

HCL Corporation Private Limited
Fair Practice Code

(Approved by the board of directors at its meeting held on March 17, 2018 & Subsequently modified at the Board Meeting held January 4, 2019, reviewed on 8th May, 2019, 18th April, 2020, 26th April, 2021, 20th March, 2023, 29th June, 2023 and reviewed & updated on 30th April, 2024)

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This has reference to RBI Circular No. 2012-13/416/DNBS. CC. PD No. 320 /03.10.01/2012-13 dated 18th February, 2013 and Master Direction DNBR. PD. 008/03.10.119/2016-17 dated 1st September, 2016 (and modifications thereto as may be notified by the Reserve Bank of India from time to time) wherein the Reserve Bank of India (RBI) has revised the guidelines on Fair Practices Code for NBFCs to implement the same.

The Fair Practices Code, as mentioned herein below, is in conformity with the Guidelines on Fair Practices Code for NBFCs as issued by RBI, from time to time. This sets minimum Fair Practice standards for the Company to follow when dealing with customers. It provides information to customers and explains how the Company is expected to deal with them on a day to day basis.

This policy applies to all customers including those with any complaints / enquiries as posted on social / any other media and we encourage all customers to reach out to the below platforms as required

I. PREAMBLE

It is, and shall be, the policy of **HCL Corporation Private Limited (HCPL)** to make available to all eligible qualified applicants, without discrimination on the basis of race, caste, colour, religion, sex, marital status, age or handicap all financial products, either directly or through subsidiaries and /or associates.

HCPL's policy is to treat all the clients consistently and fairly. The employees of HCPL will offer assistance, encouragement and service in a fair, equitable and consistent manner. HCPL will also communicate its Fair Practices Code (FPC) to its customers through all available means.

HCPL will ensure that the implementation of the FPC is the responsibility of the entire organization. HCPL's fair lending practices shall apply across all aspects of its operations including marketing, loan origination, processing, and servicing and collection activities. Its commitment to FPC will be demonstrated in terms of employee accountability, training, counselling, and monitoring, auditing programs and internal controls, and optimal use of technology.

HCPL's Board of Directors and the management team are responsible for implementing the Fair practices hereinafter detailed, and also to ensure that its operations reflect its strong commitment to all the stakeholders for offering in a fair and equitable manner, the various financial services and products including lending and that all employees are aware of this commitment.

The Reserve Bank of India (RBI) has issued guidelines on Fair Practices Code for Non Banking Finance Companies (NBFCs) thereby setting standards for fair business and corporate practices while dealing with their customers. The Company shall adopt all the best practices prescribed by RBI from time to time and shall make appropriate modifications if any necessary to this Code to conform to the standards so prescribed.

This Fair Practices Code applies to the following categories of products and services offered by us (currently offered or which may be introduced at a future date)

1. Loans, guarantees and other products in the nature of financial assets
2. Wealth management products offered by HCPL
3. Third party products offered through a network consisting of the branches of HCPL, its subsidiaries and associates

The FPC is applicable to the above irrespective of whether the same is provided physically, over the phone, on the internet or by any other method whatsoever, existing or futuristic.

II. KEY COMMITMENTS

The key commitments which HCPL promises to follow in its dealings with its customers are :

A. To act fairly and reasonably in all dealings with its customers by ensuring that :-

- Its products, services, procedures and practices will meet the commitments and standards in this FPC.
- Its products and services will meet relevant laws and regulations as applicable.
- Its dealings with its customers will rest on ethical principles of honesty, integrity and transparency.

B. HCPL will assist customers in understanding how its financial products and services work by

- Providing information about them in simple Hindi and/or English and/or the local language
- Explaining their financial implications and
- Helping the customer choose the one that meets his / her needs.

C. HCPL will make every attempt to ensure that its customers have a trouble-free experience in dealing with it; but in the case of errors or commissions and omissions, HCPL will deal with the same quickly and sympathetically

- Mistakes will be corrected quickly
- Complaints will be handled quickly
- In case a customer is not satisfied with the way a complaint is handled, HCPL will guide the customer on how to take the complaint forward.
- HCPL will reverse any charges including interest applied to a customer's account due to an error or oversight on its part.

III. SALES ORIENTATION

HCPL will guide its customers in choosing products and services which meets his / her requirements.

- A. All relevant information pertaining to the loan will be made available in the relevant loan application form(s), including the necessary loan information and documents required to be submitted together with the duly completed application form.
- B. Receipt of completed applications forms will be duly acknowledged. The acknowledgement would also indicate the approximate timeframe within which the applicant should contact the company at its Corporate/registered office to ascertain the status of the loan application.
- C. Before the customer relationship is established, HCPL will:
 - Give the customer information explaining the key features of the services and products the customer has shown interest in
 - Give information on accounts, products and services which may suit the customer's needs
 - Clearly state the information that HCPL require to collect from the customer to fulfil its 'Know Your Customer' norms and to comply with legal and regulatory requirements in force from time to time.
 - Request for additional information about the customer and his / her family to build a database; but this information may be furnished by the customer only if she / he wishes to do so
- D. HCPL will provide information on the various channels that can be used to access its products and services. The customer will also be informed on where further information on this is available.
- E. Once a customer has chosen a product, HCPL will tell the customer how it works
- F. HCPL will guide its customer on rights and responsibilities specific to the mode of operation under which the product is taken

IV. LOANS AND ADVANCES

- A. Before offering any kind of fund based or non fund based non-banking facility HCPL will assess the ability of the customer (prospective borrower) to repay.
- B. Loan application forms of HCPL will include necessary information which are likely to affect the interests of the prospective borrower, so that a meaningful comparison with the terms and conditions offered by other Non Banking Finance Companies can be made and an informed decision taken by the prospective borrower. The loan application form shall indicate the documents required to be submitted along with the application form. The format of Sample loan application form is given in the Policy on Demand/Call Loan of the Company.
- C. The borrower shall be given information regarding interest rates, terms & conditions for loan, other charges and such other information which may affect the interests of the borrower in a clear and precise manner.
- D. The penal interest charged for late repayment should be highlighted in bold in the loan agreement.
- E. HCPL shall convey in writing to the prospective borrower the fate of the loan application by means of sanction letter or otherwise The sample sanction memorandum/ advice is given in the Policy on Demand/ Call Loans. In the case of sanction of loan, the sanction letter shall contain the amount sanctioned, annualized rate of interest at which loan is sanctioned, mode & time at which the interest will be charged (whether monthly or quarterly) and other terms and conditions applicable to loan. HCPL shall keep the record of acceptance of these terms and conditions by the Borrower.
- F. In terms of Master Direction-Non Banking Financial Company-Non Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 the Company shall not charge foreclosure charges/pre-payment penalties on all floating rate term loans sanctioned to individual borrowers.
- G. A copy of the loan agreement along with all the annexures referred in the Loan application should be sent to the Borrower at the time of sanction/disbursement of loan.
- H. HCPL shall inform customer/borrower about any changes made in the terms and conditions like disbursement schedule, interest rates, service charges, prepayment

charges etc applicable to the loan. HCPL shall ensure that such changes shall be effected prospectively. The Loan Agreement shall contain a specific clause to this effect.

- I. In case of shortfall in security given which may require borrower to give additional security or due to some other reason loan needs to be recalled or payment needs to be done earlier than schedule, same shall be communicated to borrower.
- J. In case borrower has any difficulty after loan is disbursed, same would be given consideration and the Company shall sort it out on priority basis.
- K. HCPL shall release all securities on repayment of all dues or on realization of the outstanding amount of loan (unless otherwise directed by the client, in writing, to retain the same with the company for future transactions) subject to any legitimate right or lien or dues for any other which HCPL may have against the Borrower. If such right of set off is to be exercised, then HCPL shall give a notice to the Borrower with full particulars of the remaining claims and the conditions under which NBFCs are entitled to retain the securities until the relevant claim is settled/paid
- L. Post disbursement supervision would be constructive.
- M. The decision of HCPL to recall / accelerate payment or performance shall be in consonance with the terms of the loan agreement. HCPL shall release all securities upon repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim it may have against borrower. The borrower shall be given due notice with full particulars about the outstanding claims in case such right of set off is to be exercised.
- N. In case of receipt of request from the borrower for transfer of borrower account to other NBFC, bank or financial institution, the consent or otherwise i.e. objection shall be conveyed within 21 days from the date of receipt of request. Such transfers shall be as per transparent contractual terms entered into with the borrower in consonance with law.
- O. HCPL shall not interfere in the affairs of the borrower except for the purposes provided for in the terms and conditions of sanction of the loan, (unless new information, not earlier disclosed by the Borrower, has come to the notice of the Company).
- P. In the matter of recovery of loans:
 - a) HCPL shall resort only to remedies which are legally and legitimately available to it and will avoid using recovery measures during odd hours of the day.

- b) Company's collection policy shall be built on courtesy, fair treatment and persuasion. Efforts will be made in building customer confidence and long term relationship.
- c) The staff deputed to make recovery calls shall identify themselves and shall provide details with regard to outstanding claims to the customer.
- d) The Company shall give appropriate training to all of staff on the manner in which they have to deal with the customers.

Q. Regulation of Rate of Interest:

The Company has laid down appropriate internal principles and procedures in determining interest rates and processing and other charges.

The Company has adopted an interest rate model taking into account cost of funds, margin and risk premium for determining rate of interest to be charged for loans and advances. The interest rate model is attached as **Annexure-I**.

In accordance with circular no. DNBS(PD). CC. No. 399/03.10.42 /2014-15 dated July 14, 2014 issued by RBI to ensure customer protection and to bring in uniformity about prepayment of various loans by borrowers of banks and NBFCs, HCPL shall not charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to individual borrowers, with immediate effect.

The rate of interest to be charged depends much upon the gradation of the risk of borrower viz. the financial strength, business, regulatory environment affecting the business, competition, past history of the borrower etc.

The rate of interest will be annualised so that the borrower is aware of the exact rates that would be charged to the account.

The Board shall have the liberty to extend interest free loan to the subsidiaries, associates and other group entities promoter and supported by the Promoters of the Company.

V. TERMS AND CONDITIONS

- A. When a customer accepts a product or service for the first time, HCPL will provide the customer with the Rules and Regulations that are relevant to the product / service.

- B. All Terms and Conditions will be fair and will set the customer's rights and responsibilities clearly and in plain language. HCPL will use legal or technical language only where necessary.
- C. HCPL will make available any charges applicable to products and services applicable at the time a customer signs up for the same.
- D. If HCPL increases any charges or introduces a new charge, HCPL will notify the same to the customers.
- E. HCPL will provide the terms and conditions in respect of any product or service whenever a customer requests for the same.

VI. MARKETING AND PRODUCT SYNERGY

- A. HCPL will ensure that all advertising and promotional material is clear, fair, reasonable and not misleading.
- B. HCPL will provide to the customers with a full range of financial products the customer is eligible for. Some of these products / services will be its own; some others may be the products of the group or associate companies and also companies with which HCPL may have arrangements with.
- C. It will be the endeavour of HCPL to bring synergy between the various financial services, financial products, by cross selling these products to its clientele.

VII. CONFIDENTIALITY

- A. Unless authorized by the customer HCPL will treat all personal information as private and confidential.
- B. HCPL will not reveal transaction details to any other entity including within the group other than the following exceptional cases.
 - If HCPL have to provide the information by statutory or regulatory laws
 - If there is a duty to the public to reveal this information.
 - If its interest requires us to provide this information (e.g. fraud prevention). HCPL will not use this reason for giving information about customers to anyone else (including group companies) for marketing purposes.

- If HCPL have taken the customers permission (for instance at the time of loan sanctioning) to provide such information to its group / associate / entities or companies for providing other products or services
- Where the customer asks us to reveal such information to its group / associate / entities or companies for providing other services or products

VIII. RESPONSIBILITY OF BOARD OF DIRECTORS

The Board of Directors of HCPL has laid down grievance redressal mechanism within the organization as per details mentioned in the next paragraph. Such a mechanism ensures that all disputes arising out of the decisions of HCPL functionaries are heard and disposed of at least. The Board of Directors of HCPL shall annually review the compliance of the FPC and the functioning of the Grievance Redressal Mechanism.

IX. GRIEVANCE REDRESSAL MECHANISM (GRM)

- A. HCPL will guide customers who wish to lodge a complaint and also provide guidance on what to do in case the customer is unhappy with the outcome.
- B. If complaint is received in writing or over phone, complaint number would be given which would be referred in future. Complaint register would be maintained. Within fifteen days, Company will endeavor to sort out the matter. After examining the matter, HCPL will send a response as soon as possible; HCPL will also guide a customer on how to take the complaint further if the customer is not satisfied. In case the complaint requires more time then same would be informed to the customer. Report regarding complaint status would be presented in the Board Meeting.
- C. A nodal officer has been appointed for the redressal of grievances of the customers including the borrowers, in connection with any matter pertaining to business practices, lending decisions, credit management and recovery.
- D. HCPL has the following in all our branches:
 - Appropriate arrangement for receiving complaints and suggestions.
 - Display of the name, address and contact number of the Complaint Redressal Officer

The process of the complaints redressal unit will ensure closure of all complaints to the customers' satisfaction.

They will ensure that the complaint is escalated to the appropriate levels in case it is not possible to resolve at his/her level. Whilst the ultimate endeavor is to ensure we reach a situation where our customers don't have to complain to senior management to get an effective redressal, we have put in a robust mechanism to handle these complaints, review them from a point of view of understanding reasons for the complaint and for the escalation and working on prevention of recurrence thereof.

E. Time frame

To register complaints, the customers may use any of the channels mentioned above (refer point (a) on Internal Machinery to handle the customer complaints). If the complaint has been received in writing, HCPL will endeavor to send an acknowledgement / response within a week. Once the matter is examined, HCPL endeavours to either send a final response to the customer or an intimation seeking more time within one month upon receipt of complaint.

Complaints that are received at our end will be seen in the right perspective and would be analyzed from all possible angles.

F. The Company shall provide for periodical review of the compliance of this Fair Practice Code and the functioning of the grievance Redressal mechanism at various levels of management.

G. The name and contact details (telephone and email address) of the Grievance Redressal Officer who can be approached by the public for resolution of complaints against the Company. The company has appointed the following officials as Grievance

Name of Grievance Redressal Officer of the company	Mr. Sunil K Shrivastava
Contact No	9650555215
Email Address	Sunilsri@hcl.com

H. The name and contact details as mentioned below of Officer-in-Charge of the Regional Office of DNBS of RBI, under whose jurisdiction the registered office of the DMI falls, if the complaint is not resolved within 1 month

Name of Grievance Redressal Officer	General Manager Reserve Bank of India Department of Non-Banking Supervision 6, Parliament Street New Delhi-110001
Contact No.	(011) 23710538-42
Email Address	dnbsnewdehi@rbi.org.in rdnewdelhi@rbi.org.in

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ANNEXURE I**INTEREST RATE MODEL**

1. The rate of interest shall be annualized rates so that the borrower is aware of the exact rates that would be charged to the account.
2. The interest rate applicable to each loan account will be assessed based on multiple parameters like tenure, borrower profile, borrower's repayment capacity based on the cash flows, past repayment capacity of the borrower etc.
3. HCL Corporation Pvt Ltd ("Company") communicates to the borrower, the loan amount and rate of interest at the time of sanction of the loan alongwith other terms and conditions.
4. The policy for charging interest to Group /outside Group Companies shall be as tabulated below:

Group Companies	Outside Group Companies
Loan shall be interest free or at such interest rate as may be decided by CEO/Board.	No loan shall be given at a rate of interest lower than the prevailing bank rate or at such lower rate as may be decided by CEO/Board.

5. The rates of interest applicable to each loan account shall be subject to change as the situation warrants and is subject to Management's perceived risk on a case to case basis.
6. The Company shall not charge foreclosure charges/pre-payment penalties on all floating rate term loans sanctioned to individual borrowers.