



Formerly known as Parnami Credits Limited

Fair Practices Code of QGO Finance Ltd

QGO Finance (hereinafter referred to as the company)

1. Preamble

The Company endeavors to review the “Fair Practice Code” (FPC). The Company shall adopt all the best practices prescribed by RBI from time and shall make appropriate modifications if any necessary to this code to conform to the standards so prescribed

The Fair Practice Code is based on the Master Circular Issued by the Reserve Bank of India DNBR (PD) CC.No.054/03.10.119/2015-16.

The Company’s Policy is to treat all the clients consistently and fairly. The employees of the Company will offer assistance, encouragement and service in a fair, equitable and consistent manner. The Company will also communicate its Fair Practices Code (FPC) to its customers by uploading the FPC on its website.

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 shall 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 shall indicate the documents required to be submitted with the application form.
- c. The Company shall have a system of giving acknowledgement for receipt of all loan applications. Preferably, the time frame within which loan applications will be



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disposed of shall also be indicated in the acknowledgement.

3. Loan appraisal and terms/conditions

The Company shall convey in writing to the borrower in the vernacular language as understood by the borrower by means of sanction letter or otherwise, 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 its record. The Company shall mention the penal interest charged for late repayment in bold in the loan agreement

The Company shall furnish a copy of the loan agreement 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.

4. Disbursement of loans including changes in terms and conditions

- a. The Company shall give notice to the borrower in the 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. The Company shall also ensure that changes in interest rates and charges are effected only prospectively and a suitable condition in this regard will be incorporated in the loan agreement.
- b. Decision to recall / accelerate payment or performance under the agreement shall be in consonance with the loan agreement.
- c. The company shall release all securities 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 they 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 applicable NBFCs are



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entitled to retain the securities till the relevant claim is settled/paid.

5. General

- a. The Company shall 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 company, if any, shall 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, an applicable NBFC shall not resort to undue harassment viz; persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc.
- d. The Company shall not charge foreclosure charges/ pre-payment penalties on any floating rate term loan sanctioned for purposes other than business to individual borrowers, with or without co-obligant(s).

6. Responsibility of Board of Directors

The Board of Directors of the Company shall lay down the appropriate grievance redressal mechanism within the organization. Such a mechanism shall ensure that all disputes arising out of the decisions of the company functionaries are heard and disposed of at least at the next higher level. The Board of Directors shall also provide for periodical review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such reviews shall be submitted to the Board at regular intervals, as may be prescribed by it.

7. Grievance Redressal Officer

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The company shall 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.
- 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 Department of Non-Banking Supervision of the Bank (with complete contact details), under whose jurisdiction the registered office of the company falls.

8. Language and mode of communicating Fair Practice Code

Fair Practices Code (which shall preferably be in the vernacular language or a language as understood by the borrower) based on the guidelines outlined hereinabove shall be put in place by the company at a due approval of their Board. but in no way sacrificing the spirit underlying the above guidelines. The same shall be put up on the web-site.

9. Regulation of excessive interest charged by the company

- a. The Board the company shall adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine 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 rate of interest to different categories of borrowers shall be 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 shall also be made available on the web-site of the companies or published in the relevant newspapers. The information published in the website or otherwise published shall be updated whenever there is a change in the rates of interest.



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- c. The rate of interest will be annualized rate so that the borrower is aware of the exact rates that would be charged to the account.
- d. Boards of the company shall lay out appropriate internal principles and procedures in determining interest rates and processing and other charges.

10. Repossession of vehicles financed by applicable NBFCs

- a. The Company will have a built in re-possession clause in the contract/loan agreement with the borrower which must be legally enforceable. The terms and conditions of the contract/loan agreement shall also contain provisions regarding:
 - I. notice period before taking possession;
 - II. circumstances under which the notice period can be waived;
 - III. the procedure for taking possession of the security;
 - IV. a provision regarding final chance to be given to the borrower for repayment of loan before the sale / auction of the property;
 - V. the procedure for giving repossession to the borrower; and
 - VI. the procedure for sale / auction of the property.
- b. A copy of such terms and conditions is to be made available to the borrower. The company shall invariably furnish a copy of the loan agreement 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, which forms a key component of such contracts/loan agreements.



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