

Trident Microfin Private Limited
Hyderabad

Fair Practices Code for Trident (as per RBI Guidelines)
As adopted by the Board in its meeting held on 07.03.2014

(i) Applications for loans and their processing

- (a) All communications to the borrower are in the vernacular language or a language as understood by the borrower.
- (b) Necessary information which affects the interest of the borrower is included in the loan application forms so that a meaningful comparison with the terms and conditions offered by other NBFC can be made and informed decision can be taken by the borrower. The loan application form also indicates the documents required to be submitted with the application.
- (c) An acknowledgement is issued at the time of receipt of all loan applications which also indicates the time frame within which loan applications will be disposed of.

(ii) Loan appraisal and terms/conditions

The Company conveys in writing to the borrower in the vernacular language as understood by the borrower by means of sanction letter, the 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 the borrower on our record.

The Company furnishes a copy of the loan agreement in the vernacular language as understood by the borrower along with a copy each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction / disbursement of loans.

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

- (a) The Borrower is given a notice in the vernacular language as understood by him of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. Any changes in the interest rates and charges are effected only prospectively. A suitable condition in this regard is incorporated in the loan agreement.
- (b) Any decision to recall/accelerate payment or performance under the agreement is in consonance with the loan agreement.

(c) All securities are released on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim 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 Trident is entitled to retain the securities till the relevant claim is settled/paid.

(iv) General

(a) Trident refrains from interference 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 Trident).

(b) In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise i.e. objection of Trident, if any, is 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, Trident does not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc. As complaints from customers also include rude behavior from the staff of the company, the Company ensures that the staff are adequately trained to deal with the customers in an appropriate manner.

(v) Grievance Redressal mechanism An appropriate grievance **redressal mechanism** within the organization is laid down to resolve disputes arising in this regard. This mechanism ensures that all disputes arising out of the decisions of the company's functionaries are heard and disposed of at least at the next higher level. Periodical review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management is submitted to the Board of Directors. A consolidated report of such reviews is submitted to the Board at half yearly intervals.

(vi) At the operational level the following information is displayed prominently, for the benefit of the customers, at all the branches / places where business is transacted:

- 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.
- 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, Hyderabad.

(vii) Fair Practices Code is in vernacular language which can be understood by the borrower. This is based on the RBI guidelines and put in place by all the branches. The same is put up on our web-site for the information of various stakeholders.

(viii) Regulation of excessive interest charged:

- (a) An interest rate model is adopted taking into account relevant factors such as, cost of funds, margin and risk premium, etc and determined the rate of interest to be charged for loans and advances. The rate of interest and the approach for gradations of risk and rationale for charging different rates of interest to different categories of borrowers are disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.
- (b) The rates of interest and the approach for gradation of risks is also available on the web-site of the company. The information published in the website shall be updated whenever there is a change in the rates of interest.
- (c) The rate of interest is annualized rates so that the borrower is aware of the exact rates that would be charged to the account.

(ix) Complaints about excessive interest charged

As the Reserve Bank has been receiving several complaints regarding levying of excessive interest and charges on certain loans and advances by NBFCs, though interest rates are not regulated by the Bank, the company makes sure that the rates of interest are not beyond a certain level or be excessive and can neither be sustainable nor be conforming to normal financial practice.

(x) Regarding repossession of vehicles financed by Trident

Trident Microfin does not provide vehicle loans to clients. However, it gives vehicle loans to staff which has re-possession clause in the contract/loan agreement with the staff which is legally enforceable. To ensure transparency, the terms and conditions of the contract/loan agreement contain provisions regarding:

- (a) Notice period 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.
