

**EASTERN INVESTMENTS LIMITED**

**FAIR PRACTICE CODE POLICY**

**1. BACKGROUND AND APPLICABILITY OF THE CODE**

The Reserve Bank vide its notification no RBI/2006-07/138DNBS.(PD)/CC No 80/03.10.042/2005-06 dated 28.9.06 read with notification no RBI/2011-12/470DNBS.CC.PD.No 266/03.10.01/2011-12 dated 26.3.12, DNBS CC.PD.No 320/03.10.01/2012-13 dated 18.2.13 and Master Circular RBI/2014-15/34 DNBS(PD) CC No 388/03.10.042/2014-15 dated 1.7.14 prescribed the broad guidelines on fair practices that are to be framed and approved by the Board of Directors of all Non-Banking Financial Companies (NBFCs) and should be published and disseminated on the web-site of the company, if any, for the information of the public.

Eastern Investments Limited(EIL) is a Non-Banking Financial Company (NBFC), was incorporated in the year,1927. It was nationalized by the Government of India through the Bird & Company Ltd. (Acquisition and Transfer of Undertaking and other Properties) Act ,1980 (Act. No: 67 of 1980) in the year 1980 and it became a PSU w.e.f 19th March, 2010

**2. Applications for loans and their processing**

(a) All communications to the borrower shall be in the vernacular language or a language as understood by the borrower.

(b) Loan application forms 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.

The NBFCs should devise a system of giving acknowledgement for receipt of all loan applications. Preferably, the time frame within which loan applications will be disposed of should also be indicated in the acknowledgement.

**(ii) Loan appraisal and terms/conditions**

EIL should convey in writing to the borrower in English or in vernacular language as understood and confirmed, the fate of the loan application by means of sanction letter or otherwise. In case of sanction of loan, the sanction letter shall contain the amount of loan sanctioned along with the terms & conditions including annualized rate of interest and method of application thereof.

The acceptance of the terms & conditions communicated by the borrower shall be persevered by EIL on its record and copy of same shall be provided to the borrower upon its request.

EIL shall mention the penal interest charged for late repayment in bold in the sanction letter and loan agreement.

EIL will invariably furnish a copy of loan agreement along with a copy of each enclosures quoted in the loan agreement to all borrowers at the time to sanction / disbursement of loan in English or in vernacular language / the language as understood by the borrower.

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

(a) EIL shall give notice to the borrower in the English or vernacular language or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. NBFCs 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.

(b) Decision to recall / accelerate payment or performance under the agreement should be in consonance with the loan agreement.

(c) EIL 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 NBFCs may have against 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 the conditions under which NBFCs are entitled to retain the securities till the relevant claim is settled/ paid.

### **(iv) General**

(a) EIL should refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless information, not earlier disclosed by the borrower, has been noticed).

(b) In case of receipt of request from the borrower for transfer of borrower account, the consent or otherwise i.e. objection of the EIL, 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, EIL should resort to remedies which are legally and legitimately available but will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc.

(d) As a measure of customer protection and also in order to bring in uniformity with regard to prepayment of various loans by borrowers of banks and NBFCs, EIL shall not charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to individual borrowers.

#### **(vi) Grievance Redressal Officer**

At the operational level, EIL will display the following information prominently, for the benefit of their customers, at their branches / places where business is transacted:

(a) the name and contact details (Telephone / Mobile nos. as also email address) of the Grievance Redressal Officer who can be approached by the public for resolution of complaints against the Company as below :-

Name : URMI CHAODHURY, Company Secretary  
Email: urmi.cseil@gmail.com

(b) 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 (complete contact details), under whose jurisdiction the registered office of the EIL falls.

#### **(vii) Language and mode of communicating Fair Practice Code**

Fair Practices Code (which should preferably in the vernacular language or a language as understood by the borrower) based on the guidelines outlined hereinabove should be put in place by all NBFCs with the approval of their Boards within one month from the date of issue of this circular. NBFCs will have the freedom of drafting the Fair Practices Code, enhancing the scope of the guidelines but in no way sacrificing the spirit underlying the above guidelines. The same should be put up on their web-site, if any, for the information of various stakeholders.

#### **(viii) Regulation of excessive interest charged by NBFCs**

EIL shall frame appropriate internal principles and procedures for determining the interest rates and processing and other charges, if any, and also to ensure that they are not excessive. The company shall, at the time of disbursal, ensure that the interest rate and other charges, if any, on loan and advances are in strict adherence to above referred internal principles and procedures. The rate of interest shall be annualized rates to make the borrower aware of the exact rates that would be charged to the account.

**(IX) FORCE MAJEURE:** The various commitments outlined and made by the Company shall be applicable under the normal operating environment. In the event of any Force Majeure circumstances, the Company may not be able to fulfil the objectives under the FPC to the entire satisfaction of the borrowers, the stakeholders and the public in general.