Fair Practice Code

This Fair Practices Code has been framed with a view to providing to all its stake holders, especially customers an effective overview of the practices followed by the Company while offering its products and services. This Fair Practices Code has been prepared taking into account the “Guidelines on Fair Practices Code for NBFCs” issued by the Reserve Bank of India and is updated from time to time and aims to enable customers to take informed decisions in respect of the facilities and services offered by the Company.

Objectives of the Code

This Code has been drawn aiming to:

- Adopt the best practices followed by entities in the financial and similar service sector while dealing with customers.
- Provide to the customers effective overview of practices followed by the Company in respect of financial facilities and services offered by the Company to its Customers
- Enable customers to take informed decision about the financial facilities and services offered by the Company.
- Promote good, fair, transparent and legally tenable practices by setting minimum standards in dealings with customers.
- Enable customers to have better understanding of what they can reasonably expect of the services offered by the Company.
- Reckon with market forces, through competition and strive to achieve higher operating standards.
- Foster fair and cordial relationship between the customers and the Company.

The Fair Practices Code adopted by the Company covers the following areas

- Applications for loans and their processing.
- Loan appraisal and terms/conditions.
- Disbursement of loans, including changes in terms and conditions.
- Disclosures about interest rates and approach for gradation of risk.
- Policy on KYC, Appraisal, insurance, storage of securities, Auction etc.
- Confidentiality
- Grievance redressal mechanism
- General Provisions

Applicability

The code shall apply to all employees, its agents/representatives /third party vendors/ service providers, and other persons authorised to represent the company in the ordinary course of its business.

Non -Discrimination Policy

The company shall offer all financial products, to eligible qualified applicants, without discrimination based on caste, colour, creed, race, religion, marital status, sex, age or handicap directly or through associates.

Language of Communication

All required communications and information to the borrower, whether in physical form or digital means, will be in the language as understood by the borrower: English, Hindi, or other vernacular or Local Languages.

Applications for Loans and their Processing

Loan Application Forms shall include the necessary information that affects the interest of the borrower so that an informed decision can be taken by the borrower. The Loan application form shall also indicate the list of documents required to be submitted with the application form.

Receipt of completed application forms will be duly acknowledged by the company. The acknowledgement will indicate the approximate time frame within which the borrower can expect to hear from the company regarding his/her loan application. Transparent process flow will include acknowledgement and time frame in case of digital documentation.

Loan Appraisal and Terms and Conditions

- All loan application will be assessed as per the Company 's internal credit policy and appraisal process.
- Upon approval of the loan, a sanction letter indicating the amount of loan sanctioned, the applicable annualised rate of interest, method of application of the same along with other important terms and conditions will be conveyed in writing to the borrower either in paper or other digital form. The company shall communicate to the borrower if the loan is rejected.
- The company will mention any penal Charges /additional charges in bold in the agreement.
- After the execution of the loan agreement, the borrower will be furnished a copy of the loan agreement along with a copy of each of all enclosures quoted in the loan agreement.

Disbursement of Loans including changes in Terms and Conditions

- Any changes in the terms and conditions impacting the borrower including disbursement /repayment schedule, rate of interest.
- Changes in interest rates and other charges shall be with prospective effect only.
- The decision to recall any loan /accelerate payment shall be done in accordance with the terms and conditions of the loan agreement.
- All underlying securities shall be released, as per the request of the borrower, after the full repayment of the loan along with all other charges as per the terms of the loan agreement and subject to the exercise of any right of lien /set off, for which a notice shall be given to the borrower with complete details about conditions under which the company is entitled to retain the securities till the relevant claim is settled /paid.

Responsible Lending Conduct-release of movable /immovable property /settlement of loans

A Standard Operating Procedure (SOP)-Property Document Handover & Charge release Process in line with RBI guidelines has been put in place for the release of original movable /immovable property documents for all cases.

The Company shall release all original property documents and remove charges registered with any registry within 30 Days after the complete repayment or settlement of the loan account. The borrower shall be given the option of collecting the original property documents from any of the offices /branches of the company as per her/his preference. The timeline and place of return of original property documents shall be mentioned in the loan sanction letters issued to the borrower. To address the contingent event of the demise of the sole borrower or joint borrowers. The company has a procedure for the return of original property documents to the legal heirs.

Privacy and Confidentiality

Credit Reference Agencies / Credit Information Companies (CICs)

Chirag Credit Private Limited ensures that all personally identifiable information and other sensitive personal data of borrowers are handled responsibly and securely in compliance with applicable laws and regulations.

Regulatory Compliance

Borrower data is managed in accordance with:

- Information Technology Act, 2000
- Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011
- Digital Personal Data Protection Act, 2023, along with any rules and amendments made from time to time

Confidentiality Commitment

- The company will treat personal information of borrowers as private and confidential, even after the borrower ceases to be a customer.
- Data or information about borrowers will not be disclosed to any third party except in the following exceptional circumstances:

Exceptional Cases for Disclosure

1. When required by law
2. When there is a duty towards the public to disclose information
3. When the company’s legitimate interest requires disclosure
4. When consent or permission has been obtained from the borrower

- Company representatives shall inform borrowers of their rights and liabilities under Indian law regarding access to personal records held by the company.

- Borrowers’ personal information will not be used for marketing purposes unless specific authorization is provided.
- The company may share data with its group or associate entities only when borrower consent or permission has been obtained (under loan application, sanction letter, or agreement).
- Loan and repayment records may be shared with Credit Information Companies (CICs) in accordance with regulatory directions or company policy.

- The company may report a borrower’s debt information to CICs if:

  -The borrower has fallen behind on payments

  -The amount owed is not in dispute

  -The borrower has failed to make payment after a formal demand for repayment of dues.

Sharing of Information

- Borrowers shall be contacted ordinarily at their preferred location; if unspecified, contact will be at their residence or place of business/occupation.
- Employees, staff, or representatives of the company shall identify themselves whenever interacting with borrowers for collections.
- Representatives shall respect borrowers’ privacy at all times.
- Contact with borrowers shall generally occur between 08:00 hours and 19:00 hours, unless circumstances warrant otherwise.
- Borrowers’ requests to avoid calls at specific times or places shall be honoured as far as possible.
- The time, number, and contents of calls or meetings shall be documented where feasible.
- Assistance shall be provided to resolve disputes or differences regarding dues amicably and in an orderly manner.
- Calls or visits for collection shall be avoided during bereavement or similar sensitive occasions.
- Company representatives shall maintain decency and decorum during interactions with borrowers, ensuring all communication is conducted in a civil manner.

Collection of Dues from the Borrower

- Borrowers shall be informed at the time of loan execution about repayment terms and conditions as detailed in the loan agreement annexure.
- In case of non-adherence to the repayment schedule, the Company shall remind the borrower—by notice or personal visit—of the obligation to clear dues or surrender security.
- The Company shall provide adequate notice and information before initiating recovery actions.

- Staff handling collections shall identify themselves, including by presenting a Company-issued identity card.
- Field staff shall act with courtesy, fairness, and professionalism to build borrower confidence.
- Employees authorized for collections or possession of security shall follow these guidelines:

- Borrowers shall be contacted ordinarily at their chosen location or, if unavailable, at their residence or business premises.
- Company representatives shall identify themselves clearly.
- Borrowers' privacy must always be respected.

General Provisions

- The Company shall not interfere with the borrower's business except as permitted under the loan agreement or by law.
- In the event of a loan transfer request (from a borrower or another institution), any consent or objection will be conveyed.
- The transfer will occur as per the loan terms and applicable laws.
- For loan recovery, the Company shall avoid undue harassment and act strictly within the legal framework.
- The Company shall ensure that its staff are adequately trained to interact appropriately with borrowers.
- The Fair Practices Code (FPC), once approved by the Board, shall be published and made available on the Company's website for public access.

Review

Compliance with the Fair Practices Code shall be reviewed regularly by Management.

A consolidated report of such reviews shall be submitted to the Board of Directors every six months.