

Fair Practices Code for ICDS LTD.**1. OBJECTIVES AND APPLICATION:****Objectives of the Code:**

- a) To promote good and Fair Practices by setting minimum standards in dealing with customers
- b) To provide full information/knowledge to customers regarding the products and services offered by ICDS LTD. so as to enable them to take informed decision.
- c) To increase transparency, so that, customers can have better understanding of what they can reasonably expect of the services
- d) To encourage market forces through competition, in order to achieve higher operating standards
- e) To promote a fair and cordial relationship between the customer and ICDS CLTD.
- f) To foster confidence in ICDS LTD. in particular and the Non Banking business in India in general

1.2 Application of the Code: This Code will apply to all products and services offered by ICDS LTD. at all its branches, regardless of whether they are provided across the counter, over phone, by post, through interactive electronic devices on the internet or in any other manner including intermediates.

2. COMMITMENT TO CUSTOMERS:

To act fairly and reasonably in all dealings with customers by ensuring the following:-

- a) ICDS LTD. will meet the commitments and standard in this Code in respect of the products and services offered by it and also in the procedures and practices that are followed as per the systems and procedures laid down..
- b) The products and services offered by ICDS LTD. will conform to relevant laws and regulations in letter and spirit
- c) The dealings of ICDS LTD. with customers would rest on ethical principles of integrity and transparency.

To help customers understand how their financial products and services work. This will be done by:-

- a) Providing customers information about the products and services offered by ICDS LTD. in any one or more of the following languages – Hindi, English and appropriate regional language
- b) It will be ensured that advertisement and promotional literature of ICDS LTD. is clear and not mis-leading.
- c) It will be ensured that customers are given clear information about the products and services of ICDS LTD. The terms and conditions, interest rates, processing & administrative charges and other miscellaneous charges which apply will be made clear to them.

- d) ICDS LTD. will ensure that customers are given information regarding the benefits accruing to them, the manner of availing the benefits, their financial implications and whom they can contact for addressing their queries and the manner of addressing the queries.

To help customers to use the products and services by:-

- a) Providing them regular and appropriate up-dates
- b) Keeping them informed about changes in the interest rate, charges or terms and conditions

To deal quickly and sympathetically with things that go wrong by:-

- a) Rectifying the mistakes promptly and reversing charges applied due to mistakes, promptly.
- b) Attending to complaints of customers promptly
- c) Giving suitable advice to customers regarding manner of taking their complaints forward if they are not satisfied with the handling of the complaint
- d) Providing suitable alternative avenues to alleviate problems arising out of technological failures.

To treat all personal information of customers as private and confidential.

ICDS LTD shall treat all personal information relating to customers as private and confidential, subject to what is stated in paragraph No.5 elsewhere.

To publicize the Code of ICDS LTD. – ICDS LTD. shall :-

- a) Provide existing / and new customers with a copy of the Code
- b) Make this Code available on request, either over the counter or by electronic communication or mail
- c) Make available this code at every branch of the ICDS LTD. and
- d) Ensure that the staff of ICDS LTD. are trained to provide relevant information about the code and to put the code into practice.

To adopt and practice a non-discrimination policy. ICDS LTD. shall not discriminate on the basis of age, race, caste, gender, marital status, religion or disability of customers.

3. DISCLOSURE AND TRANSPARENCY:

ICDS LTD. shall provide information on interest rates, processing and administrative fees, other charges, etc. through any one of the following:-

- a) Through notices on the notice boards in their branches
- b) Through telephone or help lines
- c) Through designated staff/help desk; or
- d) Through providing service guide/tariff schedule
- e) Through providing information at the personal level, during the visit of customers.

In respect of prospective customers, ICDS LTD. shall:-

- a) Provide clear information explaining the key features of its services and products
- b) Provide information on any type of product and service offered that may suit the needs of the customer
- c) Inform the customers about the various means through which, product and services are offered
- d) Inform the customers the details required from them for the purpose of identity and address for complying with legal, regulatory and internal policy requirements.

To the existing customers, ICDS LTD. shall:-

- a) Provide more information on the key features of the products including application of interest rates, fees and charges on request
- b) Provide extra information on their rights and responsibilities,
- c)

Interest Rates: ICDS LTD. shall give information to the customers during interaction on:-

- a) Interest rates which apply to their liability accounts,
- b) How interest is applied to their accounts and method of calculation of interest

Changes in interest rates: ICDS LTD. shall inform their customers as and when changes in interest rates take place, in respect of their loan products. This information will be given by displaying a notice on the notice board or through verbal information to customers, during their visits or over phone.

Fees and Charges:

- a) ICDS LTD. shall display in its branches –
 - i) A notice about the tariff schedule – customers can be advised to see this schedule
 - ii) A list of services which are offered, free of charge
- b) ICDS LTD. shall give their customers all details in their tariff schedule of any charges applicable to the products and services chosen by them
- c) ICDS LTD. shall provide customers information about the penalties liable to be levied in case of non-observance/violation of any of the terms and conditions, covering the product/services chosen by them. ICDS LTD. will also make this clear in their offer letters.

Changes in fees and charges: In case ICDS LTD. increases any of these charges or introduces a new charge, it will be notified one month prior to the revised charges being levied/becoming effective. This notification will be issued through suitable notice, on the notice board, at all the branches.

Terms and conditions:-

- a) Customers availing the product/service for the first time, shall be advised the relevant terms and conditions for the service

- b) All terms and conditions shall be fair and well set out, respective rights especially with regard to liabilities & obligations clearly and as far as possible, in plain and simple language.

Changes in terms and conditions:-

- a) Customers shall be informed regarding changes in the terms and conditions through any of the following channels:-
 - i) Personal intimation
 - ii) Notices on the branch Notice Board
 - iii) Over Phone
 - iv) Newspaper advertisement or press release
 - v) Internet/EMAIL and Website
 - vi) Brochures on their products and services.
- b) ICDS LTD. will normally make changes with prospective effect giving due notice on the notice Board
- c) In case any change is made without notice, the same shall be notified within 30 days. If such change is to the dis-advantage of the customers, he/she may, within 60 days and without notice, close his/her account or switch it over without having to pay any extra charges or interest.
- d) Major change or a lot of changes in any one, shall be informed to the customers on request and provide a copy of the new terms and conditions or a summary of the charges.

4. ADVERTISEMENT, MARKETING AND SALES:

ICDS LTD. shall:-

- a) Ensure that all advertising and promotional material is clear and not mis-leading.
- b) In any advertisement, in any media and promotional literature that draws attention to a service or product and includes a reference to an interest rate, ICDS LTD shall also indicate whether other fees and charges will apply and that full details of the relevant terms and conditions be made available on request.
- c) If ICDS LTD. avails of services of third parties for providing support services, it shall require that such third parties handle customers' personal information with same degree of confidentiality and security, as the ICDS LTD. would.
- d) ICDS LTD. may, from time to time, indicate to the customers various features of their products availed by them. Information about other products or promotional offers in respect of products/services may be conveyed to the customers only if he/she gives his/her consent to receive such information/service either by mail or by registering the same on the website or on customer service number.
- e) ICDS LTD. shall prescribe a Code of Conduct for their DMAs, whose services are available to market products/services which among other matters, require them to identify themselves when they approach the customers for selling products personally or through phone.

- f) In the event of receipt of any complaint from the customer that the representative of ICDS LTD./DMA has engaged in any improper conduct or acted in violation of this Code, appropriate steps shall be initiated by ICDS LTD. to investigate and to handle the complaint and to make good the loss.

5. PRIVACY & CONFIDENTIALITY:

5.1: All personal information of customers shall be treated as private and confidential, even after they cease to be customers and shall be guided by following principles and policies. ICDS LTD. shall not reveal any information or data relating to customers accounts whether provided by the customer or otherwise, to any one, including other companies, entities in their group, other than in the following exceptional cases.

- a) If the information is to be given as per law
- b) If there is a duty towards the public to reveal the information
- c) If the interests of ICDS LTD. require them to give information – e.g: to prevent a fraud. But, ICDS LTD. shall not use the same for giving information about the customer/customer account to any one else, including other companies in the group or for marketing purposes.
- d) If the customers ask ICDS LTD. to reveal information or with the customers' permission, then only, the information will be revealed.
- e) If ICDS LTD. is asked to give reference about the customers, ICDS LTD. will obtain customers written permission, before giving the information.
- f) The customer shall be informed the extent of his/her rights under the existing legal frame-work for accessing the personal records that ICDS LTD. maintains about him/her.
- g) ICDS LTD. shall not use customers' personal information for marketing purposes of anyone, including its own marketing staff, unless the customer specifically authorises the ICDS LTD. to do so.

5.2 Credit Reference Agencies:-

- a) When a customer opens an account, ICDS LTD. shall inform him/her when they may pass his/her account, details to credit reference agencies and the checks ICDS LTD. may make with them.
- b) ICDS LTD. may give information to credit reference agencies about the personal debts the customer owes them, if:-
 - i) The customer has fallen behind with his repayments
 - ii) The amount owed is not in dispute and
 - iii) The customer has not made proposals that the ICDS LTD. is satisfied with, for repaying his/her debt, following ICDS LTD's formal demand

- e) In these cases, ICDS LTD. shall intimate the customers in writing that they plan to give information about the debts the customer owes them, to the credit reference agencies. At the same time, ICDS LTD. shall explain to the customers the role of credit reference agencies and the effect the information they provide, can have on customers' ability to get credit.
- f) ICDS LTD. may give credit reference agencies other information about the customer's account, if the customer has given his/her permission to do so.
- g) A copy of the information given to credit reference agencies shall be provided by the NBFCs to a customer, if so demanded.

6. COLLECTION OF DUES:

While giving Loans and other Products, ICDS LTD. shall explain to the customers the repayment process by way of amount, tenure and periodicity of payment. This will be made clear in the loan offer letter. However, if the customer does not adhere to the repayment programme, a defined process, in accordance with the laws of the land, shall be followed for recovery of dues. The process will involve – reminding the customer by phone, by sending him/her notice or by making personal visits and any other steps, including re-possession of security, if any. If the recovery action is in terms of the provisions of SARFAESI Act,(if applicable to the Company) then the procedure as prescribed in the SARFAESI Act/rules there under, shall be followed.

ICDS LTD.'s collection policy shall be built on courtesy, fair treatment and persuasion. ICDS LTD. believes in fostering customer confidence and long term relationship. Staff of ICDS LTD or any person, authorised to represent ICDS LTD. in collection of dues and security re-possession, shall identify himself/herself and display the authority letter issued by ICDS LTD. and upon request, display his identify card issued by the ICDS LTD. or under authority of the company. ICDS LTD. shall provide customers with all the information regarding dues and shall endeavour to give sufficient notice for payment of dues.

All the members of staff of ICDS LTD. or any person authorised by the company to represent it, in the collection or security re-possession, shall follow the guidelines given below:-

- a) Customer should be contacted ordinarily at the place of his choice and in the absence of any specified place, at the place of his residence and if un-available at the residence, at the place of his business/occupation.
- b) Identity and authority to represent ICDS LTD. should be made known to the customer at the first instance.
- c) Customers' privacy should be respected
- d) Interaction with the customers shall be in a very civil manner.
- e) ICDS LTD.'s representatives shall contact the customer between 7AM and 7PM on any day, unless special circumstances of the customer's business or occupation require otherwise.
- f) Customers' request to avoid calls at a particular place and at a particular time, shall be honoured, as far as possible
- g) Time and number of calls and contents of conversation should be documented
- h) All assistance should be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.

- i) During visits to customers' place for collection of dues, decency and decorum should be maintained.
- j) Improper occasions, such as bereavement in the family, ill-health or such other calamitous occasions, and also other occasions like marriage in the family, religious functions should be avoided for making calls/visits to collect the dues.

7. COMPLAINTS AND GRIEVANCES:

Internal Procedures:-

- a) If the customer wants to make a complaint he/she should be told :-
 - i) how to do this
 - ii) where a complaint can be made
 - iii) how a complaint should be made
 - iv) when a reply can be expected
 - v) Whom to approach for redressal
 - vi) What to do if the customer is not satisfied about the reply/outcome
 - vii) The staff of ICDS LTD. shall help the customer regarding any questions the customer has
- b) Customer should be told where to find details of ICDS LTD.'s procedure for handling complaints fairly and quickly.

If a complaint has been received in writing from a customer, ICDS LTD. shall endeavour to send him/her acknowledgement/response, within a week. If the complaint is received over phone, the customer shall be provided with a complaint reference number and be kept informed of the progress, within a reasonable period of time.

- c) After examining the matter, ICDS LTD. shall send the customer its final reply or explain why it needs more time to respond and shall endeavour to do so, within 6 weeks of receipt of a complaint and the customer should be informed how to take his complaint further, in case he is not satisfied by the reply.

8. KNOW YOUR CUSTOMER GUIDELINES (KYC):

ICDS LTD. shall carry out due diligence as required under KYC Guidelines, before opening an account and allowing operation.

- a) Ask the customer to provide necessary documents/proof
- b) Obtain only such information to meet the KYC/Anti Money Laundering or any statutory requirements. In case, any additional information is sought, it will be sought separately and the company will specify the objective of obtaining such additional information. Provided such additional information will be 'voluntary'.

- c) Provide the account opening forms and other material to the customer. The same shall contain details of essential information required to be furnished and documents to be produced for verification and/or for record for meeting the KYC requirements.
- d) Explain the procedural formalities and provide necessary clarifications sought by the customer, while opening the account.

9. LOANS & OTHER PRODUCTS:

9.01: Before granting Loans and other Products, ICDS LTD. shall assess whether customer will be able to repay the loan. If ICDS LTD. cannot sanction the loan to the customer, it shall communicate in writing the reasons for the rejection. If the customer wants the ICDS LTD. to accept a guarantee or other security for his/her liabilities, ICDS LTD. may ask the customers for his permission to give confidential information about the financial position of the person, willing to give guarantee or other indemnity or other security or to their legal advisor. ICDS LTD. may also:-

- a) encourage the customers to take independent legal advice to make sure that they understand their commitment and possible consequences of their decision
- b) Inform the customers that by giving the guarantee or other security, they may also become liable and
- c) Tell them what their liability would be

9.02 Applications for Loans and other Products and their processing: At the time of sourcing of a loan proposal, ICDS LTD. shall provide information about the interest rate, fees payable such as, administrative and processing fee, pre-payment options and pre-closure charges and any other matter which affects the interest of the prospective borrower, so that, a meaningful comparison with those of other NBFCs can be made and informed decision can be taken.

- a) ICDS LTD. shall device a system of giving acknowledgement for receipt of loan applications. Preferably the time frame within which the loan application should be disposed of, should be indicated in the acknowledgement.
- b) Normally, all particulars required for processing the loan application shall be collected by ICDS LTD. at the time of application. In case, extra requirements are to be collected, the customer should be told about such requirements and he/she should be contacted immediately in this regard.
- c) ICDS LTD. shall convey to the customers about the sanction of the loan along with detailed terms and conditions and a loan offer letter should be sent.

- d) ICDS LTD. shall not discriminate on grounds of sex, caste, religion, etc in the matter of extending the loan. However, this does not preclude ICDS LTD. from instituting or participating in the schemes framed by different sections of the society.

ICDS LTD. shall process request for transfer of loan accounts either from borrower or from a bank/financial institution in the normal course.

- a) Before taking a decision to recall/ accelerate payment or performance under the agreement, or seeking additional securities, ICDS LTD. shall give notice to the borrower, in accordance with the loan agreement.
- b) ICDS LTD. shall release the securities immediately on repayment of all the dues/closure of outstanding liability, subject to legitimate right or lien for any other claim ICDS LTD. 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 the conditions under which, ICDS LTD. is entitled to retain the securities till the relevant claim is settled/paid.

9.03 **Guarantors:** When a person is coming forward to be a guarantor to a loan, he/she shall be informed about:-

- a) His/her liability as a guarantor
- b) The amount of liability he/she will be committing himself/herself to ICDS LTD.
- c) Circumstances in which ICDS LTD. will call on him/her to pay the liability
- d) Whether ICDS LTD. has recourse to his/her other assets/ moneys in the company, if he/she fails to pay the amount as a guarantor.
- e) Whether his/her liabilities as guarantor are limited to a specific quantum or un-limited.; and
- f) Time and the circumstance in which, his/her liabilities as a guarantor, will be discharged as also the manner in which ICDS LTD. will notify him/her about the same

ICDS LTD. shall keep the guarantor informed of any material adverse changes in the financial position of the borrower, to whom he/she stands as a guarantor.

10.GENERAL: ICDS LTD. shall give information to the customer regarding the following:-

1. ICDS LTD. will explain the key features of its loan products including applicable fees and charges while communicating sanction of the loan in the loan offer letter.
2. ICDS LTD. shall advise the customer what information/documentation it requires from him/her, to enable him/her to apply for the loan. ICDS LTD. will also advise regarding what documentation is required in respect of the loan and documents such as, identification proof, address proof, employment proof, etc required by the company.
3. ICDS LTD. shall verify the details mentioned by the applicant in the loan application, by contacting him/her at his residence/office/business place on the telephone numbers given or physically visiting the place or through agencies, appointed for such purposes, if deemed necessary by ICDS LTD.
4. The customer should be informed to co-operate if the ICDS LTD. needs to investigate a transaction on the customer's account with police or investigation agencies, in case ICDS LTD. needs to involve them.
5. ICDS LTD. shall advise the customer that if the customer acts fraudulently, he/she will be responsible for all losses on his/her account and if the customer acts without reasonable care and it causes losses, then the customer will be responsible for the same.
