

Fair Practices Code

Objective

Introduction Pursuant to Reserve Bank of India (RBI)'s Circular DNBS (PD) CC NO.80/03.10.042 /2005- 06 of 28 September 2006, issued to Non-Banking Financial Companies (NBFCs), the Board of Directors have adopted a Fair Practices Code for Visage Holdings and Finance Private Limited ("Company").

Purpose of the Document

RBI vide Circular DNBS.CC.PD.No.266/03.10.01/2010-11 dated March 26, 2012 had amended guidelines on Fair Practices Code for NBFCs and accordingly suitable modifications are made hereunder in the Code to comply with the aforesaid guidelines.

Key Considerations

The Fair Practices Code, as adopted herein below, is in conformity with the Guidelines on Fair Practices Code for NBFCs as contained in the aforementioned RBI Circular.

Fair Practices Code

The Company's business will be conducted in accordance with prevailing statutory and regulatory requirements, with due focus on efficiency, customer orientation and corporate governance principles. In addition, the Company will adhere to the Fair Practices Code in its functioning.

Policy / Process / Guidelines & Process Flow

The key elements are as follows:

Applications for Loans and their Processing

Loan application forms shall include necessary information, which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and the borrower can make an informed decision. The loan application form may also indicate the documents required to be submitted with the application form.

The Company shall devise a system of giving acknowledgement for receipt of all loan applications.

Loan Appraisal and Terms/Conditions

The Company shall convey in writing to the borrower by means of approval letter or otherwise, the amount of loan approved along with the terms and conditions, including the annualized rate of interest and method of application thereof. Additionally, any penal interest to be charged will be clearly highlighted in writing to the borrower. The Company will keep the acceptance of all these terms and conditions by the borrower in the Company's files.

Disbursement of Loans including Changes in Terms and Conditions

The Company shall give notice to all its borrowers of any change in the terms and conditions – including disbursement schedule, interest rates, service charges, prepayment charges etc. The Company shall also ensure that changes in interest rates and charges are effected only prospectively. A suitable provision in this regard shall be incorporated in the loan agreement.

Decision to recall / accelerate payment or performance under the agreement shall also be in consonance with the loan agreement.

The Company shall release all securities on repayment of its full dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim the Company may have against its borrowers. 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 the Company is entitled to retain the securities till the relevant claim is settled/paid.

The Company shall refrain from interference in the affairs of the borrower except for the purposes provided for 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).

In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise i.e. objection of the Company, if any – shall be conveyed to the borrower within 21 days from the date of receipt of any request. Such transfer shall be as per transparent contractual terms in consonance with law.

In the matter of recovery of loans, the Company shall not resort to any harassment – such as persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc.

Wide Dissemination and Periodic Review

The Company shall put the above Fair Practices Code outlined hereinabove on its website, for the information of various stakeholders.

The Company will also review and refine the Code, as may be required periodically based on its own experience and fresh guidelines, if, any, to be issued by the RBI in this regard.

Complaints about excessive interest charged by the Company

The Company shall lay out appropriate internal principles and procedures in determining interest rates and processing and other charges.

Regulation of excessive interest charged by the Company

The Company shall adopt an interest rate model taking into account relevant factors such as, cost of funds, margin and risk premium, etc. and determine the rate of interest to be charged for loans and advances.

The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers shall be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.

The rates of interest and the approach for gradation of risks shall also be made available on the website of the company or published in the relevant newspapers. The information published in the website or otherwise published should be updated whenever there is a change in the rates of interest.

The rate of interest should be annualized rates so that the borrower is aware of the exact rates that would be charged to the account.

Clarification regarding repossession of hypothecated assets financed by the Company

The Company shall have a built in re-possession clause in the contract/loan agreement with the borrower which must be legally enforceable.

To ensure transparency, the terms and conditions of the contract/loan agreement should also contain provisions regarding:

- (a) The notice period before taking possession;
- (b) The circumstances under which the notice period can be waived;
- (c) The procedure for taking possession of the security;
- (d) A provision regarding final chance to be given to the borrower for repayment of loan before the sale/auction of the property;
- (e) The procedure for giving repossession to the borrower and
- (f) The procedure for sale / auction of the property.

A copy of such terms and conditions must be made available to the borrowers in terms of circular wherein it was stated that the Company may invariably furnish a copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction / disbursement of loans, which may form a key component of such contracts/loan agreements.

Customer Complaints & Grievances

Kinara Capital has a robust Grievance Redressal Mechanism. In order to effectively address customer grievances, Kinara Capital has introduced multiple channels of communication as described below. A customer can raise a complaint or express their dissatisfaction of the company service by any method listed below:

1. Walk in to their service hub, and speak to the Hub Manager.
2. Call the toll free customer care number 1800-103-2683 and speak to our customer care agent.
3. Email us the customer issues at help@kinaracapital.com
4. Raise a complaint on our website - www.kinaracapital.com/contact-us/
5. Send letters or notices to the registered office:

Registered Office Address:

The Customer Care
Kinara Capital | Visage Holdings and Finance Private Limited
No. 50, Second Floor, 100 Feet Road, HAL 2nd Stage,
Indiranagar, Bengaluru, Karnataka 560038

After waiting for a reasonable time, if the customer feels that his issue is still not addressed or resolved to his satisfaction he / she may escalate the issue as per the company escalation Matrix.

Customer Grievance Escalation Matrix			
Level	Name of the Officer	Email ID	Designation
Level 1	Riji K	riji.k@kinaracapital.com	Head - Customer Care
Level 2	Mohan K. Pattabhiraman	mohan.p@kinaracapital.com	Head – IQA; Grievance Ombudsman
Level 3	Thirunavukkarasu R	thiru@kinaracapital.com	Chief Operating Officer & Director of the Board

Despite multiple escalations at the company level, if the customer is still unhappy with the resolution he / she is free to escalate the complaint or grievance to the NBFC Ombudsman of their respective region.