed within 21 days from the date of receipt of such request in writing. 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. However, CVL reserves the right to enforce security for recovery of dues in the form and manner and on the terms and conditions stipulated in the facility terms in case of default in payment or on the occurrence of any other event of default.

- c) Appropriate Interactions and Collection Practices: In the matter of recovery of loans, CVL and its employees shall not resort to undue harassment viz; persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc. during collection etc.
- d) The policy recognizes fairness and transparency in repossession, valuation and realization of security in consonance with the law.

## 9. GRIEVANCE REDRESSAL MECHANISM

The Board of CVL shall lay down appropriate grievance redressal mechanism within the organization which will ensure that all disputes arising out of CVL's functionaries are heard and disposed of at least with the next higher level.

The Company would deal quickly and sympathetically with things that went wrong by:

- Correcting mistakes quickly
- Handling customer's complaints quickly
- Telling customers' how to take their complaint forward with the RBI Ombudsman for NBFCs (details available on web-site), if they are still not satisfied.

It would comprise of any two of the Managing Director, CFO and Company Secretary to resolve disputes arising in this regard. There would be a periodical review of the compliance and functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such reviews would be submitted to the Board at regular intervals.

CVL shall display the (i) name and contact details (telephone/mobile numbers and email addresses) of the Grievance Redressal Officer and/or Nodal who can be approached by the public for resolution of complaints against the Company.

If the complaint / dispute is not redressed within a period of one month, an appeal may be made to the Banking Ombudsman of RBI (with complete contact details), under whose jurisdiction the registered office of CVL falls. The details of Ombudsman scheme of RBI as applicable to NBFCs is separately placed on the RBI website as well as the CVL website.

## 10. POLICY FOR DETERMINING INTEREST RATES CHARGED TO THE CLIENTS

To ensure that the Customers are not charged excessive interest rate and charges on loans and advances by the Company, the Board of the Company has adopted an Interest Rate Policy.



## 11. POLICY REVIEW:

The Policy would ideally be reviewed at periodic intervals, preferably on an annual basis. However, the policy can be reviewed at short notice depending on the exigencies/ extraordinary situations, which may emanate during the course of CVL's business. Such extraordinary situations may include significant changes in Government/Reserve Bank of India policies, global/national macro-economic conditions, financial performance, regulations, etc. This Policy shall remain in force till the next revision is carried out and disseminated.

Pursuant to any subsequent amendments or any statutory modifications or re-enactments in the above stated guidelines/norms/clarifications or in any other applicable acts/regulations, if there is any change in any of the parameter (s) framed by the Board, then the act/regulation will have over-riding effect on the parameter(s).

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