



AGRI FINANCIAL SERVICES PRIVATE LIMITED

FAIR PRACTICES CODE

Kissandhan Fair Practices Code

Brief about the Company

Kissandhan Agri Financial Services Private Limited (Formally known as Bee Pee Jain Finance & Investments Private Limited) (*hereinafter referred to as "Company"*) is essentially a Loan Company engaged in the business of Financing, money lending and advancing of Loans. It is categorized as a Non-Systemically Important Non-deposit taking NBFC (Regulated Entity as defined under these Directions).

Applications for loans and their processing

All communications to the borrower will be in English language or in a vernacular language or in any other language as understood by the borrower.

The Company offers various products including personal loans and loans and advances against agricultural commodities.

The Company has a standard application form for the products offered by the Company. All necessary information required for the borrowers are available in the application form so that a meaningful comparison with the terms & conditions offered by other competitors can be made and informed decision can be taken by the borrowers. Besides the list of various documents that need to be submitted with the application form is mentioned within the form itself.

The Company would give an acknowledgement for receipt of all loan applications. The normal time frame within which loan applications complete in all respects will be disposed of would be indicated in the acknowledgement of such applications. The Company would verify the loan applications within a reasonable period of time. If additional details/documents are required, it would intimate the borrowers immediately

Loan appraisal and terms/conditions

The Company would ensure that there is proper assessment of credit application made by borrowers.

The assessment would be in line with the Company credit policies and procedures.

The Company would convey in writing to the borrower the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record.

The Company has mentioned the penal interest charged for late repayment in bold in the loan agreement. A copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement may shall be furnished to all the borrowers at the time of sanction / disbursement of loans.

Disbursement of loans including changes in terms and conditions

The Company would ensure timely disbursement of loans sanctioned in conformity with the terms and conditions governing such sanction. It would give notice of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. It would also ensure that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard would be incorporated in the loan agreement.

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Post disbursement supervision

The Company would carry out post- disbursement supervision in accordance with normal business practice, the terms of sanction, and the guidelines issued by the Reserve Bank of India from time to time.

The Company would carry out any decision to recall/ accelerate payment or performance under the agreement only in consonance with the loan agreement.

The Company would 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 the Company may have against borrower with prior notice to the borrowers. The notice will provide full particulars about the remaining claim and the provisions under which the Company is entitled to retain the securities till the relevant claim is settled/paid.

General

The Company would not cause interference in the day-to-day affairs of the borrowers except for what is 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 Company).

The Company would not discriminate on grounds of sex, caste and religion in the matter of lending. However, this does not preclude the Company from participating in credit-linked schemes framed for weaker sections of the society. In the matter of recovery of loans, the Company would adopt legally valid processes and not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc. In case of receipt of request for transfer of borrowal account, (either from the borrower or from a bank/financial institution) which proposes to take-over the account, the consent or otherwise i.e., objection of the Company, if any, would be conveyed within 21 days from the date of receipt of request.

The Company would ensure that the staffs are adequately trained to deal with the customers in an appropriate manner.

The Company will not grant nor propose to grant any amount/loan on floating rate, however, the Company lends at a flat rate of interest and thus, imposes the necessary foreclosure charges/pre-payment penalties and the same is not contradictory or against the RBI Fair Practice Code dated July 01, 2015.

Also, the Company undertakes that in case the Company advances any all floating rate term loan in future it will not charge any foreclosure charges/pre-payment penalties.

Responsibility of Board of Directors

A review of compliance of the Fair Practices Code and the functioning of the grievance redressal mechanism would be done by the Board of Directors quarterly.

The Board of the Company has laid down the appropriate grievance Redressal mechanism within the organization to resolve disputes arising in this regard. Different escalation levels have been put in place to ensure a robust complaint handling process such that the complaints are disposed of at least at the next higher level in case the borrower is dissatisfied with the resolution provided.

The Board of Directors should also provide for quaterly review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management. A quarterly consolidated report of such reviews may be submitted to the Board.

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Interest rate policy

ESTABLISHING AN INTEREST RATE

The interest rate applicable to a particular loan will be determined by reference to a number of factors including:

- a) Tenor of the Loan – The interest rate charge will depend on the term of the loan; structure of the loan; terms of payment of interest.
- b) Internal and External Costs of Funds - The rate of interest we charge is also affected by the rate at which the funds necessary to provide loan facilities to customers are sourced, normally referred to as our external cost of funds. Internal cost of funds being the expected return on equity issued; is also a relevant factor.
- c) Internal cost loading – The interest rate charged will also take into account costs of doing business.
- d) Credit Risk – As a matter of prudence, bad debt provision cost should be factored into all transactions. This cost is then reflected in the final interest rate quoted to a customer. The amount of the bad debt provision applicable to a particular transaction depends on our internal assessment of the credit strength of the customer.
- e) Other Factors – Matching tenor cost, market liquidity, RBI Policies on credit flow, offerings by competition, market reputation, profile of the customers, stability in earnings and employment, subvention and subsidies available, , further business opportunities, , overall customer yield, nature and value of primary and collateral securities, past repayment track record, external ratings, industry trends.

Interest rate policy

1. Pre-tax Cost of funds - This will be determined after considering the average and marginal cost of debt funds and the expected return on the quantum of equity to be applied for funding the loan.
2. Credit Risk Premium - A premium is to be applied based on the risk grade of the borrower. A risk grade of A,B or C [with A being the lowest risk] will be applied to each borrower, based on an evaluation of all relevant factors including end use ,source of repayment, collateral ,qualitative assessment of borrower or its sponsor group.
3. Margin - A mark-up to reflect other costs/overheads to be charged to the loan and our desired margin.

Also, the rate of interest shall be annualized rate and the approach for gradation of risks shall also be made available on the web-site of the companies or published in the relevant newspapers, and will be updated whenever there is a change in the rates of interest.

The Company has appropriate internal principles and procedures in place for determining interest rates and processing and other charges.

Grievance redressal mechanism

In the present scenario, excellent customer service is an effective and important tool for sustained business growth.

Kissandhan aims to provide the customers with the best customer service and satisfaction of the customers is the prime focus.

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The Company shall display the name and contact details of the Grievance Redressal Officer of the Company and the contact details of the Officer-in-Charge of the Regional Office of DNBS of RBI at all its offices.

Machinery to handle customer complaints/ grievances

Any customer with grievances related to the conduct of the Company's business can contact Kissandhan Agri Financial Services Private Limited at registered office of the Company:

Customers who wish to provide feedback or send in their complaint may use the following channels between 10:00 AM and 6:30 AM, from Monday to Friday and 10:00 A.M and 05:00 P.M on 2nd and 4th Saturdays,(except on national holidays).

- Call us on 011-71110100
- Email at: compliance@kissandhan.com
- Write to us at the below mentioned address:

644, DLF Towers,
15 Shivaji Marg,
Moti Nagar, New Delhi-110015

The grievance redressal machinery shall also be responsible for to deal with all the issues relating to services provided by the outsourced agency.

Escalation Matrix –

In case the customer does not receive a response within the number of days indicated below for each level or if the customer is dissatisfied with the response received from the Company, the customer may escalate the complaint to the next level as indicated below –

Primary Level –

If the customer is not satisfied with the resolution received from above channels, or if the customer does not hear from us in 14 days, the customer can write to the following Officer:

Grievance Readdressal Officer:

Mr.Naresh Kumar

644, DLF Towers

15 Shivaji Marg, Najafgarh road

Moti Nagar, New Delhi-110015

Customers can also contact the Grievance readdressal officer between 10:00 AM and 6:30 AM, from Monday to Friday and 10:00 A.M and 05:00 P.M on 2nd and 4th Saturdays,(except on national holidays) at 011-71110100 (Extn:108)

Email at: compliance@kissandhan.com/naresh.kumar@kissandhan.com.

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Further, in case the complaint/dispute is not readdressed within a period of one month, the customer may appeal to the:

Secondary Level –

If the customer is not satisfied with the resolution received or if the customer does not hear from us in 30 days, then he may escalate his grievance to the regulator at the below address:

The Officer Incharge Reserve Bank of India

Department of Non-Banking Supervision,

6, Sansad Marg

New Delhi-110001

The Company shall request the customer to provide feedback on the services rendered. This can be done through direct contact with the staff or through specific customer satisfaction surveys that may be conducted from time to time.