

*Bengal & Assam Company Limited*

**BACL - FAIR PRACTICE CODE**

(Adopted at the Board of Directors meeting held on 30<sup>th</sup> October 2007)

- A) This code may be known as “**BACL – Fair Practice Code**” hereinafter referred to as “the Code”.
- B) This Code has been made pursuant to Reserve Bank of India Circular DNBS (PD) CC No. 80 / 03.10.042 / 2005-06 dated September 28, 2006.
- C) The Board of Directors have approved and adopted this Code on 30<sup>th</sup> day of October, 2007.

D) **Objective**

To establish practices designed to ensure that our operations reflect our strong commitment to fair business and corporate practices.

E) **Applicability**

This Code applies to the following areas:

**1. Applications for loans and their processing**

- a) Loan Application forms would include necessary information which are likely to affect the interests of the prospective borrower, so that a meaningful comparison with the terms and conditions offered by other Non Banking Financial Companies can be made and an informed decision taken by the prospective borrower.
- b) The loan application form shall include the documents required to be submitted along with the application form.
- c) The Company would give an acknowledgement for receipt of all loan applications. An indicative time frame within which loan applications will be disposed of would be mentioned in such acknowledgement.
- d) 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.

**2. Loan appraisal and terms/conditions:**

The Company would convey in writing to the prospective borrower the status of the loan application by means of sanction letter or otherwise. In case of sanction of loan, the sanction letter shall contain the terms and conditions including annualised rate of interest and method of application

thereof. The acceptance of the terms and conditions communicated by the borrower shall be preserved by the Company in its record.

**3. Disbursement of loans including changes in terms and conditions:**

- a) The Company would give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. It would ensure that changes in interest rates and charges are effected only prospectively.
- b) The decision of the Company to recall/accelerate payment or performance would be in consonance with the terms of the loan agreement. The Company would release all securities on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien or 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 claims and the conditions under which the Company is entitled to retain the securities till the relevant claim is settled/paid.

**4. General:**

- a) The Company would not interfere in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement.
- b) The Company would not discriminate on grounds of sex, caste and religion in the matter of lending.
- c) In the matter of recovery of loans, the Company will strictly observe due process of law and will not resort to Pressure Tactics which may fall in the realm of harassment.

**5. Transfer of Borrower's Account:**

In case of receipt of request from the borrower for transfer of Borrower's account, the consent or objection will be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.

**6. Grievance Redressal Mechanism:**

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

**7. Review:**

A review of compliance of the Code and the functioning of the Grievance Redressal Mechanism would be done by the Board of Directors at least once a year.

**8. Amendments:**

The Board may amend the provisions of this Code from time to time.

Unless otherwise specified, such amendments shall be effective from the date of the Board Meeting at which such amendments are approved.