

Salem Erode Investments Ltd

CIN No. L31200WB1931PLC007116

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Fair Practice Code of Salem Erode Investments Limited, as approved by the Board of Directors vide. Meeting held on Saturday, the 13th day of February, 2021.

(This Policy is in supersession of previous policy and consistence with the directions under the Guidelines on Fair Practices Code for NBFCs as issued by the Reserve Bank of India).

Salem Erode Investments Limited (hereinafter referred to as “the Company”) is an emerging financial services providing Company established and emerged in 16.05.1931 with a registration under the Companies Act, 1913 and expanded its operation into Non-Banking Financial Sector in 1998 with the approval of Reserve Bank of India. Presently, the Company is planning to expand and diversify its operations to different parts of the Country in the coming Financial Years. The Reserve Bank of India (RBI) has issued guidelines on Fair Practices Code for Non-Banking Finance Companies (NBFCs) thereby setting standards for fair business and corporate practices while dealing with their customers vide it’s Circular DNBS.CC.PD.No.266 /03.10.01/2011-12. Thus in view of the same, the Board of Directors has approved Fair Practice Code vide meeting held on 13th February, 2021.

The **Fair Practice Code of the Company** is as under:

1. Applications for Loans and their Processing.

Loan Applications will contain necessary information relating to the loan schemes which affects the interest of the borrower and the details regarding the documents required to be submitted. Loan applications and documents will be in vernacular or a language as understood by the borrower. Borrower will be required to produce necessary documents to comply with the KYC guidelines of RBI.

2. Loan Appraisal and terms/conditions.

Loan will be sanctioned immediately after the verification of identity/address proof and satisfactory appraisal of the gold ornaments and/or other valuables offered as security on the same day itself. The loan document (Pledge Form) showing the amount of the loan sanctioned and particulars of the security offered along with the terms and conditions of the loan, will be signed by the Customer in token of acceptance of the terms and conditions and acceptance of the proceeds of the loan. SME Loans and other unsecured loans will be disbursed immediately after completion of the loan documentation. Copy of the loan sanction letter will be handed over to the customer.

3. Rate of Interest

The Rates of Interest for various loan schemes offered by the Company is/have been approved by the Board of Directors. The annualized rates of interest for different schemes are available in the website under each product description. The annualized rate of interest as appropriate to the particular scheme opted by the borrower will be available in the respective pledge form/loan document and Pawn Ticket. The Company will be charging interest based on the nature of the product and LTV wherever applicable for each product. There may be different interest rates for different States. Interest rates applicable to a scheme shall be communicated to the borrower while availing the loan and is reflected in the relevant loan documents. Penal interest charged for late repayment, if any, will be mentioned in bold letters in the loan document/ pledge form and Pawn Tickets.

4. Disbursement of Loans including changes in Terms and Conditions.

a. The Company will give due notice to the borrower of any change which shall be applicable prospectively in the terms and conditions and in the rate of interest and other charges, except default interest as already mentioned in the loan document.

b. Decision to recall/ accelerate repayment or performance under the Agreement will be in consonance with the loan document.

c. The Company will release all securities on payment of all dues on the date of settlement of the loan itself, subject to any legitimate right or lien for any other claims SALEM ERODE INVESTMENTS LTD. may have against the borrower. If such right is exercised, the Customer will be given notice about the same with full particulars about the remaining

claims and the conditions under which SALEM ERODE INVESTMENTS Ltd is entitled to retain the securities till the relevant claim is settled in full.

5. General

a. The Company will not interfere in the affairs of the borrower except for the purposes provided in the loan document.

b. The Company will not resort to undue harassment of the borrower for the recovery of the loans.

6. Policy Guidelines on Sale by Auction of Pledged Gold Ornaments

The following shall be the General Policy Guidelines for the Sale by Auction of Gold Ornaments pledged with the Company by the Customers:

- a) Gold Ornaments pledged with the Company, if not redeemed within tenure of the loan as per the loan agreement or if the loan is defaulted for non-payment of interest or principal, will be disposed of by the Company by sale through public auction. However, the Company will give due intimation to the Customer by Registered Post/ Courier about the auction at least 30 days before the date of auction. Details about the auction will be published in a vernacular newspaper and also in a national daily.
- b) Auction will be conducted by an Auctioneer approved by the Board of Directors of the Company or as per the law in force in the respective states. The amount due to the Company by the Customer, being the aggregate of the principal and the up to date interest as well as other expenses including expenses for conducting auction, will be adjusted against the sale proceeds. The surplus if any after adjusting the dues from the auction proceeds will be refunded to the customer whereas the deficit if any thereof will be recovered from the borrower. The details about the auction including surplus/deficit will be communicated to the borrower within 45 days of the date of auction and excess refunded.

7. Grievance Redressal Mechanism

Complaints from the borrowers on any functionaries or his decisions will be heard at higher levels. Borrowers can make the complaints including those pertaining to the services provided by the outsourced agencies at the email ID md@iclfincorp.com or in writing to the concerned Regional Manager/the Nodal /Principal Nodal Officer or the Nodal officer at Head Office. The name, address and contact No. of the Officers mentioned above are displayed at all Branches for information of the Customers. If the complaint is not resolved within one month the Customer can approach the General Manager, Reserve Bank of India, Department of Non-Banking Supervision, Fort Glacis, 16, Rajaji Salai, P.B. No.40, Chennai-600001. Tel no: 044-2536 1490/ 2539 9222.

8. This Fair Practices Code will be displayed in the company's website.

By order of Board,

For Salem Erode Investments Limited


K.G. Anilkumar
Managing Director
(DIN: 00766739)

