



SUNGOLD
CAPITAL LIMITED

FAIR PRACTICES CODE

SUNGOLD CAPITAL LIMITED

1. INTRODUCTION:

Pursuant to the notification issued by Reserve Bank of India by its circular RBI/2012-2013/416 DNBS.CC.PD.No.320/03.10.01/2012-13 dated February 18, 2013, further the said guidelines for Fair Practice Code has been revised by RBI vide their notification no DNBR (PD) CC.No.054/03.10.119/2015-16 DATED 01-07-2015 under section 45 L of Reserve Bank of India Act 1934, Sungold Capital Ltd. (referred to as “Company”) has formulated their Code of Fair Practices to lay down the procedures/practices in dealing with the business transactions.

The Fair Practice Code(FPC) has been formulated by Sungold Capital Limited (the Company) in compliance with the guidelines issued by Reserve Bank of India vide circular No. **RBI/2015-16/16 DNBR (PD) CC.No.054/03.10.119/2015-16 dated July 01, 2015** (as amended from time to time).

The Reserve Bank of India(RBI) had issued various guidelines on Fair Practices Code (FPC)for Non-Banking Financial Companies (NBFCs) thereby setting standards for fair business and corporate practices while dealing with their customers. The consolidated guidelines are published in Master Circular. The Board of Directors of the NBFCs are responsible for framing and adopting a Fair Practices Code in line with the guidelines provided by the RBI.

The FPC will be applicable to all the offices of the Company including the Head/Registered Office, all the offices and the Branches located across India. The FPC shall be binding on all the employees and officers of the Company.

The company shall periodically review the implementation and compliance with this code including the Redressal of Grievances.

2. WHO WE ARE:

Our company is an Non-Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI) as ND (Non-Deposit taking) and is listed on the Bombay Stock Exchange (BSE).

Our Company provides solutions for situations like initial funding requirements of a project, mezzanine financing, project financing, bridge financing, short term and long term working capital requirements, etc.

3. OBJECTIVE OF THE CODE:

The code has been developed with an objective of:

- Providing all necessary information, terms and conditions which helps in taking an informed decision before accepting the loan or investment from the Company.

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- Providing transparency in computation of interest and charges. Also clearly laying down the events of defaults and its consequences in the form of default interest, liquidated damages, penalties, etc
- Promoting fair practices by setting minimum standards in dealing with customers.
- Increasing transparency so that customers can have a better understanding of what type of service level can be expected from the Company.
- Setting up a Grievance Redressal Mechanism as part of this fair practices code.

4. KEY COMMITMENTS:

The company's key commitments to customers:

- a) Act fairly and reasonably in all dealings with the customers ensuring that:
 - The products and services the Company offers and the procedures and practices it follows, will meet the commitments and standards in this Code.
 - The Company's products and services meet relevant laws and regulations, as applicable.
 - The Company's dealings with customers will rest on ethical principles of integrity and transparency.
- b) Help customers understand how company's product work by:
 - Providing information about the min simple Hindi and/or English and/or local language
 - Explaining their financial implications
- c) Deal quickly and sympathetically with any errors and omissions by:
 - Correcting mistakes quickly
 - Handling customer's complaints quickly
 - Telling customers' how to take their complaint forward if they are still not satisfied
 - Reversal of any charges/interest levied erroneously or through over sight on a customer's account.
- d) Publicize this Code, put it on Company's website and have copies available for customer on request

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5. SUNGOLD CAPITAL'S FAIR PRACTICE CODE:

Section -(a) Application for loans and their processing:

- i. All communication to the borrower shall be in English or in vernacular language as understood by Borrower.
- ii. 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.
- iii. 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 depending on the credit requirements require other documents from customers as it may deem fit.
- iv. 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.
- v. The Company will ensure KYC guidelines stipulated by the RBI is complied with and adequate due diligence is carried out on the customer before extending the loan.
- vi. The company shall collect all particulars required for processing the loan application at the time of application. In case any additional information is required, the customer shall be informed told that he/she would be contacted again.

(b) Loan Appraisal and Terms and Conditions:

- i. 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.
- ii. 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.
- iii. 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.
- iv. Company will invariable 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.

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

- i. The disbursement will be done immediately upon compliance of all the terms and conditions of the sanction by the customer.
- ii. The Company shall frame appropriate internal principles and procedures for determining and ensuring that the interest rates and processing and other charges are not excessive. The Company shall, at the time of disbursal, ensure that the interest rate and processing and other charges on loan and advances are in strict adherence to internal principles and procedures.
- iii. Once the Borrower/Investee Company has repaid all the amounts due under the definitive agreements and performed all its obligations thereunder, the Company shall, within a reasonable time, issue a letter of satisfaction and release all the security created in its favour.
- iv. In case any loan amount has been outstanding or unsettled the security interests in respect of such loan shall not be released and the Borrower shall be informed of the pending claims and the conditions under which the Company is entitled to retain the security interest until the relevant claim is settled.
- v. In case of individual borrowers, the Company shall not charge foreclosure charges / prepayment penalties on all floating rate term loans.
- vi. The Company recognizes that there may be change in circumstances that may warrant modification of certain terms and conditions of the Loan. To the extent possible, the loan documents should clearly specify:
 - (i) these circumstances;
 - (ii) the method of informing the same to the Customer and;
 - (iii) the prospective application of the modifications.
- vii. Any change in terms and conditions like change in interest rate, tenure, charges & fees would be communicated to customer in writing in English / Hindi or vernacular language as understood by the Borrower.
- viii. The Company will give an advance 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.
- ix. Any decision to recall / accelerate payment or performance under the agreement will be in consonance with the loan agreement.

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(d) General:

- i. 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)
- ii. 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.
- iii. 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.
- iv. 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.

(e) Confidentiality:

Unless authorized by the borrower, the Company will treat all his personal information as private and confidential. The Company may not reveal transaction details of the borrowers to any other persons except under following circumstances:

- i. If the Company is required to provide the information to any statutory or regulatory body or bodies;
- ii. If arising out of a duty to the public to reveal the information;
- iii. If it is in the interest of the borrowers to provide such information (e.g. fraud prevention);
- iv. If the borrower has authorised the Company to provide such information to its group/ associate / entities or companies or any such person/ entity as specifically agreed upon;
- v. To registered Credit Information Companies('CIC').

(f) Collection of Dues:

In the event of delays/ default by the customer, the Company shall resort only to remedies which are legally and legitimately available to it. The Company **SHALL NOT** resort to the following means which may cause undue harassment of the Investee Company / Customer:

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- Use of muscle power for recovery of loans
- Persistently bothering at odd hours

(g) Repossession of Hypothecated Assets:

The Company shall mention legally enforceable re-possession clause in the loan documents. The process of repossession shall be carried out transparently and process be followed regarding

- (a) issue of notice 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.

(h) Responsibility of Board of Directors:

The Board of Directors of the Company shall also lay down the appropriate grievance Redressal mechanism within the organization. Such a mechanism 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.

The Board of Directors shall also provide for 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 at regular intervals, as may be prescribed by it.

(i) Regulation of Excessive Interest charged:

- i. 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.
- ii. 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.
- iii. 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.
- iv. The Information published in the website or otherwise published shall be updated whenever there is a change in the rate of interest

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(j) Grievance Redressal Mechanism:

The details for recording the grievances of the customers will be intimated in the Application Form/Sanction Letter/other document issued to the borrower. In addition, a separate e-mail ID will be created where customer can send their grievances via e-mail.

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

5. FEEDBACK AND SUGGESTIONS

We request our customers to provide feedback on our service to help us to improve our services.

6. MISCELLANEOUS

Currently the Company does not envisage lending against collateral of gold jewellery or commercial vehicle finance. In the event of addition of these product lines, the FPC policy will be updated suitably, in line with the guidelines laid down by the RBI.

The fair practice code will be available on the website of Sungold Capital Limited – www.sungoldcapitallimited.com for the information of its borrower and various other stakeholders. Any enhancements or changes in this code in near future shall be uploaded on the website from time to time.
