

SUNGOLD CAPITAL LIMITED
(CIN: L65910GJ1993PLC018956)

FAIR PRACTICES CODE

PREAMBLE

Pursuant to the notification issued by Reserve Bank of India by its circular DNBS.CC.PD.NO.266/03.10.01/2011-12 DATED 26-3-2012, further the said guidelines for Fair Practice Code has being revised by RBI vide their notification no RBI/2012-2013/416 DNBS.CC.PD.No. 320/03.10.01/2012-13 dated February 18, 2013 under section 45L of Reserve Bank of India Act 1934

Sungold Capital Ltd. (referred to as "Company") has formulated this Fair Practices Code to lay down the following procedures/practices in dealing with the business transactions. The Company shall adopt all the best practices prescribed by RBI from time to time and shall make appropriate modifications if any necessary to this Code to conform to the standards so prescribed.

The Fair Practice Code (FPC) is intended to cover the following areas:

- i. Applications for loans and their processing
- ii. Loan appraisal and terms/conditions
- iii. Disbursement of loans, including changes in terms and conditions
- iv. General provisions and
- v. Grievance redressal mechanism

(i) Application for loans and their processing:

a) All communication to the borrower shall be in English or in vernacular language as understood by Borrower.

b) Application Form for loans will 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 informed decision can be taken by borrower.

c) All the terms and conditions for loans should be detailed in the application form itself. The loan application form will indicate the documents required to be submitted for processing the application. However the company may demand the credit requirements and other documents from customers as it may deem fit.

d) The Company will issue acknowledgement for receipt of all loan applications and such acknowledgement will also indicate the date within which the application will be disposed

off which in normal case shall not exceed 10 working days from the date of receipt of the completed form with all requisite documents.

(ii) Loan Appraisal and Terms and Conditions:

a) The Company will inform in writing to the borrower in English or vernacular language as understood by borrower, the outcome of Loan Application by means of a sanction letter or otherwise. The sanction letter shall contain the amount of loan sanctioned, the terms and conditions including annualized rate of interest, processing fee (if any), date of interest payments due, penal interest charges, loan tenure, repayment schedule, commencement date and method of application thereof etc.

b) The Company will keep the acceptance of these terms and conditions by the borrower on its record. The loan shall be disbursed only on receipt of such acceptance.

c) Penal Interest /Overdue Interest for late repayment shall be mentioned in sanction letter / loan agreement in bold so as to draw attention of the borrower.

d) Company will invariably furnish a copy of Loan Agreement along with copy of each enclosures quoted in the Loan Agreement to its borrower at the time of sanction /disbursement of Loan.

(iii) Disbursement of loans including changes in terms and conditions:

a) The Company will give notice to the borrower in English or vernacular language as understood by borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. Any change in interest rates and charges shall be effective only prospectively.

b) Any decision to recall / accelerate payment or performance under the agreement will be in consonance with the loan agreement.

(iv) Release of Security:

a) The Company shall release all securities on repayment of all 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 borrower.

b) If the company has any claim against the borrower in respect of loan outstanding and repayment of all dues or on realization of outstanding amount of Loan, the company shall give to the borrower prior 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.

(v) General:

- a) The Company will not interfere in the affairs of the borrower except for the purposes 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 lender)
- b) In case of receipt of request from the borrower for transfer of borrowing account, the consent or otherwise i.e. objection of the Company, if any, should 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.
- c) In the matter of recovery of loans, the Company will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc.
- d) Proper training shall be given to the personnel's who are dealing with borrowers in regard to loan application/disbursement, so that they deal with customer/borrower in an appropriate manner.

(vi) Regulation of Excessive Interest charged:

- a) The company has adopted an interest rate model taking into account cost of funds, margin and risk premium for determining rate of interest to be charged for loans and advances.
- b) The rate of interest to be charged depends much upon the gradation of the risk of the borrower viz. the financial strength, business, regulatory environment affecting the business, competition, past history of the borrower etc.
- c) The rate of interest shall be annualized rate so that the borrower is aware of the exact rate that would be charged to the account. The said rate shall be disclosed to the borrower in application form and communicated explicitly in the sanction letter.
- d) The board approves that the interest charged to the borrower or customer shall not be less than 9% per annum.
- e) The Information published in the website or otherwise published shall be updated whenever there is a change in the rate of interest.

(vii) Grievance Redressal Mechanism:

- a) A appropriate grievance redressal mechanism shall be formed within the organization to resolve disputes arising out of the Loan functionaries. Any such dispute shall be heard and disposed off at next higher level.

b) The Board of Directors of the company shall have periodic review of the compliance of the Fair Practice Code and the functioning of the Grievance Redressal mechanism at various level of management. A consolidated review report, if any, shall be placed before the board at regular intervals.

c) The company shall display the following information at its branch / place where business is transacted for benefit of its customers:

- **Nodal Officer :-**

Name : Rajiv Kotia
Designation : Managing Director
Telephone No : +91 – 9327062261
Website : www.sungoldcapitallimited.com
Email id : info@sungoldcapitallimited.com

All grievances shall be heard and disposed of by a person at least one level higher to the person / designation against / relating to whom the grievance is made. After examining the matter, it will be our endeavor to provide the borrower/applicant with our final or other response, within a period of one (1) months from receipt of such complaint / grievance.

d. If the complaint / dispute is not redressed within a period of one month, the customer may appeal to the Officer-in-Charge of the Regional Office of DNBS of RBI at:

Officer-in-Charge
Department of Non-Banking Supervision
1st Floor, Nr. Gandhi Bridge,
Ahmedabad – 380 014
Tel: +91- 79 27545652, 27540581
Email : dnbsahmedabad@rbi.org.in

The Nodal Officer shall periodically review the implementation and compliance with this code including the redressal of grievances periodically and in case at least once every calendar quarter. A report to this effect shall be provided by the Nodal Officer for perusal of the Board.

Force Majeure:

The various commitments outlined and made by COMPANY are applicable under the normal operating environment. In the event of Force Majeure, Company will not be able to fulfill the commitments under the FPC to the entire satisfaction of the customer/s, the other stake holders and the public in general.