బెల్‌స్టార్ మైక్రోఫైనాన్స్ లిమిటెడ్

(ముత్తూట్ ఫైనాన్స్ లిమిటెడ్ యొక్క అనుబంధ సంస్థ)

జీవనోపాధిని పుష్టిస్తోంది... జీవితాలను మారుస్తోంది

బెల్‌స్టార్ మైక్రో ఫైనాన్స్ లిమిటెడ్

నమోదిత కార్యాలయం: న్యూ నెం.33 (పాత నంబరు 14), 48వ వీధి, 9వ అవెన్యూ, అశోక్ నగర్, చెన్నై-600 083.
టెలిఫోన్ నం: +91 -44-43414567/43414511, ఇమెయిల్ - bml@belstar.in, వెబ్ సైట్ - www.belstar.in

ఫెయిర్ ప్రాక్టీసెస్ కోడ్

[illegible]

SMA ఉప వర్గాలు / NPA	[illegible]
SMA-0	[illegible]
SMA-1	[illegible]
SMA-2	[illegible]
NPA	[illegible]

[illegible]

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BELSTAR MICROFINANCE LIMITED

Regd. Office: New No.33 (Old No. 14), 48th Street, 9th Avenue, Ashok Nagar, Chennai-600 083.
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FAIR PRACTICES CODE

Belstar Microfinance Ltd has a Board approved Policy on The Fair Practices Code, conforming its commitment to transparency, fair lending practices and compliance with regulatory guidelines. Brief features of this policy are as follows:

A. Application for loans and their processing

- The Standardised form of Loan Application will include documents required to be submitted along with the application form and the necessary information which affects the interest of the borrowers, so that borrowers can make informed decision after making a meaningful comparison with other NBFCs;
- Belstar gives acknowledgement for receipt of all loan applications which also contains the time frame within which the loan applications will be disposed of.

B. Loan appraisal and terms/conditions

- Belstar shall convey in writing to the borrower by means of sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions including Effective Annualized Interest Rate & its method of application.
- All the borrowers will be provided with a copy of the loan agreement and a standardised fact sheet on pricing of microfinance loans in the vernacular language along with a copy each of all enclosures quoted in the loan agreement, at the time of disbursement of loan.
- While assessing the eligibility of loans applied, Belstar will use the data of each client's current debt levels and repayment history as per Credit Bureau reports, in addition to its internal records and appraisal mechanism, to prevent over-borrowing by borrowers.

C. Disbursement of loans including changes in terms and conditions

- Belstar will give notice to the borrower in the vernacular language of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. which will apply prospectively.
- The exact due dates for repayment of a loan, frequency of repayment, breakup between principal and interest, examples of Overdue / Special Mention Account (SMA) / Non-Performing Asset (NPA) classification dates, etc. will be specified in the loan agreement.
- In case of non-repayment of the EMI on due dates as above, Belstar will flag the account as Overdue as part of Belstar's day-end process for the due date. Similarly, classification of the account as SMA or NPA (based upon the following table) shall also be done as part of Belstar's day-end process.

SMA Sub-categories / NPA	Basis for classification – Principal or interest payment or any other amount wholly or partly overdue
SMA-0	Upto 30 days
SMA-1	More than 30 days and upto 60 day
SMA-2	More than 60 days and upto 90 days.
NPA	More than 90 days

For Example: If due date of a loan account is 31.03.2022, and full dues are not received before Belstar runs the day-end process for this date, the date of overdue of this account shall be 31.03.2022. If it continues to remain overdue, then this account shall get tagged as SMA-1 upon running day-end process on 30.04.2022 i.e. upon completion of 30 days of being continuously overdue. Similarly, if the account continues to remain overdue, it shall get tagged as SMA-2 upon running day-end process on 30.05.2022. If this account continues to remain overdue further, it shall get classified as NPA upon running day-end process on 29.06.2022. If an account is classified as overdue / SMA / NPA, it is reported to Credit Bureaus and affects adversely the Credit Score of the Borrower.

Loan accounts once classified as NPAs shall be upgraded as 'Standard' asset only if the entire arrears of interest and principal are repaid in full by the borrowers. Hence, borrowers are advised to pay their EMIs on or before the due dates to maintain higher standards of their credit history in the reports of Credit Bureaus.

D. General

- All communications with the borrowers will be in the vernacular language.
- Belstar 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 notice).
- In the matter of recovery of loans, Belstar will not resort to any harsh methods viz. (i) Use of threatening or abusive language, (ii) persistently calling the borrowers before 8 am and after 6 pm, (iii) Harassing relatives, friends, or co-workers of the borrower, (iv) Publishing the name of borrowers, (v) Use or threat of use of violence or other similar means to harm the borrower or borrower's family/ assets/ reputation, (vi) Misleading the borrower about the extent of the debt or the consequences of non-repayment.
- Belstar will ensure that the staff are adequately trained to deal with the customers in an appropriate manner. Belstar will be accountable for preventing inappropriate staff behaviour;
- Belstar shall issue duly signed receipt/ sms to registered mobile then and there acknowledging the receipt of any payment made by borrowers to Belstar.
- All sanctioning and disbursement of loans will be done only at Belstar's branches and more than one individual will be involved in this function.
- Belstar provides loans under qualifying assets, without any collateral. For non-qualifying assets, if Belstar takes securities, it will release all securities on repayment of all dues or on realisation of the outstanding amount of loan subject to any legitimate right or lien for any other claim Belstar may have against the borrower. If such a 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 Belstar is entitled to retain the securities till the relevant claim is settled/paid.

E. Responsibility of Board of Directors

The Board of Directors of Belstar have laid down an appropriate Grievance Redressal Mechanism within the organization to resolve customers' complaints, which will be periodically reviewed along with compliance of Fair Practices Code.

F. Grievance Redressal Officer

At the operational level, Belstar will display at its branches the name and contact details (Telephone / Mobile number and email address) of the Principal Nodal Officer at Head Office (for grievance redressal) who can be approached by the public for resolution of complaints against the Company. If the complaint is not redressed by Belstar within a period of one month, then customers may complain to RBI under the RBI-Integrated Ombudsman Scheme, 2021.

G. Regulation of excessive interest charged

- Belstar's Board approved interest rate model considers relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances.
- The rates of interest and the approach for gradation of risks and change thereof, if any, shall also be disclosed in the application form / the sanction letter, pricing fact sheet. Belstar also shall display in all its offices the minimum, maximum and average interest rates charged on microfinance loans and also uploaded on its website (www. Belstar.in).

(I) Disclosures in loan agreement / loan card

a) Belstar's standard loan agreement form will contain the following:

- All the terms and conditions of the loan including the moratorium;
- Pricing of the loan involves only three components viz; the interest charge, the processing charge and the insurance premium;
- There will be no Security Deposit, Margin and Penal charges for advanced or delayed Payment nor any charge for training the borrowers;
- A borrower cannot be member of more than one SHG / JLG at a time;
- Belstar assures that the privacy of borrower's data will be respected.

b) Belstar's Loan Card includes the following:

- The simplified fact sheet on pricing;
- Information which adequately identifies the borrower and acknowledgements by Belstar of all repayments including instalments received and the final discharge;
- The Grievance Redressal System;
- Non-credit products issued will be with full consent of the borrowers and fee structure will be communicated in the loan card itself;

(J) Non-Coercive Methods of Recovery

- Recovery will normally be made only at a centrally designated places or at Branches of Belstar. Field staff will be allowed to make recovery at the place of residence or work of the borrower only if borrower fails to repay the EMIs at the designated place/branch on two or more successive occasions.
- Belstar's staff will be trained on conduct of employees towards customers.

(K) Internal control system

Belstar has an internal audit department which does periodic audit of all relevant aspects of the operations to check on the compliance of the Fair Practices Code.

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बेलस्टार माइक्रोफाइनेंस लिमिटेड

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उचित व्यवहार संहिता

[illegible]

SMA उप श्रेणियां/NPA	[illegible]
SMA-0	[illegible]
SMA-1	[illegible]
SMA-2	[illegible]
NPA	[illegible]

[illegible]

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