

# SUN INVESTMENTS PRIVATE LIMITED

## FAIR PRACTICES CODE

### A) INTRODUCTION

The **Fair Practices Code (FPC)** has been formulated by Sun Investments Private Limited (SIPL – herein referred to as “the company”) in pursuant to Reserve Bank of India Circular DNBS (PD) CC No. 80 / 03.10.042 / 2005-06 dated September 28, 2006 and amended pursuant to Reserve Bank of India (RBI) Circular DNBS. CC. PD. No.266/03.10.01/2011-12 dated March 26, 2012 and RBI Circular DNBS. CC. PD. No.320/03.10.01/2012-13 dated February 18, 2013 and e DNBS (PD).CC. No. 399/03.10.42 /2014-15 dated July 14, 2014 and **as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by Reserve Bank of India dated October 19, 2023 and amended thereon.** It incorporates all applicable guidelines and instructions issued by the Reserve Bank of India (RBI) from time to time.

**Approval and adoption of the Fair Practices Code by Board of Directors;**

Date	Version
26th October 2006	V1
9th April 2012	V2
4th March 2013	V3
24th June 2022	V4
14th June 2024	V5

### B) OBJECTIVE

The objectives of FPC are as under:

- i. To adopt the best practices in dealing with customers.
- ii. To follow transparent, fair, ethical, and legally tenable practices while conducting business.
- iii. To provide all necessary information and input to customers / prospective customers and promote a mutually beneficial long-term relationship.
- iv. To provide assurance to the Borrowers of the Company's commitment to just and fair business and transparent corporate practices.

### C) APPLICABILITY

The FPC will be applicable to all the offices of the Company and the branches located across India. However, the Company is not engaged in the business of vehicle financing, lending against collateral gold jewellery and micro financing, hence, the guidelines on fair practices code issued by Reserve Bank of India were not considered in the Code of the Company. The Company would consider these guidelines if in future it intends to commence the business of vehicle financing, lending against collateral gold jewellery and micro financing.

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### **D) DECLARATIONS & COMMITMENTS**

- i. The Company undertakes to abide by all applicable laws, regulations and guidelines passed / issued by the Regulators (Reserve Bank of India, SEBI, IRDA etc.) and other competent authorities such as Government, Local Authority etc.
- ii. The Company commits itself to full customer satisfaction through efficient, professional, and courteous services across all its offices.
- iii. The Company will provide clear and full information about its products and services to its customers / prospective customers and will not resort to any misleading or potentially misguiding advertisement or publicity.
- iv. The Company undertakes to desist from introducing any products / services having elements of 'hidden charges' or lack of transparency.
- v. The Company will communicate in the local language with the customers and in English at the request of the customer.
- vi. The Company undertakes to take all possible and reasonable measures to secure the safe custody of the security pledged by the customer and to compensate the customer for any accidental, inadvertent, or fraudulent loss of the security whilst in the custody of the Company.
- vii. The Company undertakes not to take advantage of any unintentional or clerical error made by the customer while transacting business.
- viii. The Company shall display the FPC on its website and make available to the Customer, on request, a copy of the FPC on demand.

### **E) FAIR PRACTICES**

#### **1. Applications for loans and their processing:**

- a. All communications to the borrower will be in the English language as understood by the borrower.
- b. Application forms would include necessary information about the fees/charges, if any, payable for processing, the amount of such fees that, might be refundable in the case of non-acceptance of application, pre- payment options and any other matter which affects the interests of the borrower, so that a meaningful comparison with the terms and conditions offered by other competitors can be made and an informed decision be taken by the prospective borrower.
- c. The Company will charge fees in accordance with the internal and regulatory guidelines as framed from time to time.
- d. The loan application form shall indicate the documents required to be submitted along with the application form.
- e. The Company would give an acknowledgment for receipt of all loan applications. The normal time frame within which loan applications complete in all respects will be disposed of would be indicated in the acknowledgement of such applications.
- f. The Company would verify the loan applications within a reasonable period of time. If additional details / documents are required, it would intimate the borrowers immediately.

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### **2. Loan appraisal and terms/conditions:**

- a. The Company would ensure that there is proper assessment of credit application made by the borrowers in line with the Company's credit policies and procedures.
- b. The Company would convey in writing to the borrower the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record. The Company would highlight the clause of penal interest for late repayment and pre-closure charges /penalty in the loan agreement.
- c. The Company would furnish a copy of the loan agreement preferably in the vernacular language as understood by the borrower along with a copy each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction / disbursement of loans.

### **3. Penal Charges in loan accounts:**

- a. The Company shall not introduce any additional component to the rate of interest and ensure compliance to RBI Guidelines on Fair Practice Code in both letter and spirit.
- b. Penalty, if charged, for non-compliance of material terms and conditions of loan contract by the borrower shall be treated as 'penal charges' and shall not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances. There shall be no capitalization of penal charges i.e., no further interest computed on such charges. However, this will not affect the normal procedures for compounding of interest in the loan account.
- c. The penal charges in case of loans sanctioned to 'individual borrowers, for purposes other than businesses, shall not be higher than the penal charges applicable to non-individual borrowers for similar non-compliance of material terms and conditions.

### **4. Disbursement of loans including changes in terms and conditions:**

- a. Company would ensure timely disbursement of loans sanctioned in conformity with the terms and conditions governing such sanction.
- b. The Company would give notice to the borrower in the English language of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. It would also ensure that changes in interest rates and charges are affected only prospectively. A suitable condition in this regard would be incorporated in the loan agreement.
- c. The Company will release all securities on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim the Company may have against borrower. If such right of set off is to be exercised, the borrower will be given notice about the same with full particulars about the remaining claims and the conditions under which the Company is entitled to retain the securities till the relevant claim is settled/paid.

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**5. Responsible Leading Conduct – Release of movable/immovable property documents on repayment/settlement of personal loans :**

**a. Release of movable/immovable property documents:**

- i. The Company shall release all the original movable / immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/settlement of the loan account.
- ii. The borrower shall be given the option of collecting the original movable/ immovable property documents either from the outlet/branch where the loan account was serviced or any other office of the Company where the documents are available, as per her/his preference.
- iii. The timeline and place of return of original movable/immovable property documents shall be mentioned in the loan sanction letters issued on or after the effective date.

**b. Compensation for delay in release of movable/immovable property documents:**

- i. In case of delay in releasing of original movable/immovable property documents or failing to file charge satisfaction form with relevant registry beyond 30 days after full repayment/ settlement of loan, the Company shall communicate to the borrower reasons for such delay.
- ii. In case of loss/damage to original movable/immovable property documents, either in part or in full, the Company shall assist the borrower in obtaining duplicate/certified copies of the movable/immovable property documents and shall bear the associated costs,. However, in such cases, an additional time of 30 days will be available to the Company to complete this procedure and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).
- iii. The compensation provided under these directions shall be without prejudice to the rights of a borrower to get any other compensation as per any applicable law.

**6. Repossession of Hypothecated Assets:**

The Company shall mention legally enforceable re-possession clause in the loan documents. The process of repossession shall be carried out transparently and process be followed regarding (a) issue of notice before taking possession; (b) circumstances under which the notice period can be waived; (c) The procedure for taking possession of the security; (d) a provision regarding final chance to be given to the borrower for repayment of loan before the sale / auction of the property; (e) The procedure for giving repossession to the borrower and (f) The procedure for sale / auction of the property.

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**7. General:**

- a. The Company would carry out post-disbursement supervision in accordance with normal business practice, the terms of sanction, and the guidelines issued by the Reserve Bank of India from time to time (unless new information, not earlier disclosed by the borrower, has come to the notice of the Company).
- b. In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise i.e., objection of the Company, if any, will be conveyed within 21 days from the date of receipt of request.
- c. In the matter of recovery of loans, the Company will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc. To avoid rude behavior from the staff of the Company, the Company shall ensure that the staff are adequately trained to deal with the customers in an appropriate manner.
- d. The Company shall not charge foreclosure charges/ pre-payment penalties on floating rate term loans sanctioned for purposes other than business to individual borrowers, with or without co-obligant(s). (Reference: RBI Circular on Levy of Foreclosure Charges/ Pre-Payment Penalty on Floating Rate Loans by NBFCs DNBR(PD) CC.No.101/03.10.001/2019-20 dated August 2, 2019).

**F) Grievance Redressal Mechanism:**

- i. The grievances, if any, should be communicated in writing by the customer to the Board of Directors of the Company at the Registered Office address.
- ii. The Company will guide customers who wish to lodge complaint and also provide guidance on what to do in case the customer is unhappy with the outcome/ service.
- iii. After examining the matter, the Company will send a response as soon as possible.
- iv. In order to strengthen the grievance redressal mechanism the Grievance Redressal Officer is appointed who can be approached by the public for resolution of complaints against the Company. The Details of Grievance Redressal Officer is as under:

Mr. Jayesh Nandwana  
Grievance Redressal Office  
JSW Centre, Bandra Kurla Complex, Bandra East, Mumbai - 400051  
Tel: 022-42861000  
Mob: 9870210071  
Email ID: [jayesh.nandwana@jsw.in](mailto:jayesh.nandwana@jsw.in)  
[Corporate.compliance1@jsw.in](mailto:Corporate.compliance1@jsw.in)

- v. The details of the Grievance Redressal Officer shall be prominently displayed at the place of business of the Company. In case of any change with respect to the Grievance Redressal Officer, the same shall be approved by the Board in its meeting and thereafter shall be updated at the place of business of the Company from time to time and the said change shall be incorporated in the Code as and

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when the same is reviewed and revised by the Board.

- vi. If the complaint/dispute is not redressed within a period of one month, the customer may appeal to the officer –in-Charge of the Regional Office of DBNS of RBI (as detailed below) under whose jurisdiction the registered office of the Company is situated.

Officer-in-charge

Department of Non-Banking Supervision, Reserve Bank of India, Ahmedabad, Regional Office,  
1st Floor, Ashram Road, Ahmedabad- 380014 Tel: - 079-27545651

Email id: dnbsahmedabad@rbi.org.in

#### **G) Review:**

Compliance of the Code and the functioning of the Grievance Redressal Mechanism shall be reviewed and revised periodically as may be deemed fit by the Board of Directors of the Company.

#### **H) Interest and charges:**

The Company would lay down appropriate internal principles and procedures in determining interest rates and processing and other charges after considering relevant factors such as cost of funds, margin and risk premium etc. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers would be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.

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

#### **I) Force Majeure:**

The various commitments outlined and made by the Company in this Code are applicable under the normal operating environment. In the event of Force Majeure, the Company will not be able to fulfill the commitments under the Code to the entire satisfaction of the customer/s, the other stake holders and the public in general.

#### **J) Miscellaneous:**

A copy of the Fair Practice Code may be put up on the website of the Company once the website is operational.

The Board may amend the provisions of this Code from time to time. Unless otherwise specified, such amendments shall be effective from the date of the Board meeting at which such amendments are approved.