

**CD EQUIFINANCE PRIVATE LIMITED
FAIR PRACTICE CODE**

Details	Date
Reviewed, Adopted and Implemented on	February 7, 2025
Approved by Board Meeting Dated	February 7, 2025
Next Review on	FY 2025-26

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I. INTRODUCTION

This report provides an overview of the company's adherence to the Fair Practice Code (FPC) as mandated by Reserve Bank of India (RBI) vide its Notification No. DNBS(PD)CC No.80/03.10.042/2005-06 dated September 28, 2006. Further amendments have been made by the RBI through various notifications, considering sector development. The latest directive, Master Direction DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023, mandates that NBFCs with customer interfaces adopt the revised FPC. It highlights the key compliance measures undertaken to ensure ethical and transparent business practices.

II. ADOPTION OF NEW FAIR PRACTICE CODE

The Chairperson informed the Board that the Reserve Bank of India (RBI) vide its Notification No. DNBS(PD)CC No.80/03.10.042/2005-06 dated September 28, 2006 issued Guidelines on Fair Practice Code(FPC) for all Non-Banking Financial Companies (NBFCs) to be adopted in their lending business. Further amendments have been made by the RBI through various notifications, considering sector development. The latest directive, Master Direction DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023, mandates that NBFCs with customer interfaces adopt the revised FPC. CD Equifinance Pvt. Ltd., is an RBI registered Systemically Important Non-Deposit (NBFC ND-SI) involved in Non-Banking Financial Institution (NBFI) activities.

III. OBJECTIVE OF THE CODE

The Code has been developed with the following objectives:

- a. Promote good, fair and trustworthy practices in dealing with the customers;
- b. Enhance transparency for customers to better understand products and services;
- c. Foster fair and cordial relationship between the customers and the Company.

IV. APPLICATION

The Code shall apply to all products offered by the Company and any new products developed to meet customer financing needs.

Fair Practice Code of the Company:

1. Application for Loans and Their Processing

- a. Loan application forms will be provided in English and the vernacular language of the office location.
- b. Communications to borrowers will be in a language understood by them.
- c. Loan application forms will include necessary information affecting borrower interests, enabling comparisons with other NBFCs.
- d. Terms and conditions for loans will be detailed in the application form, which will also list required documents.
- e. Acknowledgement receipts will be issued for all loan applications, indicating a disposal time frame, usually within 15 working days.

2. Loan Appraisal and Terms & Conditions

- a. Demand/call loans will be sanctioned for a year unless otherwise agreed.
- b. Specific reasons will be recorded if the loan tenure exceeds 12 months.
- c. Borrowers will be informed in writing of the loan outcome, including detailed terms and conditions.
- d. A loan agreement will be executed in a language understood by the borrower, who will receive a copy of the agreement and related documents.
- e. The loan agreement will be periodically updated to meet regulatory requirements.
- f. Penal interest charges for late repayment will be highlighted in the sanction letter/loan agreement.
- g. Interest rates will range from 4% to 20% p.a., not lower than market trends.

3. DISBURSEMENT OF LOANS NAD CHANGES IN TERMS & CONDITIONS

- a. Loans will be disbursed timely as per communicated terms.
- b. Borrowers will be notified of any changes in terms and conditions in a language they understand.
- c. Changes in interest rates and charges will be applied prospectively.
- d. Decisions to recall or accelerate payment will align with the loan agreement.

4. POST-DISBURSEMENT SUPERVISION

- a. Post-disbursement supervision will be conducted according to business practices and regulatory guidelines.
- b. Decisions to recall or accelerate payment will be notified adequately and comply with the agreement.

5. RELEASE OF SECURITY

- a. Securities will be released upon repayment of all dues or realization of the outstanding amount, subject to legitimate claims.
- b. Borrowers will be notified of any claims and conditions under which securities are retained.

6. GENERAL

- a. The Company will not interfere in borrower affairs except as per the loan agreement.
- b. Discrimination based on sex, caste, and religion is prohibited, though participation in schemes for weaker sections is allowed.
- c. Foreclosure charges/prepayment penalties on floating rate term loans to individuals are waived.
- d. Recovery processes will be legally valid and free from harassment.
- e. Requests for transfer of borrowed accounts will be addressed within 21 days.

7. REGULATION OF EXCESSIVE INTEREST CHARGE

- a. An interest rate model based on cost of funds, margin, and risk premium determines loan interest rates.
- b. Interest rates depend on the borrower's risk grade.
- c. Annualized interest rates will be disclosed to borrowers in application forms and sanction letters.

8. RESPONSIBILITY OF THE BOARD OF DIRECTORS

- a. The Board will establish a grievance redressal mechanism within the organization.
- b. Periodic reviews of FPC compliance and the grievance redressal mechanism will be conducted, with reports submitted to the Board.

9. GRIEVANCE

- a. A Grievance Redressal Officer (GRO) will maintain a record of customer complaints.
- b. GRO will aim to resolve complaints within 15 days, informing customers if more time is needed.
- c. Complaints involving misconduct by Company functionaries will be addressed through the internal mechanism.
- d. The Board will periodically review FPC compliance and grievance redressal functioning.
- e. The Company will display grievance redressal information at its branches.
- f. Unresolved complaints within one month may be escalated to the RBI's Regional Office.
- g. The Company aims to improve service quality and handle customer grievances promptly.

Grievance Redressal Officer: Mr. Sanjib Mondal
M/s CD Equifinance Private Limited
S.B Tower 3rd Floor, 37 Shakespeare Sarani, Kolkata-700017
Contact Number: 033-4488 0000
Email ID: cdef@cdequi.com

In case the complaint/dispute is not redressed within a period of one month from the date of the complaint, the customer may appeal to the Officer-in Charge of the Regional Office of Department of Supervision of Reserve Bank of India:

Designation: Deputy General Manager
Address: 15, N S Road Kolkata – 700 001
Phone No.: 033-22130024
Email ID: doskolkata@rbi.org.in

It shall be the endeavor of the company to improve the quality of service and redress complaints and grievances, if any, of the customers as part of Customer Relationship. Customers who have grievances in respect of decision of the company functionaries can also address their grievances at cdef@cdequi.com.

10. DISCLOSURES

Regular management reviews of FPC compliance and grievance mechanisms will be reported to the Board annually.

11. REVIEW OF CODE

The code will be reviewed annually by the Board or as required by significant legal changes.

V. PRESENTATION

The company is an NBFC that does not engage in lending activities and does not have external customers. Accordingly, loan-related provisions of the Fair Practices Code are not applicable. However, the company ensures adherence to ethical business practices, regulatory compliance, and transparency in its operations as per RBI guidelines. The Fair Practice Code was presented before the Board of Directors in a board meeting held on 07-02-2025 for review, adoption and implementation. The BOD reviewed the key principles, compliance measures, and implementation strategies outlined in the code. After thorough deliberation, the Board approved the Fair Practice Code, reaffirming the company's commitment to ethical business practices and regulatory compliance.