

The Board discussed and adopted following Fair Practices Code:-

A. The Fair Practices Code will be displayed at all offices of the Company.

B. Application for Loan and its Processing

All communications to the Borrowers shall be in Punjabi (as the Company is having Office in the state of Punjab) or English. The loan application shall contain the following information besides details of Borrower & Guarantor i.e., their address, income etc.,

- i) Rate of Interest on annual basis.
- ii) The documents to be given by the Borrower before sanction of Loan.
- iii) Processing Time for loan application.
- iv) Penal interest and cheque dishonour charges in case of delayed payment and dishonour of cheque.
- v) Authority to repossess the vehicle as per the terms and conditions of the Hire Purchase Finance Agreement.
- vi) Rationale of interest rate.

C. Interest Charges

1. The rate of interest, on annual basis, shall be disclosed in the Application Form and Sanction Letter.
2. Interest charges shall be approved from time to time by the Whole-time Director of the Company depending upon the following factors:-
 - a) Interest charged by the Bank/ Financial Institution.
 - b) Interest charged by the Competitors.
 - c) The liquidity conditions of the Company.
3. The rate of Interest for individual Borrower will depend upon the following factors:-
 - a) Quantum of down payment.
 - b) Profile of the Borrower i.e., level of income, ownership of house.
 - c) Stability of income of the Borrower i.e. whether salaried or not.
 - d) Mode of payment of instalment i.e. whether by cheque or cash.
 - e) Area of the residence of the Borrower i.e. whether within Municipal Limit or beyond Municipal Limit of Ludhiana.

LATE PAYMENT PENAL CHARGES OR CHEQUE DISHONOUR CHARGES:

- a) The late payment charges/cheque dishonor charges will be uniform for all categories of borrowers.

- b) The Borrower shall exercise the option of payment by Cheque or Cash at the time of signing the Hire Purchase Finance Agreement. The option once exercised, will not be changed thereafter.
- c) The borrower opting for cash payment shall be liable to pay penal charges of Rs.20/- per day, plus GST, per instalment, wherever the payment is delayed. The maximum penal charges shall be restricted to Rs.700/-, plus GST, Per EMI.
- d) Wherever EMI cheque/ECS advice has been returned by the Borrower's Bank, **Cheque Dishonour Charge of Rs.500, plus GST, including penal charges** shall be payable by the Borrower.
- e) No further interest be charged, on the penal charges mentioned in Para (c & d) above.
- f) The penal charges be clearly mentioned in the loan agreement, sanction letter, as well as, in all reminder letters, sent to the hirers, and also be displayed on the web site.

D. Processing Fee and Other Charges

The Processing Fee and other charges shall be charged based on the residential area of the Borrower i.e., whether it falls within the Municipal limit or outside.

The Processing Fee and Other Charges shall be disclosed in the Sanction Letter given to the Borrower.

E. Correspondence with the Borrower

The correspondence with the Borrowers shall be in English or in Punjabi as per the language understood by the Borrower.

F. Acknowledgement of the Application

Acknowledgement to be given to each borrower indicating the time frame within which the loan request shall be processed.

G. Sanction Letter

The Sanction Letter will be issued to the Borrower highlighting the following terms and conditions:-

- a) Amount of loan sanctioned.
- b) Period of Loan
- c) Amount of monthly installment.
- d) The rate of interest, (annualised), Processing Fee and Other Charges.
- e) Late payment and cheque dishonor charges.

- f) Repossession of vehicles as per the terms and conditions of Hire Purchase Finance Agreement.
- g) A confirmation that any change in interest rate, EMI, foreclosure charges, penal interest charges and cheque dishonour charges shall be made prospectively only.
- h) Confirmation that all securities shall be released on repayment of all dues by the Borrower.
- i) Name and address of the designated officers to whom the Borrower can contact in case of any grievances.

**Mr. Dalip Kumar,
Asstt. General Manager,
Impact Leasing Private Limited,
Sherpur Chowk, G.T. Road Bye-Pass,
Ludhiana-141003
Mobile No. 9855155167
Email -dalip_impact@yahoo.com**

However, in case of non redressal of complaint within 30 days the customer can approach

**The General Manager,
Reserve Bank of India,
Department of NBFC,
Reserve Bank of India,
Sector-17,
Chandigarh.**

H. Repossession Procedure

Repossession Procedure shall be subject to the terms and conditions of the Hire Purchase Finance Agreement.

The Company shall be entitled to repossess the vehicle. However to ensure transparency, the following procedure will be followed:-

- a) Notice is to be given to Borrower before the repossession of vehicle.
- b) Notice before repossession of vehicle can be waived if the Borrower himself/ herself surrenders the vehicle to the Company.
- c) Notice for repossession will be given only after two or more EMIs are outstanding on the date of notice.
- d) Acknowledgement to be given to the Borrower on repossession of vehicle.
- e) A notice to be given to the Borrower before sale of the repossessed vehicle.
- f) The repossessed vehicle will be sold by the Company after inviting more than one quotation.
- g) The repossessed vehicle can be returned to the customer only after taking the overdue instalments, penal interest charges, cheque dishonour charges and repossession charges of Rs.1000, plus GST..
- h) The company will be entitled to charge repossession charges of Rs.1000 plus GST.

I. Fixed Rate of Interest and Foreclosure Charges:

The Company shall be financing at “Fixed rate of interest” to all customers. The foreclosure charges will be of Rs.75, plus GST for each of the remaining EMIs. For example if 10 instalments are still pending on the date of foreclosure, the customer will have to pay Rs.750/-plus GST as per foreclosure charges.

J. Green Initiative:

Customers are requested to use electronic mode of payment so that the postdated cheques are eliminated and transactions are cost effective and fast.

K. General:

1. A copy of the agreement shall be made available to each Borrower.
2. The employees of the Company shall avoid undue harassment to the Borrower at the time of repossession of vehicle, or recovery of installment, and the employee of the Company shall be trained for this purpose.
3. The Company shall not interfere in the affairs of the Borrower except as provided in the terms and conditions of the Hire Purchase Finance Agreement.
4. Summary of the complaints will be provided to the Board of Directors on quarterly basis.
5. In case the customer request for a duplicate NOC confirming repayment of his loan, he will be required to pay up to Rs.600/- plus GST as charges for duplicate NOC.
6. Fair Practice Code will be uploaded on the web site of the Associate Company i.e www.impactbajaj.com.