



CENTRUM FINANCIAL SERVICES LIMITED

FAIR PRACTICES CODE

Version 6.0

Version	Approved By	Date of Approval	Description of changes, if any
1.0	Board of Directors	August 19, 2017	--
2.0	Board of Directors	October 31, 2018	--
3.0	Board of Directors	November 15, 2019	--
4.0	Board of Directors	November 6, 2020	--
5.0	Board of Directors	January 23, 2025	--
6.0	Board of Directors	May 15, 2025	Means of escalation of complaint with RBI updated Details of Grievance Redressal Officer updated Guidelines for penal charges included

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1. INTRODUCTION:

The Fair Practices Code is aimed to provide to the customers, an effective overview of practices, followed by the Company in respect of services offered by the Company to its customers. The Code will facilitate customers to take informed decisions in respect of the services to be availed by them and will apply principally to credit facilities that the Company offers.

The Company's business would be conducted in accordance with prevailing statutory and regulatory requirements, with focus on efficiency, customer-orientation and corporate governance principles.

2. FAIR PRACTICES CODE:

The Company would adhere to the Fair Practices Code in its functioning, the key elements of which are as follows:

1. Language

The Company shall ensure that the all forms and communications with the borrower shall be in a language that is understood by the borrower.

2. Applications and processing

The loan / facility documents including the loan application forms shall include all the necessary information which affects the interest of the borrower and the documents required to be submitted to assess such applications.

3. Loan appraisal and terms/conditions

The Company shall convey in writing to the borrower through a sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions including annualised rate of interest and method of application thereof and keep the acceptance (if accepted by the borrower) of these terms and conditions by the borrower on its record. The Company shall mention the penal charges for any deviation from the terms and conditions (including delayed payments) accepted by the Borrower as per the sanction letter and / or Facility / Loan agreements.

The Company shall furnish a copy of the sanction letter and Facility / Loan agreement along with a copy of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction/ disbursement of loans.

4. Change in terms and conditions and Release of Securities

- The Company shall notify borrowers of change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges and any other terms through any of the designated mechanisms mentioned in the Facility / Loan agreement. The Company shall not notify retrospective change in interest rates and charges. Decision to recall / accelerate payment or performance under the agreement would be as provided for in the facility / loan agreement / sanction letter.
- The Company would release all securities on realized payments against all claims and dues subject to any legitimate right or lien for any other claim the Company/Group may have against borrower. If any right of set off is exercised, the borrower shall be notified about the same with full particulars of claims and the conditions under which the Company has exercised its right to retain securities till the settlement of the relevant claims.

5. Application of Interest and charges

The Company shall follow appropriate principles and procedures in applying interest, fees, penalties and charges. The rate of interest (and associated application and resets) shall be disclosed to the borrower in the loan agreement/ sanction letter and communicated explicitly in the sanction letter.

The following guidelines shall be followed for charging Penal Charges:

- (1) Penal Charges shall not be added to the Interest Rate charged on the Loan.
- (2) Penal Charges shall not be capitalised i.e., no further interest shall be computed on Penal Charges.
- (3) The quantum of Penal Charges shall be reasonable and commensurate with the non-compliance of MITC or Loan Agreement.
- (4) The quantum and reason for Penal Charges shall be clearly disclosed in the Loan Agreement.
- (5) Reminders for non-compliance of MITC / sanction terms shall be communicated along with the applicable Penal Charges and the reasons thereof to the Customers.

6. General guidelines:

- In the normal course (when the borrower is adhering to all then terms and conditions of the facility), the Company shall not unnecessarily interfere in the affairs of the borrower except to protect its interests as a Lender and as provided in the terms and conditions of the loan agreement / sanction letter (unless new information, not earlier disclosed by the borrower, has come to the notice of the Company).
- In case of receipt of request from the borrower for transfer of exposures to another Lender / Facility provider, consent or otherwise i.e. objection of the Company shall be conveyed within 21 days from the date of receipt of a formal request that sets out the mechanism to completely settle all claims of the Company under the Loan / Facility agreement and/or the sanction letter. Acceptance or rejection of such requests maybe done transparently in consonance with law.
- In the matter of recovery of loans, the Company would not resort to any illegal means viz. persistently harassing borrowers during inappropriate times, use of muscle power etc. The Company shall ensure that the staff is adequately trained to deal with the customers in an appropriate manner.

- This Code would be published on the Company's website accessible to all stakeholders.
- No pre-payment penalties shall be charged / levied on all floating rate term loans provided adequate notice of pre-payment is served as mentioned in the Loan / Facility document / sanction letter and all other terms and conditions mentioned in the Loan / Facility document / sanction letter are satisfied.
- The details of the Grievance Redressal Officer shall be displayed at all the branches/ offices of the Company where business is transacted and on the website of the Company.

The Company shall address customer complaints / disputes within a period of 30 days provided the customer provides all the necessary information / grounds of the complaints and the complaint is not frivolous.

Borrower/Customer complaints received through e-mails shall be responded through **Email Only**.

Details of Grievance Redressal Officer of the Company are as follows:

Mr. Jay Mistry,

Company Secretary & Chief Compliance Officer

Centrum Financial Services Limited

Centrum House, CST Road, Vidyanagari Marg, Kalina, Santacruz East,

Mumbai-400098

jay.mistry@centrum.co.in

- If the complaint/dispute is not redressed within a period of 30 days, the customer may appeal to the Officer-in-charge of the Regional Office of DNBS of the RBI at the following address:

The Officer-in-Charge

Department of Non-Banking Supervision

RBI Building,

Opp. Mumbai Central Railway Station,

Near Maratha Mandir,

Byculla, Mumbai – 400 008

- Alternatively, if a reply is not received within a period of 30 days from the Company or the customer is dissatisfied with the response of the Company, the customer can lodge a complaint with RBI through following means:
 1. Online - on CMS portal of RBI at <https://cms.rbi.org.in>.
 2. Physical complaint (letter/post) in the form as specified in Annexure 'A' in the Scheme to "Centralised Receipt and Processing Centre, 4th Floor, Reserve Bank of India, Sector -17, Central Vista, Chandigarh - 160017".
 3. Complaints with full details can be sent by email crpc@rbi.org.in.
 4. Contact Centre with a toll-free number – 14448 (9:30 am to 5:15 pm) – is also being operationalized in Hindi, English and in eight regional languages to guide the complainant for filing the complaint.

7. Ombudsman Scheme for Non-Banking Financial Companies

Under the Reserve Bank – Integrated Ombudsman Scheme, 2021 (“Ombudsman Scheme”), the Company has appointed Principal Nodal Officer (PNO) who shall be responsible for representing the Company and furnishing information to the Ombudsman in respect of complaints filed against the Company.

For the benefit of the customers, at the branches/ places where business is transacted, the name and contact details (Telephone/ Mobile number and email) of the PNO along with the details of the complaint lodging portal of the Ombudsman (<https://cms.rbi.org.in>) will be displayed.

The salient features of the Scheme shall be displayed prominently in English, Hindi and Regional languages at all the offices and branches in such a manner that a person visiting the office or branch has adequate information on the Scheme.

The salient features of the Ombudsman Scheme along with the copy of the Scheme and contact details of the Principal Nodal Officer shall be prominently displayed and updated on the website.

8. Internal control system:

As the primary responsibility for compliance with the Directions rest with the Company, necessary organizational arrangements will be made to assign responsibility for compliance to designated individuals within the Company and establish systems of internal control including audit and periodic inspection to ensure the same.

Review of Fair Practice Code

The Managing Director shall be authorized to review and approve any modifications to the Fair Practice Code from time to time