



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 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 attached with the form.

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 be furnished to the borrower, if asked.

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

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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.

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 borrower 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 fixed 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 01st, 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.



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Responsibility of Board of Directors

Board shall adhere to the grievance redressal mechanism as laid down and shall ensure that all disputes arising out of the decisions of lending institutions' functionaries are heard and disposed of at least at the next higher level.

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 once in 6 months.

Grievance redressal mechanism

Disputes arising out of decisions of the Company's functionaries would be disposed of at the next higher level within the Department concerned.

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 its offices.

Any customer with grievances related to the conduct of the Company's business can contact Kissandhan Agri Financial Services Private Limited office at 644, DLF Towers, 15 Shivaji Marg, Moti Nagar, New Delhi at 011-71110100 on any business day and will be promptly recorded by the grievance redressal officer of the Company. In addition, customers wishing to share their grievances via e-mail can send them to compliance@kissandhan.com, which shall be confirmed as recorded within 1 business day by the grievance redressal officer of the Company.

After examining the matter, the Company shall endeavor to send the customer its response within four weeks and intimate the customer how to escalate the complaint to a higher level if s/he is not satisfied with the response.

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.

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.

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- 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 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 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.

Adopted

By the Board of Directors of

For Kissandhan Agri Financial Services Private Limited

Sd/-

Chairman