

Times Guaranty Limited

FAIR PRACTICE CODE POLICY

Information:

Document	Classification	Version	Status
Policy on Fair Practice Code	Confidential	2.0	Approved

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1. Background:

Times Guaranty Limited (the “Company”) is a Base Layer Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI) and classified as an Investment and Credit Company (ICC). The Company is listed on both major stock exchanges and is committed to maintaining high standards of corporate governance.

The company primarily focuses on providing customized financial solutions to corporate clients to support their business growth, including structured credit products such as term loans with bullet repayment options that offer repayment flexibility. The Company may also extend credit facilities to individuals with a business or professional relationship, as per its internal policies and regulatory norms. Additionally, the company manages its surplus funds through investments in mutual funds and debt securities, aiming for optimal returns with prudent risk management, while maintaining a transparent, disciplined, and compliant approach in all its operations.

This policy is prepared in line with the requirements prescribed by Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and various RBI notifications / directions [“RBI Regulations”] issued in this regard

2. Definitions:

- Companies in the Group – It includes an arrangement involving two or more entities related to each other through any of the following relationships: Subsidiary – parent (defined in terms of AS 21), Joint venture (defined in terms of AS 27), Associate (defined in terms of AS 23), Promoter-promotee (as provided in the SEBI (Acquisition of Shares and Takeover) Regulations, 1997) for listed companies, a related party (defined in terms of AS 18), Common brand name, and investment in equity shares of 20% and above.

3. Objectives:

The objective of this policy are as follows:

- To ensure Fair Practices while dealing with the customers and other stakeholders;
- To promote good, fair and trustworthy practices by setting acceptable standards in dealings with the customers and other stake holders;
- To increasing transparency to enable the customers and stakeholders to have a better understanding of the product and enabling them to take informed decisions;
- To promote a fair and cordial relationship between the stakeholders (including customers) and the Company;
- To build a customer confidence in the Company.

4. Scope:

The Fair Practices Code (FPC) covers all the products and services currently offered by the company, as well as those that may be introduced in the future. All employees and representatives are expected to follow this code diligently and uphold its principles in both actions and intent.

The commitments outlined in this code apply under normal circumstances. In exceptional cases, such as force majeure events, the company may not be able to fully adhere to these commitments. If there

is any inconsistency between this policy and any executed agreements, the specific terms and conditions of the agreements will prevail to the extent they differ from the provisions of this code.

Furthermore, any directives or regulations issued by the Reserve Bank of India (RBI) or other applicable authorities, including future amendments, will take precedence over this policy.

5. Authorization

The Board of Directors shall be responsible for reviewing this policy periodically and ensuring its relevance and applicability in the overall operations of the Company. The Credit Head/ Chief Executive Officer/ Sanctioning Authority shall be entrusted with the implementation of this policy and shall ensure that all procedures relating to loan sanction, approval, and disbursement are carried out strictly in accordance with the terms and conditions outlined herein.

6. Key Commitments

The company's Key Commitments are as under:

- The company is to act fairly and reasonably in all the dealings by:
 - a. Meeting the commitments and standards in this Fair Practices Code for the financial products and services offered, and the procedures and practices followed
 - b. Ensuring that the Company's products and / or services are in compliance with the relevant laws and regulations
 - c. Making the Company's dealings rest on ethical principles of integrity and transparency
 - d. Providing professional, courteous and speedy services
 - e. Providing accurate and timely disclosure of terms and conditions, costs, rights and liabilities as regards financial transaction.
 - f. Not engaging in unlawful and/ or unethical practices
- The company is to help understand how the financial products and/or services work by:
 - a. Ensuring that any advertising & promotional literature published is clear and is not misleading
 - b. Giving verbal information that is consistent with the literature shared
 - c. Explaining financial and legal implications of the transactions
- The company is to deal quickly and sympathetically with the complaints / queries by way of:
 - a. Offering channels to route the complaints/ queries.
 - b. Correcting mistakes / errors expeditiously.
 - c. Assisting stakeholders to taking their complaints forward if they are not satisfied.
 - d. Reversing any changes that the company has applied erroneously, on an urgent basis.
- The company is to disseminate accurate information to
 - a. Allow the Borrowers to have clear information explaining the key features of the services and products
 - b. Inform the documents / necessary information the Company needs from them to establish true identity and address and, other documents to comply with legal and regulatory requirements.
 - c. Give an exact idea on how the selected product or service will be implemented on the company's end and what all compliances need to be done on the customer's end.

- d. Provide details regarding the charges for any service or product, before the company provides that service or product.
- The company is to have copies of this code available for customers on request.

7. Application for Loan and their processing

- The company shall ensure that all communications to the borrower should be in the vernacular language or a language understood by the borrower.
- Loan application forms must include necessary information to help borrowers make a meaningful comparison with offers from other NBFCs.
- Standardized loan application forms shall be made available to applicants on request, free of cost, along with the schedule of fees.
- Receipt of completed application forms shall be duly acknowledged.
- The acknowledgment shall specify the approximate date by which the applicant may be contacted for preliminary discussions, if required.
- All loan applications shall be processed and disposed of within four (4) weeks from the date of receipt of the completed application.
- In case of rejection of the loan application, the applicant shall be informed in writing along with the primary reasons for rejection within the stipulated timeframe.
- The loan application shall clearly indicate the documents required to be submitted along with the application form.

8. Loan Appraisal Terms and Conditions

- Convey loan terms and conditions in writing to the borrower in the vernacular language or a language understood by the borrower through a sanction letter or other means.
- Include the loan amount sanctioned, annualized rate of interest, and the method of application of interest in the loan agreement.
- The Company will obtain an acceptance from the borrower on the sanction letter whether physical or digital with the borrower's signature under the caption **"I/WE ACCEPT ALL THE TERMS AND CONDITIONS WHICH HAVE BEEN READ AND UNDERSTOOD BY ME/US."** The company will maintain a record of such acceptance.
- Highlight penalties for late repayment in bold in the loan agreement to ensure clarity about charges.
- Ensure the borrower understands the terms and conditions of the loan, and provide them sufficient time to review the agreement.
- Comply with the 'Key Facts Statement (KFS)' instructions as per the circular dated April 15, 2024, and provide the KFS to the borrower.
- The sanction letter shall specify the amount financed, the rate of interest and any applicable terms and conditions. The letter shall be provided in triplicate, with one copy handed to the customer and one retained in company records after acceptance by the borrower.
- The Company will furnish a copy of loan agreement along with a copy of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction / disbursement of loans in physical/digital form. The company will ensure that the loan agreements and enclosures furnished to all borrowers contain the terms and conditions and the rate of interest and all the charges (vide a KFS), which shall be annexed to the loan agreement.

9. Disbursement of Loans (Including changes in Terms & Conditions)

- Inform the borrower about any changes in terms, such as interest rates, charges, or disbursement schedules, in a language they understand.
- The company shall ensure that any changes in interest rates and charges are only applied to future transactions, not retroactively.
- Incorporate a provision in the agreement stating that changes will be applied prospectively.
- The company shall release any securities once the loan is fully repaid, unless there are other outstanding claims.
- If securities are retained due to other claims, provide the borrower with notice and details of the remaining claim.
- Any changes in terms and conditions, such as changes in interest rate, tenure, fees, or other charges, shall be communicated to the borrower in writing.
- Any decision to recall or accelerate payment shall be conveyed in writing as per the terms of the agreement.
- A No Objection Certificate (NOC) shall be issued upon full recovery of dues, and any collateral held shall be released along with the NOC.

10. General

- The Company shall strictly refrain from interference in the affairs of the borrower except for the purposes provided in the Loan Agreement unless any new information not earlier disclosed by the Borrower has come to its notice and the same has not been intimated by the customer.
- The Details of the recovery agents, if any, appointed shall be disclosed to the borrower/prospective borrower at the time of sanction of the facility.
- The Company shall ensure that the entire process of enforcing its security, valuation and realization thereof is fair and transparent.
- The Company shall ensure that the staff is adequately trained to deal with the customers in an appropriate manner.
- The Company shall not charge interest rate beyond a certain level which may be seen as excessive or not sustainable or not conforming to normal financial practices.
- The Company shall take legal recourse for loan recovery strictly in accordance with legally permissible remedies and the terms of the agreement with the borrower. The Company shall not engage in undue harassment, such as persistent calls at odd hours or the use of coercion for loan recovery.
- Written requests from customers for transfer of liabilities shall be duly evaluated, and written confirmation or rejection shall be communicated within 21 days after due diligence.
- If any third-party agencies engaged for outsourcing loan recovery or other services shall be shortlisted and empaneled following due diligence.

11. Regulations on Rate of Interest

- The company shall establish a formalized framework for determining the rate of interest, including penalties, for each borrower prior to granting a loan or lending facility.
- The Board of Directors shall approve the interest rate model, considering factors such as the cost of funds, margin, risk premium, and other relevant elements to determine the interest rates on loans, advances, and processing charges.

- The company shall disclose the rate of interest and rationale for any risk-based gradation to the borrower, providing this information in the application form, sanction letter (physical or digital), and on the relevant website/application.
- Any changes to the rates of interest shall be promptly updated on the company's website/application or any other published medium to ensure borrowers are informed of the latest rates.
- The interest rate shall be communicated as an annualized rate, with a clear explanation of how it is applied, ensuring the borrower fully understands the charges to be applied to their loan.
- A periodic review of the Fair Practices Code compliance and grievance redressal mechanism shall be conducted by the company, and consolidated reports of these reviews shall be submitted to the Board of Directors regularly, especially when the company has lending exposures.

12. Penal Charges

- The company shall ensure that 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.
- The company shall ensure that 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.
- The penal charges in case of loans sanctioned to 'individual borrowers, for purposes other than business', shall not be higher than the penal charges to nonindividual borrowers for similar non-compliance of material terms and conditions
- 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, in addition to being displayed on websites of the company's under Interest rates and Service Charges.
- The company shall ensure that 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.

13. Key Fact Statements

- The company shall provide a KFS to all prospective borrowers to help them take an informed view before executing the loan contract, as per the standardised format given by the RBI
- The company shall ensure that the KFS shall be written in a language understood by such borrowers. Contents of KFS shall be explained to the borrower and an acknowledgement shall be obtained that he/she has understood the same.
- The KFS shall be provided with a unique proposal number and shall have a validity period of at least three working days for loans having tenor of seven days or more, and a validity period of one working day for loans having tenor of less than seven days.
- The KFS shall also include a computation sheet of annual percentage rate (APR), and the amortisation schedule of the loan over the loan tenor. APR will include all the charges which are levied by the company
- Charges recovered from the borrowers by the company on behalf of third-party service providers on actual basis, such as insurance charges, legal charges etc., shall also form part of

the APR and shall be disclosed separately. In all cases wherever the charge is involved in recovering such charges, the receipts and related documents shall be provided to the borrower for each payment, within a reasonable time.

- Any fees, charges, etc. which are not mentioned in the KFS, cannot be charged by the company to the borrower at any stage during the term of the loan, without explicit consent of the borrower.
- The KFS shall also be included as a summary box to be exhibited as part of the loan agreement.

14. Responsible Lending Conduct for release of movable/immovable property

Upon full repayment or settlement of the loan account, the Company shall:

- Release all original movable/immovable property documents within 30 (thirty) days from the date of closure of the loan account.
- File necessary charge satisfaction forms with the relevant registry to remove the charge created on the property, within the same 30-day period.
- Provide the borrower with an option to collect the original documents either from:
 - a. The branch or office where the loan account was serviced, or
 - b. Any other office of the Company where the documents are available, as per the borrower's written preference.
- Clearly mention the timeline and the designated place for return of such original documents in all loan sanction letters issued on or after the effective date of this policy.
- In the unfortunate event of the demise of the sole borrower or any/all joint borrowers, the Company shall follow a well-defined procedure for handing over the original property documents to the legal heirs. This procedure shall be publicly available on the Company's website, along with other relevant customer service policies.
- In case of any delay by the Company in releasing the original property documents or in filing the charge satisfaction form with the appropriate registry beyond 30 days from full repayment/settlement, the Company shall:
 - a. Communicate the reasons for the delay to the borrower, and
 - b. Compensate the borrower at ₹5,000 (Rupees Five Thousand only) per day of delay, where such delay is attributable to the Company.
- In the event of loss or damage to the original documents (in part or in full), the Company shall bear the cost and assist the borrower in obtaining duplicate or certified copies of the lost/damaged documents, and
- Pay the above-mentioned compensation of ₹5,000 per day, as applicable.
- In such cases, the Company shall be allowed an additional 30-day period (i.e., a total of 60 days) before the compensation becomes effective.

15. Complaint about Redressal Mechanism

- A grievance redressal mechanism within the organization has been set up to resolve disputes arising in this regard of the stakeholders. This Forum will ensure that all the disputes arising out of the decisions the Company's functionaries are heard and disposed of at least at the next higher level.

- The company shall display the information of the Grievance Redressal Officer in its website for their customer. The following information of the officer shall be incorporated

Name: Aarti Pandey
Email-ID: newberry@gmail.com
Contact No.: 022 48818487

- The concerned officer shall be liable to resolve grievances of the customers against the company.
- If the complaint / dispute is not redressed within a period of 30 working days, the customer may appeal to the following Officer-in-Charge of the Mumbai Regional Office of Department of Non-Banking Supervision of the Reserve Bank of India:

The Officer-In-Charge,
Department of Supervision,
Reserve Bank of India,
Mumbai Regional Office.

Telephone No. : +91 022 2260 1000
Email ID : dnbsmro@rbi.org.in

16. Non - Discrimination

The Company shall be strictly prohibited to engage in any form of discrimination towards the Company's existing as well as potential stakeholders (including customers) based on gender, race or religion etc. Any complaints for violation of the same are to be communicated immediately to the Grievance Redressal Officer of the Company, whose communication details have been stated above. Further, the customer is entitled to seek relief as stated below.

The company shall also not discriminate in extending products and facilities including loan facilities to physically/visually challenged applicants on grounds of disability.

17. Exception Handling

The policy shall always be updated with extant regulatory provisions. However, in case of conflict between the Policy and regulations, the regulatory provisions shall always supersede the policy.

The updated policy shall be adhered at all the times and exceptions if any to the policy shall be approved by the board of directors after recording a reason in writing.

18. Adoption, Effective Date and Review

This policy has been adopted vide resolution of the Board of Directors of the Company dated 17th June 2025. This policy shall be applicable organization wide with effect from 17th June 2025. This policy shall be reviewed by the Board of Directors on atleast an Annual basis.

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