

**GILADA FINANCE AND INVESTMENTS LIMITED**

**FAIR PRACTICE CODE**

**INTRODUCTION**

Reserve Bank of India (RBI) has prescribed guidelines on Fair Practices for all Non-Banking Financial Companies (NBFCs) on the Basis of which Fair Practices code (FPC) shall be put in place by NBFCs. The Fair Practice Code of the Company has been prepared in accordance with the RBI master directions/ circulars / notifications to the extent applicable.

**BACKGROUND**

**Gilada Finance and Investments Limited** is incorporated under the Companies act, 1956 and is registered with RBI as a Primary Dealer. The Company is required to be registered with RBI under Section 45 IA of Reserve Bank of India Act, 1934 as a non-deposit taking non-systemically important, Base Layer NBFC (NBFC-ND).

**OBJECTIVES OF THE POLICY**

- Develop a comprehensive Fair Practices Code to adopt guidelines provided by the regulator and self-regulatory organizations.
- Formulate operating guidelines for implementation of Fair Practices Code in an effective manner.
- Disseminate the policy guidelines in an effective manner to all stakeholders in general.
- Review & reinforcement mechanism to ensure high level of adherence to Fair Practices Code.
- Mechanism for constantly receiving feedback/grievances from group companies in order to improve the implementation of Fair Practices Code.

**GILADA FINANCE & INVESTMENT LIMITED (GFIL)**

**Gilada Finance and Investments Ltd (GFIL)** is a non-banking financial company managed by Mr. Rajgopal Gilada, Managing director of the Company. The promoters have vast experience in the field of finance that gives them the necessary edge in the market. The Board of Directors and the management team are responsible for implementing the fair practices hereinafter detailed, and also to ensure that its operations reflects its strong commitments to all the stakeholders for offering in a fair and equitable manner.

**APPLICATION FOR LOANS & THEIR PROCESSING:**

- I. All communications to borrowers(s) should be in the vernacular language besides being in English to enable clear understanding by the applicants/borrower(s).



- II. Loan application form should 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 the borrower. The loan application form may indicate the documents required to be submitted with the application form.
- III. Company shall acknowledge receipt of all loan applications. The time frame within which loan applications will be disposed should also be indicated in the acknowledgement.

**1. LOAN APPRAISAL AND TERMS & CONDITIONS:**

- I. **Company** should convey to the borrower in writing in the vernacular language as understood by the borrower by means of sanction letter or otherwise, as amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof and keep the acceptance of these terms and conditions by borrower on its record. Company shall also mention the penal interest chargeable for the repayment in bold in the loan agreement.

Not furnishing a copy of the loan agreement or enclosure quoted in the loan agreement is an unfair practice, which could lead to disputes between the company and the borrower with regard to the terms and conditions on which the loan is granted.

The dealing manager/officer is, therefore, advised to furnish a copy of the loan agreement preferably in the vernacular language as understood by the borrower along with a copy of each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction/ disbursement of loans.

**2. DISBURSMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS:**

- I. **Company** should give notice to the borrower in the vernacular language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayments charges etc. Company should also ensure that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard should be incorporated in the loan agreement.
- II. Decision to recall/ accelerate payment or performance under the agreement should be in consonance with the loan agreement.
- III. The company should release all securities on repayment of all dues or on realisation of the outstanding amount of loan subject to any legitimate right or lien for any other claim the company may have against the borrower. 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 conditions under which company is entitled to retain the securities till the relevant claim is settled/ paid.

**3. GENERAL:**

- I. Company should refrain from interference in the affairs of the borrower except for purposes provided in the terms and conditions of 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 borrower for transfer of borrower account, the consent of 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 should not resort to undue harassment viz. persistently bothering the borrower at odd hours, use of muscle power for recovery of loans etc. the company shall ensure that the staff are adequately trained to deal with the customers in an appropriate manner and refrain from rude behaviour.

**4. GRIEVANCE REDRESSAL POLICY ("GRP")**

The Company shall lay down appropriate grievance redressal mechanism within the organization which will ensure that all disputes arising out of Company functionaries are heard and disposed of at least with the next higher level. Company shall display the (i) name and contact details (telephone/mobile numbers and email addresses) of the 'Grievance Redressal Officer' who can be approached by the public for resolution of complaints against the Company. If the complaint / dispute is not redressed within a period of one month, an appeal may be made to the Officer-in-Charge of the Regional Office of DNBS of RBI (with complete contact details), under whose jurisdiction the registered office of Company falls.

A copy of the FPC & GRP shall be put up on Company website for the information of various stakeholders. This policy on FPC and the functioning of the grievances redressal mechanism at various levels of management shall be reviewed and placed before the Board on an annual basis for their review and approval.

**For Gilada Finance and Investments Limited**

  
**Rajgopal Gilada**  
**Managing Director**  
**(DIN: 00307829)**

