

Fair Practice Code



GOYAL ASSOCIATES LIMITED



GOYAL ASSOCIATES LIMITED

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Registered Office: 401, Phoenix Complex,
Waghodia Road, Vadodara, Gujarat, India, 390019.

FAIR PRACTICE CODE

1. INTRODUCTION

The Fair Practices Code aims to inform all those associated with Goyal Associates Ltd. ("NBFC" or "the Company") about the practices followed in providing financial services. This information will help customers and borrowers make informed decisions regarding the financial services they wish to avail. The Fair Practice Code applies to any loan sanctioned and disbursed by Goyal Associates Ltd.

Goyal Associates Ltd., a Non-Banking Finance Company ("NBFC") registered with the Reserve Bank of India ("RBI"), is currently engaged in providing personal loans to its customers. The Company has adopted the Fair Practices Code ("FPC") in accordance with the Reserve Bank of India, by its notification no. DNBR (PD) CC.No.054/03.10.119/2015-16 dated 1st July 2015 has prescribed the broad guidelines on fair practices that are to be framed. The Company will update the FPC to align with the standards prescribed by the RBI from time to time. Goyal Associates Ltd. will adhere to this FPC in both letter and spirit, ensuring its applicability to its business operations.

The Company has framed and adopted this Fair Practices Code ("Code" or "FPC"), which outlines the principles for fair practice standards when dealing with customers. In compliance with RBI directives, the Company has implemented this Code. The FPC has been duly approved by the Board of Directors of the Company and applies to all categories of products and services offered by the Company, whether physically or through any digital lending platform, currently available or introduced in the future.

The FPC, approved by the Board of Directors, will be disclosed on the Company's website. Developed based on RBI guidelines, this FPC assures all borrowers of the Company's commitment to fair dealing and transparency in its business transactions.

Corporate Office : - Plot No. 57, Dwarka Central, 5th Floor Hitech City Road, VIP Hills, Jai Hind Enclave,
Madhapur, Telangana, India, 500081.



CIN: L74999GJ1994PLC023281



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2. KEY OBJECTIVES OF THE CODE

The Code has been developed with an objective of:

- To promote good and fair practices by establishing minimum standards for dealing with customers.
- To increase transparency, enabling customers to have a better understanding of what they can expect from the services.
- To foster a fair and cordial relationship between customers and the Company.

3. APPLICATION FOR LOANS AND THEIR PROCESSING

- The Company shall ensure that all communications to borrowers are made in English or any vernacular language. Loan application forms will include necessary information affecting the borrower's interests, enabling them to make meaningful comparisons with terms and conditions offered by other NBFCs or lenders and make informed decisions. Additionally, the application form will clearly indicate the required documents to be submitted.
- For digital lending products, the sanction letter will be accompanied by a standardized Key Fact Statement (KFS). This KFS will provide information about the Annual Percentage Rate (APR), recovery mechanism, details of grievance redressal, and various applicable charges and fees related to the proposed loan. Before sanctioning the loan, the Company will assess the borrower's ability to repay the loan.
- After the disbursement of the loan amount, the Company will issue an acknowledgment via email to the borrower, subject to receipt of complete information as per the standard application format. Occasionally, additional information and support documents may be necessary during the processing of the application.
- Applications that are complete in all respects will be processed within a reasonable period, not exceeding 21 days from the date of receipt of the duly completed Loan Application Forms and requisite documents, in compliance with prevailing rules and regulations. If the proposal is not approved, the borrower will be notified accordingly.



4. LOAN APPRAISAL AND TERMS & CONDITIONS

- The loan applications will undergo the Company's credit appraisal process and a thorough due diligence on the creditworthiness of customers/borrowers, which is a crucial factor in the decision-making process for loan approvals. Goyal Associates Ltd. will communicate the sanctioned loan amount and the associated terms and conditions, including the annualized rate of interest and its application method, in writing through a sanction letter. For app-based or paperless loans, these details will be conveyed via email to the borrower's registered email address.
- Goyal Associates Ltd. will maintain records of customers'/borrowers' acceptance of the terms and conditions governing the loan sanction. For app-based or paperless loans, the borrower's request for disbursement of the sanctioned loan amount or a portion thereof will be considered as acceptance of these terms and conditions.
- Upon sanctioning or disbursing loans, Goyal Associates Ltd. will provide all customers/borrowers with a copy of the loan agreement or terms and conditions, along with all enclosures mentioned in the loan agreement.

5. DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS

- The borrower shall enter into a loan agreement with the Company, containing all standard and specific terms and conditions. Before seeking disbursement, the borrower must execute the requisite documents.
- The Company will notify the borrower in writing or through electronic means, in a vernacular language or English as understood by the borrower, of any changes in the terms and conditions, including the EMI schedule, interest rates, service charges, and overdue interest charges. Changes in interest rates and other charges will only be effected prospectively, and a suitable condition to this effect will be incorporated into the loan agreement.
- Unless otherwise permitted or required under applicable regulations or statute, the complete disbursal of the loan amount shall be made directly to the borrower's bank account without any pass-through accounts, or to a specified account if there is a specific purpose for the loan proceeds. Any decision to recall or accelerate payment or performance under the arrangement will be in accordance with the loan agreement.

6. COLLECTION OF DUES

Whenever loans are granted, the Company will explain the repayment process to the customer, detailing the amount, tenure, and periodicity of repayment as specified in the EMI Schedule. If the customer fails to adhere to the repayment schedule, a defined recovery process will be followed in accordance with the laws. This process includes sending reminders via email, calls, SMS or any mode of communication.

Company staff or any third party authorized to represent the Company in the collection of dues will identify themselves and display an authority letter and identity card issued by the Company upon request. Customers will be provided with all necessary information regarding overdue amounts. Staff members will be trained to manage customers appropriately, and any collection or recovery will be deposited directly into the Company's bank account without using pass-through accounts.

During visits for dues collection, the following guidelines will be followed:

1. Customers will be contacted at their preferred location or, in the absence of a specified place, at their residence or place of business/occupation.
2. The representative's identity and authority to represent the Company will be made known at the first instance.
3. The customer's privacy will be respected, and interactions will be conducted in a civil manner.
4. Representatives will not use threatening or abusive language, nor will they threaten violence or harassment towards the borrower, their family, friends, or coworkers.
5. Contact will be made between 08:00 AM and 07:00 PM (or 09:00 AM to 06:00 PM for Microfinance Loans), unless exceptional circumstances require otherwise.
6. The Company will not mislead borrowers about the extent of the debt or the consequences of non-repayment, nor will it publish the names of borrowers.
7. The time and number of calls, as well as the contents of conversations, will be documented.
8. All efforts will be made to resolve disputes or differences in a mutually acceptable and orderly manner.

9. Decency and decorum will be maintained during visits for dues collection, adhering to the board-approved collections policy of the Company.

7. GENERAL

The Company will refrain from interfering in the affairs of the borrower except as provided in the terms and conditions of the loan agreement, unless new, undisclosed information comes to the Company's notice. The Company will be accountable for any inappropriate behavior by its employees or those of outsourced agencies and will provide timely grievance redressal.

Upon receiving a request from the borrower for the transfer of their account, the Company will convey its consent or objection within 21 days of receiving the request. Such transfers will be conducted transparently and in accordance with the law. The Company will not engage in undue harassment, such as persistently contacting borrowers at odd hours or using muscle power for recovery. To prevent rude behavior, staff will be adequately trained to interact appropriately with customers.

The Company will not disclose borrowers' transaction details to any third party except under the following circumstances:

- When required by applicable law or government authority.
- When required by auditors, professional advisors, agents, or third-party service providers under a duty of confidentiality.
- When necessary for agreements involving transfer, assignment, or participation.
- When required by other banks or credit information bureaus if the borrower has availed of facilities from them.

For loans sourced through digital lending platforms, the Company will ensure:

- Disclosure of the names of digital lending platforms engaged as agents on the Company's website.
- That these platforms disclose upfront to customers that they are acting on behalf of the Company.
- Issuance of a sanction letter on the Company's letterhead to the borrower immediately after sanction but before the execution of the loan agreement.

- Effective oversight and monitoring of the digital lending platforms engaged.
- Efforts to create awareness about the Company's grievance redressal mechanism.

8. GRIEVANCE REDRESSAL MECHANISM

The Company has established a grievance redressal mechanism to resolve disputes arising from its decisions. This mechanism ensures that disputes are heard and resolved at least at the next higher level of management. Details of the grievance redressal policy and the grievance redressal officer are available on the Company's website.

The compliance with the Fair Practices Code and the functioning of the grievance redressal mechanism will be periodically reviewed at various management levels.

Customers who wish to provide feedback or send in their complaint may use the following channels given below, between 10:00 am and 5:00 pm, from Monday to Friday (except on national holidays).

Grievance Redressal Officer (GRO)	Mr. Raja Shanker
Address	Plot No. 57, Dwaraka Central, 5 th Floor, Hitech city road, VIP hills, jai hind enclave, Madhapur, Telangana, India – 500081.
Phone Number	8977008131
Email	grievance@goyalassociateslimited.com

In case the complaint is not resolved within the given time or if he/she is not satisfied with the solution provided by GRO, the customer can approach to

Nodal Officer	Mrs. Sanchita Dad (CS)
Address	401, Phoenix Complex, Waghodia Road, Vadodara, Gujarat - 390019.
Phone Number	8977008171
Email	nodalofficer@goyalassociateslimited.com

- The Grievance redressal Officer will be available during office hours to receive the grievance of all customers. In the event of the Grievance redressal Officer not being available the head of the customer support team shall address the customer.

- After examining the grievance, the Grievance redressal Officer will send the final response within 30 working days of the receipt of the complaint/ grievance. During this time, Customers can write into us to check on the status of their grievance, and we will endeavour to respond to them as quickly as possible.
- Certain types of cases might need additional time due to the nature of the activities involved, for e.g., retrieval of documents. The Company will inform the Customers of such delay and provide expected timelines for resolution of the complaint.
- If the complaint/dispute is not redressed within a period of one month (either the complaint of the customer was rejected wholly or partly and the customer is not satisfied or the customer does not receive a reply), the customer may appeal to the Ombudsman or Deputy Ombudsman, in either of the following manner.
- Complaint made through online mode: The complaint may be lodged online through the designated portal i.e., <https://cms.rbi.org.in>
- Complaint made through electronic or physical mode: The complaint may be made either electronically or physically in the specified format to the Centralised Receipt and Processing, notified by RBI –

Centralised Receipt and Processing Centre (CRPC)
Reserve Bank of India
Near Gandhi Bridge,
Income Tax Circle,
Ashram Road, Ahmedabad – 380014
Email: crpc@rbi.org.in

9. INTEREST RATE

- The Board of Directors has adopted an interest rate model to determine the rates of interest charged on loans and advances, as well as processing and other charges. This model considers factors such as the cost of funds, margin, and risk premium. The Interest Rate Policy, which outlines the rate of interest, the approach for risk gradations, and the rationale for charging different rates to various categories of borrowers, can be accessed at the Interest Rate Policy.



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- The Company ensures that the rate of interest and the approach for risk gradations are disclosed to the borrower in the application form and explicitly communicated in the sanction letter. This information is also made available on the Company's website and is updated whenever there are changes in the rates of interest. The interest rate model is designed to provide transparency and fairness in determining the rates charged to distinct categories of borrowers.
- To ensure borrowers are fully informed, the Company provides annualized rates so that borrowers are aware of the exact rates that will be charged to their accounts. This approach helps borrowers understand the precise financial commitments involved.

10. RESPONSIBILITY OF BOARD OF DIRECTORS

The Board of Directors will periodically review compliance with the Fair Practice Code and the functioning of the grievance redressal mechanism at various levels of management. A consolidated report of these reviews will be submitted to the Board at regular intervals.

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