

BTL INVESTMENTS & SECURITIES LTD.

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FAIR PRACTICE CODE

INTRODUCTION

The Reserve Bank of India through its Notification No.RBI/2006-07/138 DNBS.(PD)/CC No. 80/03.10.042/2005-06 dated September 28, 2006 read with Notification No.RBI/2011-12/470 DNBS.CC.PD. No.266/03.10.01/2011-12 dated March 26, 2012 has prescribed the broad guidelines on fair practices that are to be framed and approved by the Board of Directors of all Non-Banking Financial Companies (NBFCs) and should be published and disseminated on the web-site of the Company, if any, for the information of the public.

BTL Investments & Securities Limited ("BTLISL") (hereinafter referred to as "the Company") is a Public Limited Company incorporated under the provisions of the Companies Act, 1956. BTLISL is a Non-Deposit taking Non-Banking Financial Company registered with the Reserve Bank of India (RBI).

The Board of Directors of "BTLISL" shall adhere to the following guidelines on Fair Practices Code (FPC) applicable in all dealings with the customers/borrowers of the Company as required in terms of Reserve Bank of India Notification No. RBI/2011-12/470 DNBS.CC.PD. No. 266/03.10.01/2011-12 dated March 26, 2012.

I. APPLICATIONS FOR LOANS AND THEIR PROCESSING

- a) The official language for all communications within the Company or with third parties shall be English.
- b) All communications to the Borrower shall be in English or in vernacular language/the language as understood and confirmed by the borrower.
- c) BTLISL shall take confirmation from the prospective borrower that all communications with the borrower shall be in English or in vernacular language. /the language as understood by the borrower.
- d) Loan application of BTLISL 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.
- e) KYC documents are to be submitted with the loan application form.
- f) Applications complete in all respects would be processed within a reasonable time frame and an acknowledgement for receipt of the same will be provided to the prospective borrower.
- g) The loan applications will be disposed of within a period of 60 days.

II. LOAN APPRAISAL AND TERMS/CONDITONS

- (a) BTLISL will convey in writing to the borrower in English or in vernacular language as understood and confirmed by the borrower, terms of sanction letter or otherwise. The sanction letter shall contain the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof.
- (b) The acceptance of the terms and conditions communicated by the borrower shall be kept by the Company on its record.

- (c) BTLISL shall mention the penal interest charged for late repayment in bold in the sanction letter and loan agreement.
- (d) BTLISL shall invariably furnish a copy of loan agreement along with the copy of each enclosure quoted in the loan agreement to all borrowers at the time of sanction/disbursement of loan in English or in vernacular language as understood by the borrower.

III. DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS

- (a) BTLISL shall give notice to the borrower in English or in vernacular language as understood by the borrower, of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. Changes in interest rates and charges shall be effective prospectively. A suitable condition in this regard shall be incorporated in the loan agreement.
- (b) Decision to recall/accelerate payment or performance under the agreement shall be in consonance with the loan agreement.
- (c) BTLISL shall release all securities 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 BTLISL 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 BTLISL is entitled to retain the securities till the relevant claim is settled /paid.

IV. GENERAL

- (a) BTLISL 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 its notice.
- (b) In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise i.e. objection of BTLISL, if any, will be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per contractual terms entered into with the borrower and in consonance with statutes, rules, regulations and guidelines as may be applicable from time to time.
- (c) In the matter of recovery of loans, BTLISL will resort only to remedies which are legally and legitimately available to it and will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, rude behavior etc.
- (d) BTLISL will ensure that the staff is adequately trained to deal with the borrowers in an appropriate manner.
- (e) The Company will have a Grievance Redressal Forum comprising senior management team to resolve disputes arising, if any, in this regard. The said forum will meet within a period of 3 weeks from the date of receiving any grievance intimation. (It shall ensure that all disputes arising out of the decisions of lending by the Company's functionaries are suitably heard and disposed of at least at the next higher level.) The said forum shall provide the highlights of the issues and redressal, if any, to the Board of Directors for their review and compliance at each subsequent meeting.
- (f) The Board of Directors of BTLISL shall periodically review the compliance of the Fair Practices Code and the functioning of the Grievances Redressal Forum. A consolidated report of such reviews may be submitted to the Board at regular intervals, as may be prescribed by it.
- (g) BTLISL shall charge the Interest Rate taking into account relevant factors such as cost of funds, margin and risk premium, etc. to determine the rate of interest to be charged for loans

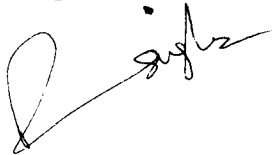
and advances and same is to be published and disseminated on the web-site of the Company.

- h) The Company will have a built in re- possession clause in the contract/Loan agreement with the borrower which would be legally enforceable. To ensure transparency, the terms & conditions of the contract/loan agreement have following provisions:
- a) 15 days notice period would be given before taking possession;
 - b) The contract/loan agreement shall provide for the circumstances under which the notice period can be waived;
 - c) The contract/loan agreement shall provide for the procedure for taking possession of the security;
 - d) Provision regarding final chance to be given to the borrower for repayment of loan before the sale/auction of the property;
 - e) The procedure for giving repossession to the borrower;
 - f) Procedure for sale/auction of the property.

| A copy of the terms and conditions shall be made available to the borrowers at the time of sanction /disbursement of loans.

The Fair Practices Code has been adopted by the Board of Directors on 20th April, 2012 and shall come into force with immediate effect.

Signed:



(Parveen Singla)
Whole-Time Director



(Sushil Kumar)
Director



(Bishan Bansal)
Director