

FAIR PRACTICE CODE

I. INTRODUCTION

The Fair Practices Code aims to provide to all those who will be associated with Goyal Associates Ltd. (“NBFC” or “the Company”) with the information about the practices that Goyal Associates Ltd. follow in respect of the financial facilities, loans and services provided, which will facilitate its customers/borrowers to take informed decisions in respect of the financial facilities and services to be availed of by them. The Fair Practices Code will apply to any loan that Goyal Associates Ltd. may sanction and disburse.

Goyal Associates Ltd. has adopted the Fair Practices Code (the “FPC”) pursuant to Reserve Bank of India’s (“RBI”) Master Direction-NBFC- Non-Systemically important Non-Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 and updated as on February 22, 2019. The Company would update the FPC to conform to the standards that may be prescribed by RBI from time to time. The Company would abide by this FPC following the spirit of the Code and applicability to its business.

The FPC has been approved by the Board of Directors of the Company and the same will be disclosed on the Company’s website.

II. KEY OBJECTIVES

- The Company will conduct its business in accordance with prevailing rules and regulations and corporate governance principles.
- The Company’s dealings with its customers will rest on the principles of fairness, transparency and honesty.
- The Company will assist its customers in understanding the broad features of its financial products and will provide them with key terms and conditions governing sanction of credit facilities.
- The Company will promote fair and cordial relations with its customers/borrowers.

III. APPLICATION FOR LOANS AND THEIR PROCESSING

- All communications will be made in a language understood by the customers /borrowers or in a vernacular language, wherever required.
- The loan documentation set would, inter alia, include the broad features and the terms and conditions governing the loan. so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and an informed decision can be taken by the customers /borrowers.
- c) The loan application form would indicate the documents required to be submitted by the borrower. It would also indicate the rate of interest that will be charged to different categories of borrowers.
- d) An acknowledgement would be provided for all loan applications received. The Company will indicate the approximate time frame within which the loan application will be processed post the submission of a completed loan application form and the borrowers will be informed about the status of their loan applications within a time period not exceeding 21 days.

IV. LOAN APPRAISAL AND TERMS & CONDITIONS

- a) The loan applications would be subject to the Company's credit appraisal process and a due diligence on the creditworthiness of the customers/borrowers, which will form an important parameter for taking a decision on a loan application.
- b) Goyal Associates Ltd. would convey in writing to the customers/borrowers by means of a sanction letter, the amount of loan sanctioned along with the terms and conditions including the annualised rate of interest and method of application thereof. In case of specific app based/paperless loans provided, the Company would convey the details mentioned above through email to the registered email address of the Borrower.
- c) Goyal Associates Ltd. would keep on its record the acceptance by the customers/borrowers of the terms and conditions governing the sanction of the loan. In case of app based/paperless loans, request by the borrower to disburse the sanctioned loan amount or part thereof would be deemed to be acceptance by the borrower of the terms and conditions governing sanction of loan.
- d) At the time of sanction/disbursement of loans, Goyal Associates Ltd. would furnish to all customers/borrowers a copy of the loan agreement/terms and conditions if any along with a copy of all enclosures mentioned in the loan agreement.

V. DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS

- a) Goyal Associates Ltd. would frame internal guidelines and procedures for determining and ensuring that the interest rates and processing and other charges levied to the borrowers are not excessive.
- b) The disbursement will be made upon compliance of all the terms and conditions of sanction of loan by the customers/borrowers. Goyal Associates Ltd. would give notice to the customers/borrowers of any change to the terms and conditions, including disbursement schedule, interest rates, service charges, prepayment charges, etc.
- c) Changes in the interest rates and other charges would be effected prospectively other than under circumstances arising from regulatory instructions.
- d) Decision to recall / accelerate payment or performance under the agreement would be in consonance with the terms and conditions of the loan agreement.

VI. RELEASE OF SECURITIES

Goyal Associates Ltd. would release securities, if any lying with it on repayment of all dues or on realisation of the outstanding amount of loan subject to any legitimate right or lien for any other claim that Goyal Associates Ltd. may have against the customers/borrowers. If such right of set off is to be exercised, the customers/borrowers would be given notice about the same with full particulars about the remaining claims and the conditions under which Goyal Associates Ltd. is entitled to retain the securities till the relevant claim is settled/paid.

VII. GENERAL

- a) The Company would refrain from interference in the affairs of the customers/borrowers, except for the purposes provided in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the customers/borrowers, has come to the notice of the Company).
- b) In case of request from the borrower for transfer of the loan account to another NBFC, bank or financial institution, the Company would convey its decision within 21 days from the date of receipt of request. Such transfer would be in accordance with the contractual terms entered into with the borrower and in consonance with law.
- c) In the matter of recovery of loans, Goyal Associates Ltd. would not resort to undue harassment, i.e., persistently bothering the borrower at odd hours, using muscle power for recovery of loans etc. The Company would ensure that its employees/recovery agent(s) are properly trained to deal with customers in an appropriate manner.
- d) The Company may arrange for enforcing security provided by delinquent customers/borrowers. In all such instances, the Company would ensure that the entire process of enforcing its security, valuation and realization thereof is fair and transparent.

VIII. INTEREST RATE

- a) The Company would lay down appropriate internal guidelines and procedures for determining interest rates and processing and other charges, keeping in view the guidelines indicated in the Fair Practices Code.
- b) The Company would ensure that it will not unduly charge excessive interest rates to its borrowers. The interest rate for its customers/borrowers would be arrived at taking into account the broad parameters such as risk profile of the customers/borrowers, interest rate trends prevailing in the money market, cost of borrowings, primary and collateral security offered by customers/borrowers, structure of the deal, interest rate charged by competitors and the historical track record of the customers/borrowers with Goyal Associates Ltd.
- c) Interest rates would be intimated to the customers/borrowers at the time of sanction/ availing of the loan. The rate of interest would be annualized so that the borrower is aware of the exact rates that would be charged to the account.
- d) The Company would not charge foreclosure charges / pre-payment penalties on all floating rate term loans sanctioned to individual borrowers.

IX. GRIEVANCE REDRESSAL MECHANISM

- i) At present scenario of competitive lending business, excellent customer service is an important tool for sustained business growth. Customer complaints are part of the business life in any corporate entity.
- ii) At Goyal Associates Ltd., Customer service and satisfaction are our prime focus. We believe that providing prompt and efficient service is essential not only to attract new Customers, but also to retain existing ones. Goyal Associates Ltd. has come up with a lot of initiatives that are oriented towards providing a better Customer experience and an efficient grievance redressal mechanism with a view to providing enhanced experience to our Customers. In order to make Goyal Associates

Ltd.redressal mechanism more meaningful and effective, a structured system has been built. This system would ensure that the redressal sought is just and fair and is within the given frame-work of rules and regulation.

Following is the Grievance Redressal Mechanism for customers:

Escalation of complaints: First Level

The customer/borrower may contact Goyal Associates Ltd. officer in case of any query/problem or grievance. The Customer/borrower can: write an email to:support@salarday.in.

The office would be operational between 10.00 am to 6.00 pm on Monday to Friday (except public Holiday)

Escalation of complaints: Second Level

If the customer/borrower is not satisfied with the response received from the Company, he/she may raise the issue with Grievance Redressal Officer. The name and address and contact details are as furnished below.

Goyal Associates Ltd.

5th Floor, Dwaraka Central, Jai Hind Enclave, Hyderabad – 500081. Telangana.

Goyal Associates Ltd. shall endeavor to respond to each compliant within one month from the date of receipt of the Complaint.

Email: info@gylfinserve.com.

Escalation of complaints: Third Level

If the Complaint is not resolved within a period of 30 (thirty) days, the customer/borrower may appeal to:

The Officer-in-Charge

Non-Banking Supervision Department, Reserve Bank of India,

3rd Floor, RBI Byculla Office Building

Opp. Mumbai Central Railway Station,

Byculla, Mumbai-400 008

Email: nbfcomumbai@rbi.org.in

Ph No. 022-2302-8140

X. COMPLIANCE WITH THE FPC

An annual review of the compliance with the FPC and the functioning of the grievances' redressal mechanism would be conducted. A consolidated report of such review would be submitted to the Board of Directors every year.