

TAMILNADU URBAN FINANCE AND
INFRASTRUCTURE
DEVELOPMENT CORPORATION LIMITED



FAIR PRACTICES CODE AND
GRIEVANCE REDRESSAL POLICY

1. Preamble

Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited (the “Company”), being a deposit taking non-banking financial company with asset size of 100 crore and above and a Government company as defined under clause (45) of Section 2 of the Companies Act, 2013 (Act 18 of 2013) is accordingly required to put Fair Practices Code and Grievance Redressal Policy (hereinafter referred to as the “Policy”) in place.

At present, TUFIDCO is financing only to Local Bodies and not to general public. Therefore, most of these guidelines are not applicable to TUFIDCO. However, this Policy is prepared for the use of the Local Bodies for similar and applicable situations.

2. Fair Practices Code

Applications for loans and their processing

All communications to the borrower shall be in the vernacular language or a language as understood by the borrower.

Loan appraisal and terms and conditions:

The Company shall 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 annualised rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record. As complaints received against the company generally pertain to charging of high interest/penal charges, the company shall mention the penalties charged for late repayment in bold in the loan agreement.

Borrowers may not be fully aware of the terms and conditions of the loans including rate of interest at the time of sanction of loans, either because the company does not provide details of the same or the borrower has no time to look into detailed agreement. Not furnishing a copy of the loan agreement or enclosures quoted in the loan agreement is an unfair practice and this could lead to disputes between the company and the borrower with regard to the terms and conditions. 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 before the disbursement of loans.

Penal charges in loan accounts

- The quantum and reason for penal charges shall be clearly disclosed to the customers in the loan agreement and most important terms & conditions/Key Fact Statement (KFS) as, in addition to being displayed on websites of the company under Interest rates and Service Charges.
- The quantum of penal charges shall be reasonable.
- Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefor shall also be communicated.

Disbursement of loans including changes in terms and conditions

The Company shall 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.

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).
- 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, 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. As complaints from customers also include rude behaviour from the staff of the companies, the company shall ensure that the staff are adequately trained to deal with the customers in an appropriate manner.

Language and mode of communicating Fair Practice Code

The company will have the freedom of drafting the Fair Practices Code, enhancing the scope of the guidelines but in no way sacrificing the spirit underlying the above guidelines. The same shall be put up on their website, for the information of various stakeholders.

Complaints about excessive interest charged by the company

- The Reserve Bank has been receiving several complaints regarding levying of excessive interest and charges on certain loans and advances. Though interest rates are not regulated by the Reserve Bank, rates of interest beyond a certain level may be seen to be excessive and can neither be sustainable nor be conforming to normal financial practice.
- Boards of Company shall lay out appropriate internal principles and procedures in determining interest rates and processing and other charges. In this regard, the guidelines indicated in the Fair Practices Code about transparency in respect of terms and conditions of the loans are to be kept in view.

3. Grievance Redressal Policy

Objective

Customer complaints constitute an important voice of customer. The Policy is framed to lay down the framework for minimizing and resolving instances of customer grievances through proper redressal mechanism.

The Grievance Redressal Policy fulfils the following principles:

- i. Customers shall be treated fairly at all times:
- ii. Complaints raised by customers shall be dealt with courtesy and resolved in a timely manner.
- iii. Customers shall be informed of avenues to escalate their complaints within the organization, and their rights in cases when their complaints are not resolved in a timely manner or when they are not satisfied with the resolution of their complaints.
- iv. To comply with the regulatory guidelines as required for this function.

Grievance Redressal Mechanism process

- In case of any grievance, customers can intimate and record their complaints / grievances for a resolution in the manner detailed below:
 - Customers can visit the Office for registration of their grievances. Oral complaints, if any should be followed by submission of a written complaint;
 - Customers can send their grievance through email.
- Customers shall ensure that they quote their sanction no. / loan account no. in every correspondence with the Company regarding their complaint. Anonymous complaints will not be addressed in terms of this Customer Grievance Redressal

Mechanism.

- Designated officer as may be identified by senior management as Nodal Officer and Grievance Redressal Officer is as follows:

Designation	EMAIL ADDRESS
General Manager	tufidco@gmail.com

- If any customer is not satisfied with the resolution provided by the Grievance Redressal officer, or the complaint / dispute is not redressed within a period of one month, the customer may appeal to Reserve Bank of India under whose jurisdiction the registered office of the Company falls.
- The Nodal Officer shall be responsible, inter alia, for representing the Company before the Ombudsman and the Appellate Authority. The Nodal Officer appointed shall be responsible for coordinating and liaising with the Customer Education and Protection Department (CEPD), RBI, Central Office.

Resolution of Complaints

The department heads are responsible jointly and severally for resolution provided by their teams and for closure of customer issues.

Responsibility' of Board of Directors

The Board of Directors of the company shall also lay down the appropriate grievance redressal mechanism within the organization. Such a mechanism shall ensure that all disputes arising out of the decisions of lending institution's functionaries are heard and disposed of at least at the next higher level.

The Board of Directors shall also provide for periodical review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such reviews shall be submitted to the Board at regular intervals, as may be prescribed by it.

