

EDC LIMITED

Fair Practices Code (FPC)

The Fair Practices Code, as adopted herein below, is in conformity with the Guidelines on Fair Practices Code for NBFCs as contained in the Reserve Bank of India (RBI)'s Master Circular No. RBI/2013-14/42 DNBS(PD)CC.No.340 /03.10.042/2013-14 dated July 1, 2013. All communications to the borrower shall generally be in English, since the Corporation is not dealing in retail/micro-finance loans.

The key elements of Fair Practices Code are as follows:

Contents

- 1. Applications for loans and their processing*
- 2. Loan appraisal and terms/conditions*
- 3. Disbursement of loans including changes in terms and conditions*
- 4. Post Disbursement Monitoring*
- 5. Grievance Redressal Mechanism*
- 6. General*

1. Applications for loans and their processing

Loan application form along-with the schemes pertaining to various loan products are made available on EDC's website for downloading by the applicant. Any changes in the loan products or introduction of new products are updated on the website on a regular basis.

The borrower will call on the Loans Department for preliminary discussions to brief their project and to understand the requirements to be completed for availing the loan. During this meeting, the applicant will be briefed about the details of additional information / particulars that may be required to process the application. Depending on the type and quantum of the assistance sought, the approximate time for processing (which will be around 4 to 6 weeks on receipt of complete information.) will be indicated to the borrower. The loan applications alongwith processing fees received will be acknowledged.

2. Loan appraisal and terms/conditions

In accordance with EDC's credit policy norms and risk based assessment procedures, each loan application will be appraised after carrying out proper due diligence.

The standard terms and conditions will be discussed with the borrower. These mutually discussed terms and conditions will be put up to the sanctioning authority. Any modifications / additions / deletions indicated by the

sanctioning authority will be communicated to the borrower in the sanction letter. The Corporation shall proceed further on acceptance of terms and conditions. The legal documentation will then be initiated. A copy of loan agreement is generally made available to the borrower on execution of the documents.

3. Disbursement of loans including changes in terms and conditions

The detailed disbursement procedure is made available to the borrower alongwith the sanction letter.

On execution of loan documents and compliance of conditions governing such sanction, the disbursement is made in accordance with the eligibility and the withdrawal schedule indicated by the borrower.

Any change in the terms and conditions including interest rates, tenure, changes in security etc. is informed individually to the borrowers.

Changes in interest rates and other charges are effected prospectively, and informed to borrower suitably.

4. Post Disbursement Monitoring

The borrower will be required to submit a progress report on Monthly / Quarterly basis. Monitoring the performance of the borrower will be based on these progress reports or through visits or through appointment of 'Nominee Director/Observer/ Special Invitee as per the covenants of the loan agreement.

Decisions to recall / accelerate repayment will be taken as per the covenants of the loan agreement. Attachment/Possession and Auction of mortgaged/hypothecated assets is as per the approved procedure and guidelines followed by the Corporation.

All securities will be released on repayment of all the dues or on realisation of the outstanding amount of loan subject to any legitimate right or lien for any other claim against the borrower. If such right of set off is to be exercised, the borrower will be given prior notice about the same with full particulars about the remaining claims and the conditions.

EDC will ensure that all the information provided by its borrowers is treated as strictly "private and confidential" and will not provide the same to anyone other than the following exceptions:

1. Information given to as demanded by law.
2. In the interest of the company in the cases of frauds etc.
3. With consent/instructions of the borrowers.

The EDC will not use the information of borrowers for marketing purpose without the specific authority from its borrower.

5. Grievance Redressal Mechanism

In case of any Grievance, the Borrower can approach the Managing Director and submit his Grievance in writing.

The Managing Director after examining the matter in consultation with concerned officials, will attempt to resolve the genuine Grievance, if any.

6. General:

EDC would refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the borrower, has come to our notice).

In the matter of recovery of loans, EDC will follow the due process of law.

The Board would review the functioning of Fair Practices Code and Grievance Redressal mechanism on an on going basis.