

# **AKASHDEEP METAL INDUSTRIES LIMITED**

## **FAIR PRACTICE CODE OF AKASHDEEP METAL INDUSTRIES LIMITED**

### **1. APPLICATIONS FOR LOANS AND THEIR PROCESSING**

- All communications to the borrower shall be, as far as possible, in the vernacular language or a language as understood by the borrower.
- Loan application forms shall include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and informed decision can be taken by the borrower. The loan application form shall indicate the documents required to be submitted with the application form.
- The Company shall devise a system of giving acknowledgement for receipt of all loan applications. Preferably, the time frame within which loan applications will be disposed of shall also be indicated in the acknowledgement.

### **2. LOAN SANCTIONS**

- The Company shall strive to convey in writing to the borrower in the vernacular language as understood by the borrower by means of sanction letter or otherwise, 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 shall mention the penal interest charged for late repayment in bold in the loan agreement.
- The Company shall furnish a copy of the loan agreement 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.
- In respect of assistance/ loans sanctioned by the Company to a borrower, upfront fee/ processing fee upto 2% of assistance sought may be charged. The fee may be refunded in full in case the applicant is not sanctioned any financial assistance. The facility of prepayment of loans would be available and premium up to 4% would be charged by the Company for such prepayment from borrowers.

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- The Company would strive to dispose of loan applications upto Rs.50 lakh within 4 weeks and above Rs.50 lakh normally within a period of 6 to 7 weeks after satisfactory receipt of complete information/ data/ clarifications/ reports etc.
- The Company would verify the loan applications within a reasonable period of time. If additional details/ documents are required, borrowers would be intimated at the earliest.
- In case of all applications which are denied financial assistance, on account of not being found support worthy as per the policy framework and/or risk perception of the Company, either with or without detailed appraisal, the Company would convey in writing, the main reason/ reasons which in the opinion of the Company after due consideration, have led to rejection of the loan applications. Such communication to the applicant would normally be dispatched within 10 working days of the rejection.
- It would also be specifically stated that the Company does not have any obligation to meet further requirements of the borrowers on account of growth in business etc., without proper review of credit limits.
- In the case of lending under consortium arrangement, the Company, as a participating lender, would evolve procedures to complete appraisal of proposals in the time bound manner to the extent feasible, and communicate its decision on financing or otherwise within a reasonable time.
- It would also be specifically stated that the Company does not have any obligation to meet further requirements of the borrowers on account of growth in business etc., without proper review of credit limits.
- In the case of lending under consortium arrangement, the Company, as a participating lender, would evolve procedures to complete appraisal of proposals in the time bound manner to the extent feasible, and communicate its decision on financing or otherwise within a reasonable time.

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## **3. SCHEDULE OF FEES AND CHARGES**

### **Fees & Charges**

1	Upfront fees/processing fees - onetime payment	Upto 2% of the loan amount sanctioned + Applicable Tax
2	Expenses on legal/title search, visits, secretarial search, valuation of securities and security creation	On actual basis.
3	Interest rate	Based on internal rating
4	Interest rate reset	Every year, as and if required
5	Penalty for delayed repayments	2%
6	Prepayment interest - based on the remaining period of loan	1 - 4 %
7	Switchover from fixed to floating interest rate	2% of the outstanding term loan.
8	Switchover from floating to fixed interest rate	Upto 20 bps concession provided the residual tenure of loan is more than 2 years.

1. Upfront fee is payable at the time of sanction. Further, the fee may be refunded in full in case the applicant is not sanctioned any financial assistance.
2. CGTMSE / NCGTC Guarantee fee / Annual Service fee is payable on actual basis.

## **4. DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS**

- The Company shall strive to give notice to the borrower in the vernacular language or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. The Company shall also ensure that changes in interest rates and charges are affected only prospectively. A suitable condition in this regard must be incorporated in the loan agreement.
- Decision to recall/ accelerate payment or performance under the agreement shall be

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in consonance with the loan agreement.

- The Company shall release all securities 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 they may have against borrower. If such right of set off is to be exercised, the borrower shall 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.

## **5. GRIEVANCE REDRESSAL**

The Company has a Grievance Redressal Policy in place to resolve any complaint of its customers. The mechanism ensures that all disputes arising out of the decisions of the Company functionaries are examined and disposed off by the competent Grievance Redressal Authority. Besides, in case the complainant is not satisfied with the redressal steps, the provision of complainant making an appeal to the Appellate Authority is also available. The details of the Company's Customer Grievance Redressal Policy are given the website.

## **6. GENERAL**

- The Company shall refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless information, not earlier disclosed by the borrower, has been noticed). However, the Company reserves the right to nominate its representative to the board of its borrowers as may be deemed fit.
- In case of receipt of request from the borrower for transfer of borrower account, the consent or otherwise i.e., objection of the Company, if any, shall be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.
- In the matter of recovery of loans, the Company shall not resort to undue harassment viz., persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc. The Company shall ensure that the staff is adequately trained to deal with the customers in an appropriate manner.

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- The Company would not discriminate on grounds of sex, caste and religion in the matter of lending. However, this does not preclude the Company from participating in credit linked schemes framed for weaker sections of the society.

**Approved on: 21.09.2022**