

Beryl Securities Limited

FAIR PRACTICE CODE

(Updated as on 10th August 2024)



1. Introduction

Beryl Securities Limited is a non-deposit taking non-systematically important NBFC, holding valid COR as on date is engaged in providing unsecured and secured loan to SMEs, retailers, corporates, individuals and self-employed to meet their financial requirements and meet the objective of financial inclusion.

The organisation endeavours to review and follow the policy guidelines laid by Reserve Bank of India as amended from time to time, to set up fair business practices while dealing with its customers. Accordingly this fair practice code (“FPC or Code”) has been amended pursuant to the **Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023** Further RBI vide its Notification No. RBI/2019-20/258 DOR (NBFC) (PD) CC. No.112/03.10.001/2019-20 dated June 24, 2020, Notification No. DOR.ORG.REC.65/21.04.158/2022-23 dated August 12, 2022, and Notification No. DOR.CRE.REC.66/21.07.001/2022-23 dated September 02, 2022, has also issued directions for sourcing of loans over Digital Lending Platforms (Digital lending) and outsourcing of Financial Services Services - Responsibilities of regulated entities employing Recovery Agents and Guidelines on Digital Lending respectively.

Hence, in compliance with the said directions, this Code has been framed, approved and reviewed by Board of Company from time to time. The Company shall at all times adopt best business and customer service practices from time to time and make appropriate modifications, as necessary to this Code.

2. Objectives of the FPC

- a) Promote good and fair practices by setting up minimum service standards for customer dealing and loan services,
- b) Maintain transparency with customer to make them understand what they reasonable expect form the company for its services,
- c) Promote a fair and cordial relationship with the customer,
- d) Increase awareness among the borrower

3. Application of FPC

- a) FPC shall apply to all the products and services provided by the company, at its branches, over the counter, over telephonic calls, through post, e mail, internet or by any other method. The FPC shall also apply in case of outsourcing of services and lending through DLA (Digital Lending Application) /LSP (Lending Service Provider).
- b) This FPC will applicable to all borrowers (which as the context permits may include prospective borrowers, borrowers who have applied for loan with us but loan not sanctioned / disbursed in addition to the borrowers who are in receipt of loan amount from the Company).

4. Company’s Key Commitments

- a) The Company shall always act fair and reasonable in dealings with its customer(s) by always adhering to the principles of integrity and transparency.
- b) The Company shall meet all the legal and regulatory requirements and fulfil standards provided in this FPC with soliciting any product or service.
- c) The Company shall ensure that all advertising and promotional material is clear, and not misleading.

- d) The Company shall ensure transparency in communication and provide information on interest rates, fees and charges in the loan document or on its website.
- e) The Company may, from time to time, communicate to customer about various features of products/services availed by them including information about third party products/services or promotional offers after obtaining prior written consent from the customer.
- f) The Company shall implement transparent Code of Conduct for its Direct Selling Agencies (DSAs) / Direct Selling Teams (DST's) / Tele callers in line with the Code.
- g) The Company shall always preserve the privacy and confidentiality of personal information provided by Customer.

5. Application for Loan and their Processing

- a) All communication with borrower shall be in English or the language understood by them.
- b) Loan Application contains list of documents required to be submitted with the application form.
- c) At the time of loan sourcing company will provide information about the inductive range of annualized rate of interest (ROI) for the loan product availed along with the method of interest calculation (factors which affect interest of the borrower), pre payments options, financial and other charges, 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.

6. Loan appraisal and terms/ conditions

- a) All the information's required for processing the application shall be collected at the time of loan application itself. In case any additional information is required for credit and risk assessment, the customer shall be again immediately contacted.
- b) The company shall conduct a due diligence on the credit worthiness of the customer, which will be an important parameter for taking decision on the application. The assessment would be in line with the Company's credit policies, norms and procedures in respect thereof.
- c) The Rate of Interest (ROI) and the approach for gradations of risk and the parameters for charging different RoI to different categories of customer shall be disclosed to customer at the loan application and sanction stage and on the website of the Company.
- d) The company shall convey, in writing to the customer in English or a language as understood by the customer, the Loan Sanctioned along with the Terms & Conditions thereof including annualized RoI, method of application, EMI Structure, and any other charges if any.
- e) The company shall keep the written acceptance of all these terms and conditions by the customer in its records. Penal/default charges late payment charges or penalties charged for late repayment, shall be highlighted in **bold** to sensitize the Customers about consequences of delay in payment of periodic instalments and/or any breach of the terms of the loan agreement and sanction letter.
- f) The company shall provide copies of all the loan documents executed by the customer along with a copy of each of its enclosures as per the Loan Documentation to every customer, subsequent to loan disbursement.

7) Penal charges in loan account

- a) 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 capitalisation 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.
- b) The Company shall not introduce any additional component to the rate of interest and company will ensure compliance to these guidelines in both letter and spirit.
- c) The Company shall update the existing board approved interest rate policy on penal charges or similar charges on loans.
- d) The quantum of penal charges shall be reasonable and commensurate with the non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan / product category.
- e) The penal charges in case of loans sanctioned to 'individual borrowers, for purposes other than business', shall not be higher than the penal charges applicable to non-individual borrowers for similar non-compliance of material terms and conditions.
- f) The quantum and reason for penal charges shall be clearly disclosed by the Company to the customers in the loan agreement and most important terms & conditions / Key Fact Statement (KFS) as applicable, in addition to being displayed on Company's website under Interest rates and Service Charges.
- g) Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the applicable penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefor shall also be communicated.
- h) This paragraph 7 (a) to 7 (g) shall come into effect from April 01, 2024. The Company shall carry out appropriate revisions in the policy framework and ensure implementation of the instructions in respect of all the fresh loans availed/ renewed from the effective date. In the case of existing loans, the switchover to new penal charges regime shall be ensured on next review or renewal date or six months from the effective date of these instructions, whichever is earlier.

8) Disbursement of loans including changes in terms and conditions

- a) Disbursement shall be made in accordance with the disbursement schedule and/or terms agreed with the customer as per the loan Agreement/ sanction Letter.
- b) The Company shall give notice to the customer in English or a language as understood by the customer of any change in the terms and conditions including disbursement schedule, RoI, service charges, pre- payment charges, other applicable fee/charges etc. The Company shall also ensure that changes in RoI and charges are effected only prospectively with prior intimation to the customer. A suitable condition in this regard shall be incorporated in the loan agreement.

9) Post Disbursement Practices:

- a) Any decision to recall / accelerate payment or performance under the loan agreement or seeking additional securities, shall be taken after giving notice to the customer in consonance with the loan agreement.

- b) The Company will release all securities/collaterals 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 the customer. If such right of set off is to be exercised, the customer 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.

10. Responsible Lending Conduct – Release of movable/immovable property documents on repayment/ settlement of personal loans

The company shall adopt best practices in release of movable/ immovable property documents upon receiving full repayment and closure of loan account to avoid customer grievances and disputes in future.

To address the issues faced by the borrowers and towards promoting responsible lending, the following instructions are issued:

A) Release of movable/immovable property documents:

- a) The Company shall release all the original movable / immovable property documents and remove charges registered with any registry within a period of 30 working days from the date of full repayment / settlement of the loan account.
- b) The borrower shall be given the option of collecting the original movable/ immovable property documents either from the banking 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.
- c) 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.
- d) In order to address the contingent event of demise of the sole borrower or joint borrowers, NBFCs shall have a well laid out procedure for return of original movable/immovable property documents to the legal heirs. Such procedure shall be displayed on the website of NBFCs along with other similar policies and procedures for customer information.

B) Compensation for delay in release of movable/immovable property documents:

- a) 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 from the date of full repayment/ settlement of loan, the Company shall communicate to the borrower reasons for such delay. In case where the delay is attributable to the Company, it shall compensate the borrower at the rate of ₹5,000 for each day of delay.
- b) 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, in addition to paying compensation as indicated at clause (ii) above. However, in such cases, an additional time of 30 days will be available to the NBFCs to complete this procedure, and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).
- c) 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.

C) Applicability

The instructions in paragraph B above shall be applicable to all cases where release of original movable/immovable property documents falls due on or after December 01, 2023

11. Collection of Dues:

a) At the time of giving a loan to the customer Company shall explain to the customer the repayment process including instalment amount, tenure, bounce charges, penal charges, and periodicity of repayment. However, if the customer does not adhere to the repayment schedule, a defined process in accordance with the laws of the land shall be followed for recovery of loan dues. The process will involve reminding the customer by sending him / her notice or by making personal visits and / or repossession of security if any.

b) Additionally, the terms and conditions for enforcing security interest and/or re-possession of the property / collateral shall be clearly mentioned in the loan or security related document. To ensure transparency, the said terms will speak about:

- notice period before taking possession.
- circumstances under which the notice period can be waived;
- the procedure for taking possession of the security;
- provision regarding final chance to be given to the customer for repayment of loan before the sale / auction of the property; (e) the procedure for giving repossession to the customer; and
- the procedure for sale / auction of the property

c) In the matter of recovery of loans, the Company or its agents will resort only to remedies which are legally and legitimately available to it and will not resort to intimidation or harassment of any kind, either verbal or physical, against any person in their debt collection efforts, including acts intended to humiliate publicly or intrude upon the privacy of the debtors' family members, referees and friends, sending inappropriate messages either on mobile or through social media, making threatening and/ or anonymous calls, persistently calling the borrower and/ or calling the borrower before 8:00 a.m. and after 7:00 p.m. for recovery of overdue loans, making false and misleading representations, and will not resort to use of muscle power for recovery of loans, etc. The Company will make all efforts so that its staff is adequately trained to deal with the customers in an appropriate manner.

d) In the line of with the aforesaid, a Code of Conduct which shall be adhered during collections/recovery of dues from the customers by Company's authorized personnel is provided in **Annexure A**

12. Grievance Redressal Mechanism

The Company has laid down the appropriate grievance redressal mechanism within the organization to resolve disputes arising in this regard which ensures that all disputes arising out of the decisions of the Company's functionaries are heard and disposed of at the next higher level.

The Board of Directors shall also periodically review the compliance of the Fair Practices Code and the functioning of the grievance's redressal mechanism at various levels of management. A consolidated report of such reviews shall be submitted to the Board at periodic intervals.

In line with the captioned process the Company follows a (2) tier approach for redressal of customer grievances, as detailed below:

Level 1: Grievance Redressal Officer

In case the customer is not satisfied with the response received at Step 1, i.e., the Branch, he /she can escalate the complaint to BSL Grievance Redressal Officer, whom the Company has appointed for the implementation of customer service and complaint handling. The Grievance Redressal Officer's complete contact details are given on the following page:

Name of the Grievance Redressal Officer	Mr. Anand Mishra
E-mail ID	anand@berylsecurities.com
Contact no.	898914873

Once the complaint is escalated, the complaint will receive a response within 7 working days of it reaching the Grievance Redressal Officer.

Level-2: Compliance officer

In case the customer is still not satisfied with the response or has not received a response from the Company within 15 working days from the date of his/her initial complaint, he/she may contact the Company's Compliance officer.

Name of the Compliance officer	Mr. Vineet Bajpai
Contact No.	9926984100
E-mail ID	vineet@berylsecurities.com

Once the complaint is escalated, the complaint will receive a response within 7 working days of it reaching the Compliance officer

We will make our best efforts to resolve customer's complaint at this level in 15 working days.

If the customer is aggrieved by the GRO or rejection of complaint by GRO Office, customer can file an appeal within 30 days of receipt of Award or rejection of complaint to-

Executive Director

Consumer Education & Protection Department

Reserve Bank of India

13. General

- a) No discrimination on grounds of sex, caste & religion in the matters of lending.
- b) The Company will 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 the notice of the Company).

c) All personal information of customer and information related to the transactions with the Company shall be treated confidential, shall not be reveal to anyone, except with customer's prior written consent and/orrequired by laws and regulations.

d) The Company shall

- Provide customer with a copy of this Code, whenever requested;
- Disclose this Code at the on the website of the Company; and
- Periodic trainings to all the customer facing staff about the fair business practices as mentioned in this Code.

14. Policy for determining rate of interest processing and other charges

To ensure that the Customers are not charged excessive interest rate and charges on loans and advances by theCompany, the Board of the Company has adopted a Policy for Determining Interest Rates, Processing and OtherCharges ("Interest Rate Policy"). Further the Board of the Company shall undertake periodical review of the said Policy for Determining Interest Rates, Processing and Other Charges.



Annexure A

Following Code of Conduct shall be adhered by all authorized personnel of the Company while engaging in any manner with the customer(s) for Collections of loan dues:

- a) The code of conduct for collections shall be followed diligently all staff members of the Collection team and its authorised agents
- b) Foster customer confidence, long term relationship and ensure dignity and respect to customers is maintained.
- c) Courtesy, fair treatment and persuasion shall be the basis of recovery. Unduly coercive methods in collection of dues shall not be adopted
- d) Fairness and transparency in repossession, valuation and realization of securities shall be made.
- e) Customers would be contacted ordinarily at the place of their choice. In the absence of any specified place, at their place of residence and if unavailable there, then at the place of business / occupation. During visits to customer(s) place for dues collection, decency & decorum shall be maintained
- f) Identity and authority to represent the company shall be made known to the customer(s) at the first instance.
- g) No interference in the affairs of the customer (s). Interaction with them shall be in a civil manner without use of muscle power for recovery.
- h) Authorized Representatives shall contact the customer usually between 08:00 a.m. and 19:00 p.m. unless the special circumstances of the customer's business / occupation require otherwise.
- i) Customer's request to avoid calls at a particular time / particular place shall be honoured, to the extent possible.
- j) Customer would be provided with all the information regarding dues and necessary notice would be given for enabling discharge of dues.
- k) Reasonable notice would be given before repossession of security and its realization.
- l) At all times, as far reasonably possible, endeavour to resolve disputes / differences regarding dues in a mutually acceptable and orderly manner.
- m) Inappropriate occasions such as bereavement in the family or such other calamitous occasions would be avoided for making calls/visits.
- n) Confidentiality of customer information shall be maintained at all times.
- o) Not send inappropriate messages either on mobile or social media
- p) Shall not make any kind of false and misleading representations to the customer
- q) All the communications in connection to collections/recovery of dues shall be done only on the contact details provided by the customer

Annexure B

Prudential measures for Loan sourced over Digital Lending Platforms.

1. Name of the digital lending platforms engaged as agents shall be displayed on the website of the Company.
2. The Company shall provide a Key Fact Statement (KFS) to the borrower before the execution of the contract in a standardized format for all digital lending products.
3. The KFS shall, apart from other necessary information, contain the details of APR, the recovery mechanism, details of grievance redressal officer designated specifically to deal with digital lending/ LSP related matter and the cooling-off/ look-up period.
4. The digital lending platform shall disclose to the customer that it is interacting for the Company, during the course of processing loan applications with the Company. Accordingly, customer communications (such as sanction letter, disbursement confirmation, loan agreement & welcome letter/e-mail) shall also identify the Company as a lender for customers' knowledge and ensuring adequate disclosures.
5. The sanction letter shall be issued to the borrower on Company's letter head prior to entering into a loan agreement.
6. The Company shall ensure that their DLAs or DLAs of their LSPs at on-boarding/sign-up stage, prominently display information relating to the product features, loan limit and cost, *etc.*, so as to make the borrowers aware of these aspects.
7. A borrower shall be given an explicit option to exit digital loan by paying the principal and the proportionate APR without any penalty during **Cooling off/look-up period**. The cooling off period shall be determined by the Company. The period so determined shall not be less than **three days for loans having tenor of seven days** or more and **one day for loans having tenor of less than seven days**. For borrowers continuing with the loan even after look-up period, pre-payment shall continue to be allowed as per extant RBI guidelines.
8. Executed/accepted copy of loan agreement shall be sent to the customer as an attachment with welcome letter/e-mail or pursuant to loan disbursement.
9. In case of any fraud/suspicious activity detected using the name of the Company, the customer shall immediately inform 'GRO' and also report such platforms/apps to RBI using their Sachet portal (<https://sachet.rbi.org.in>)
10. Customer shall be communicated with customer service and grievance redressal mechanism as per FPC.
 - a. Note: 1st level approach for redressal of customer grievances shall be respective Digital lending partners
11. The Company shall ensure that they and the Lending Service Provider (LSP) engaged by them shall have a suitable nodal grievance redressal officer to deal with LSP/ digital lending related complaints/ issues raised by the borrowers and shall also deal with

complaints against their respective Digital Lending App(DLA). Further, contact details of grievance redressal officers shall be prominently displayed on the websites of the Company, its LSP and on DLA.

- 12.** The Company shall communicate to the borrower, at the time of sanctioning of the loan and also at the time of passing on the recovery responsibilities to an LSP or change in the LSP responsible for recovery, the details of the LSP acting as recovery agent who is authorised to approach the borrower for recovery.

The Company shall ensure all their DLA and LSP act in accordance with the guidelines as stated in circular dated September 02, 2022 on Guidelines on Digital Lending and circular dated June 08, 2023 on framework for Settlements and Technical write-offs.

