

**Fair Practice Code**  
**of**  
**Gujarat State Financial**  
**Services Limited**

(CIN: U65910GJ1992SGC018602)

This has reference to RBI Circular No.RBI/2012-13/416/DNBS.CC.PD No.320/03.10.01/2012-13 dated February 18, 2013, wherein the Reserve Bank of India (RBI) has revised the guidelines on Fair Practices Code for NBFCs to implement the same.

The Fair Practices Code, as mentioned herein below, is in conformity with these Guidelines on Fair Practices Code for NBFCs as contained in the aforesaid RBI Circular. This sets minimum Fair Practice standards for the Company to follow when dealing with customers. It provides information to customers and explains how the Company is expected to deal with them on a day to day basis.

This policy applies to all customers including those with any complaints / enquiries as posted on social / any other media and we encourage all customers to reach out to the below platforms as required.

### **Objective of the Fair Practice Code**

The code has been developed with an objective of:

- (1) Ensuring and promoting good and fair practices while dealing with customers.
- (2) Providing greater transparency enabling customers in having a better understanding of the product and taking informed decisions.
- (3) Building customer confidence in the Company by promoting fair and cordial relationship.

### **Applications for Loans and their processing**

GSFS lends to Government of Gujarat owned entities. The 'Application Form / Loan Request Letter' for these lending are different depending upon the requirement of each Borrower and will include all information that is required to be submitted by the Borrower such as Type of Loan, Amount of Loan, Time period etc. GSFS shall intimate the list of documents required to be submitted by the Borrowers along with the loan request.

Necessary information will be provided to facilitate the Borrower in making a meaningful comparison with similar terms and conditions offered by other Non Banking Finance Companies (NBFCs) and taking an informed decision based on the aforesaid comparison.

GSFS takes approval from the Finance Committee consisting of three Directors and issue a Sanction Letter, if approved. GSFS would inform the Borrower about its decision within reasonable period of time from the date of receipt of all the required information in full.

### **Loan appraisal and terms/ conditions**

GSFS shall convey in writing to the Borrower by way of a sanction letter or otherwise, the amount of limit sanctioned along with all the terms and conditions including annualized rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on GSFS's record. Any clause relating to penal interest charged for late repayment will be specified in bold

in the Sanction Letter / Loan Agreement. GSFS at the time of sanction / disbursements of loans will furnish a copy of loan agreement to the borrower, if agreed to be executed.

### **Disbursement of loans including changes in terms and conditions**

Through website of GSFS ([www.gsfs.co.in](http://www.gsfs.co.in)) or any other mode like letter / mail etc. or as appropriate if specific to a customer, GSFS will give Notice to its Borrower(s), of any change in the terms and conditions of the sanction. GSFS will also ensure that changes in interest rates and charges are affected only prospectively. Decision to recall/ accelerate payment or performance under the Sanction letter will be in consonance with the respective terms of Sanction Letter.

GSFS will release all securities, if any, of its Borrower only on repayment of all dues by such Borrower, or only on realization of the outstanding amount of the Borrower's availed limit, subject to any legitimate right or lien for any other claim which GSFS may have against its Borrower. If such right of set off is to be exercised, the Borrower will be given notice about the same with full particulars about the remaining claims and conditions under which GSFS will be entitled to retain the securities till the relevant claim is settled or paid by the Borrower. If required and desired, No Due certificate will be issued to the customer on fulfillment of said terms within 10 workings days of completion of formalities.

### **General**

GSFS will refrain from interference in the affairs of its Borrower except for the purposes provided in the terms and conditions of the respective loan agreement, if any, / sanction letter (unless new information, not earlier disclosed by the Borrower, which may come to the notice of GSFS)

In case of receipt of request from the Borrower for transfer of Borrower account, the consent or otherwise i.e. objection of GSFS, if any, should generally be conveyed to such Borrower within 15 days from the date of receipt of the Borrower's request. Such transfer will be as per transparent contractual terms in consonance with all the applicable laws.

In the matter of recovery of outstanding dues of its Borrower, GSFS does not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans/dues, etc. Training will be imparted to ensure that staff is adequately trained to deal with customers in an appropriate manner.

### **Grievance Redressal Mechanism**

In the present competitive scenario, excellent customer service is an important tool for sustained business growth. Customer complaints are part of the business life in any corporate entity.

At GSFS, customer service and satisfaction are our prime focus. We believe that providing prompt and efficient service is essential not only to attract new customers, but also to retain existing ones. GSFS has come up with a lot of initiatives that are oriented towards providing a better customer experience and an efficient complaints redressal mechanism with a view to providing enhanced experience to our customers.

In order to make GSFS's redressal mechanism more meaningful and effective, a structured system has been built. This system would ensure that the redressal sought is just and fair and is within the given frame- work of rules and regulation.

#### **a. Machinery to handle customer complaints/ grievances**

Customers who wish to provide feedback or send in their complaint may use the following channels between 9:30 am and 5:30 pm, from Monday to Friday (except on national holidays).

- Call on: 079-27912527-28-29-30 or
- Email at [secretarial@gsfs.in](mailto:secretarial@gsfs.in) or
- Write at the below mentioned address:

Gujarat State Financial Services Limited  
"B" Wing, 3<sup>rd</sup> Floor, Khanij Bhavan, Near University Ground  
132ft Ring Road, Vastrapur, Ahmedabad – 380 052

In case the complaint is not resolved within the given time or if he/she is not satisfied with the solution provided by GSFS, the customer can approach the Complaints Redressal Officer. The name and contact of the Grievance Redressal Officer (Level – I) is as follows:

Shri Neeraj Jain, Company Secretary  
Tel. No.: 079-27912527-28-29-30

We assure a response to letters / emails received through this channel within 10 days.

In case the complaint is not resolved within the given time frame or if he/she is not satisfied with the solution provided, the customer can Appeal the Complaints Redressal Officer (Level – II). The name and contact of the Grievance Redressal Officer (Level – II) is as follows:

Shri Hemant Pant, VP  
Tel. No.: 079-27912527-28-29-30  
Email Id: [secretarial@gsfs.in](mailto:secretarial@gsfs.in)

We assure a response to letters / emails received through this channel within 15 days.

If the complaint/dispute is not redressed within a period of one month, the customer may appeal to Officer-in-Charge of the Regional Office of Department of Non Banking Supervision of RBI under whose jurisdiction the Registered Office of the GSFS falls. The details of DNBS is as given below:

Dy. General Manager, Department of Non-Banking Supervision  
Reserve Bank of India, Gujarat Regional Office  
Near Income Tax Circle, Ashram Road, Ahmedabad – 380 009  
Tel. No.: +91-79-2754 0581  
Email Id: [dnbsahmedabad@rbi.org.in](mailto:dnbsahmedabad@rbi.org.in)

## **b. Mandatory display requirements**

GSFS has the following at its office:

- Appropriate arrangement for receiving complaints and suggestions.
- Display of the name, address and contact number of the Grievance Redressal Officer

The process of the complaints redressal will ensure closure of all complaints to the customers' satisfaction.

They will ensure that the complaint is escalated to the appropriate levels in case it is not possible to resolve at his/her level. Whilst the ultimate endeavour is to ensure we reach a situation where our customers don't have to complain to senior management / RBI to get an effective redressal, we have put in a robust mechanism to handle these complaints, review them from a point of view of understanding reasons for the complaint and for the escalation and working on prevention of recurrence thereof.

## **c. Time frame**

To register complaints, the customers may use any of the channels mentioned above (refer point (a) on Internal Machinery to handle the customer complaints). If the complaint has been received in writing, GSFS will endeavor to send an acknowledgement / response within a week. Once the matter is examined, GSFS endeavours to either send a final response to the customer or an intimation seeking more time within 10 days upon receipt of complaint. The customers not satisfied with the response, may appeal to Grievance Redressal Officer (Level – II).

The complaints that are received at our end will be seen in the right perspective and would be analyzed from all possible angles.

The communication of GSFS's stand on any issue will be provided to the customers. Complaints that require some time for examination of issues involved will be acknowledged promptly.

The aforesaid policy will be reviewed periodically /revised as and when there are any new changes incorporated by GSFS in handling complaints / grievances of the customer which includes introduction of new grievance channels, if any.

## **Regulation of Excessive Interest charged**

The Company has laid down appropriate internal principles and procedures in determining interest rates and other charges.

The Company takes into account cost of funds, asset-liability position, margin and risk premium for determining rate of interest to be charged for loans and advances.

The rate of interest to be charged depends much upon the gradation of the risk of borrower viz. the financial strength, business, regulatory environment affecting the business, competition, past history of the borrower etc. The rate of interest will be annualized so that the borrower is aware of the exact rates that would be charged to the account.