



Fair Practice Code

Laxmi India Finance Private Limited
(Formerly known as Laxmi India Finleasecap Private Limited)

(Sapne Dekho, Bade Dekho, Hamare Saath Unhe Pura
Hote Dekho)



Version History		
Version	Name of Policy/Document	Date of Approval/Review
1.0	Fair Practices Code	July 31, 2015
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Table of Contents

1.	Introduction	1
2.	About the Code	1
3.	Regulatory Requirement	1
4.	Objectives of the Code.....	1
5.	Applications for loans and their processing	2
6.	Loan appraisal and terms/conditions.....	2
7.	Disbursement of loans including changes in terms and conditions.....	2
8.	General.....	3
9.	Grievance Redressal Cell	3
10.	Pricing Determination Policy/ Excessive Interest Rate Policy	4
11.	Details regarding repossession of vehicles	5
12.	Review	5
	Annexure-I	6



1. Introduction

Laxmi India Finance Private Limited (Formerly known as Laxmi India Finleaseap Private Limited) (hereinafter referred as “the Company” or “LIFPL”) “a Non-Banking Financial Company (‘NBFC’) holding a valid Certificate of Registration (“CoR”) with Reserve Bank of India (‘RBI’) vide registration no. B-10.00318 dated March 31, 2023 under current RBI classification as NBFC - Investment and Credit Company (NBFC-ICC) – Non Deposit taking Systemically Important (‘ICC-ND-SI’) with more than 20 years of experience in asset finance business.

It is focused on offering financing of MSME, Loan against property, Vehicle Loan, Loan for Vehicle Insurance, Personal and Business Loan.

2. About the Code

The code is applicable on all the services, rendered by the company from all its operating/service locations covering its every single establishment. The officials and authorized signatories of the company are required to follow the code meticulously, irrespective of the place and location as well as the medium through which they render services. The company has adopted a Fair Practices Code and will implement this Code in our organization, which has duly been approved by the Board of Directors.

3. Regulatory Requirement

The Reserve Bank of India has issued its extant guideline in respect of Fair Practice code, to be followed by an NBFC, by defining and setting standards, which are expected to comply with, while dealing with its existing or prospective customers, vide master circular. **DNBR (PD) CC. No. 054/03.10.119/2015-16** dated July 01, 2015 and Master Direction-Non-Banking Financial Company-Systemically Important Non-Deposit taking Company (Reserve Bank) Direction, 2016 as amended from time to time. These guidelines are issued under section 45 L of Reserve Bank of India Act, 1934.

The Company has put in place the best practices to be followed while operating (which has been set out forth in this document) and implemented a “Fair Practice Code”.

4. Objectives of the Code

Our Company Declares and undertakes that the primary objectives of the Code are as follows:

- a) To provide and promote professional, efficient, diligent and fast services.
- b) Not to discriminate any borrower on the basis of religion, caste or sex.
- c) To be fair & honest in advertisement and marketing of loan products.
- d) To provide customers with accurate and timely disclosure of terms, costs, rights and liabilities regarding loan transactions and to promote cordial relationship between customer & company.
- e) To attempt in good faith to resolve any disputes or differences with customers by setting up complaint resolution process within the organizations.



f) To comply with all the regulatory requirements in good faith.

5. Applications for loans and their processing

A prospective customer shall be given all the necessary information, in a vernacular language or a language as understood by customer, adequately explaining the range of loan products available with our Company to suit his needs.

On exercise of choice, the customer shall be given the relevant information about the loan product of his choice. All information about the fees/charges, if any payable for processing, the amount of such fees refundable in the case of non-acceptance of application, pre-payment options and any other matter which affects the interests of the borrower shall be prescribed in the Application Form. This information will enable the applicants to have a meaningful comparison with similar provisions of other companies and thereafter to take an informed decision.

The customer would be explained the processes involved till sanction and disbursement of loan and would be notified of timeframe within which all the processes will be completed ordinarily in our Company.

The Company has a system of giving acknowledgement for receipt of all loan applications indicating the time frame within which the applications will be disposed of.

6. Loan appraisal and terms/conditions

The Company shall make proper and prompt assessment of all Loan applications.

The Company shall conduct a due diligence on the credit worthiness of the applicants. Mere offering of Hypothecation on Asset will not be the sole consideration for sanctioning loans.

When sanctioned, the company shall convey to the applicant the details of Loan amount, interest rates, penal interest for late payment, repayment schedule, terms & conditions for loan and other charges in Loan Agreement in writing to the borrower in the vernacular language or any other language as understood by the borrower by means of sanction letter or otherwise and keep the acceptance of these terms and conditions by the borrower on Company's record.

The company shall furnish a copy of the loan agreement to the borrower.

7. Disbursement of loans including changes in terms and conditions

The Company will ensure timely disbursement of loan sanctioned in conformity with the terms & conditions. The Company will give notice to the borrower of any change in the terms & conditions including disbursement schedule, interest rates, service charges, prepayment charges and any other charges. Further, the changes in interest rates and charges shall be affected only prospectively, and the conditions in this regard will be incorporated in the Loan Agreement.

If the company decides to recall/accelerate payment or performance under the agreement or to seek additional securities, it shall give notice to borrowers, as specified in the loan agreement or a reasonable period, if no such condition exists in the loan agreement.



The company shall release all securities on repayment of all dues or realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim it may have against borrowers. If such right to set off is exercised, borrowers shall be given notice about the same with full particulars about the remaining claims and the documents under which the company is entitled to retain the securities till the relevant claim is settled/paid.

8. General

The company will not interfere in the affairs of the borrower except for the purposes provided in the terms and conditions of sanction of the loan (unless new information, not earlier disclosed by the borrower, has come to the notice of the Company).

In case of receipt of request for transfer of borrower account, either from the borrower or from another lender, which proposes intends to take over the account, the consent or otherwise i.e. objection of the Company, if any, depending on case to case basis, shall be conveyed to the customer and the other lender within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.

In the matter of recovery of loans, the company will not resort to harassment viz., persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc. The company shall ensure about the adequate training of staff to deal with the customer in an appropriate manner.

The Company shall not charge foreclosure charges/ pre-payment penalties on any floating rate term loan sanctioned for purposes other than business to individual borrowers, with or without co-borrower (s).

9. Grievance Redressal Cell

The Company will always make effort to redress the complaints of the customers at the earliest and in the best possible way and provide the customer with our best services.

Level- 1

The customer may visit to the nearest Branch of the Company and the complaint logged in the “Complaint Register” maintained at the branches (During the working hours from 09.30 A.M to 6.30 P.M.). The Branch Manager will act as a first point contact for the customer wherein he can make his complaint in writing.

In the event of non-disposal of complaint by the designated Branch manager **within 15 days**, the same will escalate to the Grievance Redressal Officer, who would take steps to resolve the same expeditiously.

Level- 2

Mr. Gaindi Lal Kumawat, the Grievance Redressal Officer who can be approached by the public for resolution of complaints against the Company at the following address: -



Mr. Gaindi Lal Kumawat
Grievance Redressal Officer,
Laxmi India Finance Private Limited
(Formerly known as Laxmi India Finleaseap Private Limited)
Registered Office: 2 DFL, Gopinath Marg,
M.I. Road, Jaipur-302001, Rajasthan
Mail ID: customerhelpdesk@lifc.in
Contact No.: +91 8440009995
Landline No.: 0141-4031166
Toll Free- 1800 121 7747

Level- 3

If the complaint / dispute is not redressed or remains unresolved **within a period of 7 days** by the Grievance Redressal Officer, the customer may mail to Compliance Officer of the company at cs@lifc.in.

Level- 4

For the complainants who are not satisfied with the response or do not receive a response from Compliance Officer within 8 days of receiving the complaint. **If more time is required, the Company will inform the customer expected timeline.** the Reserve Bank of India has introduced a web based mechanism “Complaint Management System (CMS)”, for lodging Complaints / Grievances by Citizens of India which may include the customers as well. This is known as Public Grievance portal (<https://cms.rbi.org.in/>). Customers may make use of the said Portal to communicate their grievances to the Company.

The complaint may also be submitted through electronic or physical mode to the Centralised Receipt and Processing Centre as notified by the Reserve Bank. The complaint, if submitted in physical form, shall be duly signed by the complainant or by the authorised representative. The complaint shall be submitted in electronic or physical mode in such format and containing such information as may be specified by RBI on below address:

Centralised Receipt and Processing Centre,
Reserve Bank of India,
4th Floor, Sector 17,
Chandigarh — 160017

The Board of Directors makes periodical review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such reviews shall be submitted to the Board on annual basis in the prescribed format specified in **Annexure-I**.

10. Pricing Determination Policy/ Excessive Interest Rate Policy

The Board has adopted an interest rate policy/Pricing determination policy taking into account relevant factors such as cost of funds, margin, risk premium, customer profile, underlying security etc. and determines 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 is disclosed to the borrower and rate of interest is communicated explicitly in the welcome/sanction letter.

Risk gradation is determined based on the risk associated with customer profile products, type of loans, value of collateral available, tenor, quantum of loan etc.;

The rate of interest mentioned are annualized rates so that the borrower is aware of the exact rates that would be charged to the account. The same is mentioned on the sanction letter/welcome letter also.

11. Details regarding repossession of vehicles

Loan agreements have a built in re-possession clause with the borrower which is legally enforceable. The terms and conditions of the contract/loan agreement shall contain provisions regarding:

- a) notice period before taking possession;
- b) 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.

12. Review

The Board shall review and amend this Code as and when required.

If at any point a conflict of interpretation / information between the Code and any regulations, rules, guidelines, notification, clarifications, circulars, master circulars/ directions issued by relevant authorities (“Regulatory Provisions”) arises, then interpretation of the Regulatory Provisions shall prevail.

In case of any amendment(s) and/or clarification(s) to the Regulatory Provisions, the Code shall stand amended accordingly from the effective date specified as per the Regulatory Provisions.



Annexure-I

The statement of complaints received by the Company:

S. No.	Complaints	Particulars
1.	No. of complaints pending at the beginning of the quarter	
2.	No. of complaints received during the quarter	
3.	No. of complaints disposed of during the quarter	
4.	No. of complaints unresolved at the end of the quarter.	