

Kotak Mahindra Investments Limited
Fair Practice Code

Approval authority	Board
Approved on	Jan, 2024
Owner of the policy	Compliance / Operations
Review frequency	Once in two years
Previous version no and date	1.08 dated Jan-2022

INTRODUCTION

The Reserve Bank of India has drafted the guidelines on Fair Practices Code for Non Banking Finance Companies which sets the fair practices standards when dealing with customers and to serve as a part of best corporate practice.

It is, and shall be, our policy to make credit products available to all qualified applicants without discrimination on the basis of race, caste, colour, religion, sex, marital status, age or handicap.

Our policy is to treat all the clients consistently and fairly. Our employees will offer assistance, encouragement and service in a fair, equitable and consistent manner. We will also communicate our Fair Practice Code to our customers by placing it on the company's website.

We shall ensure that charges/fees which affect the interest of the prospective borrowers are appropriately informed to the borrower. Terms and conditions pertaining to the facility will be conveyed to the prospective borrowers. We commit that disputes arising out of the lending decisions will be appropriately resolved by a grievance redressal mechanism set up by us.

We will ensure that the implementation of the Fair Practices Code is the responsibility of the entire organisation. The Company's Fair lending practices shall apply across all aspects of our operations including marketing, loan origination, processing, servicing and collection activities. Our commitment to Fair Practice Code would be demonstrated in terms of employee accountability, monitoring and auditing programs, training and technology.

The Company's Board of Directors and the management Team is responsible for establishing practices designed to ensure that our operations reflect our strong commitment to fair lending and that all employees are aware of that commitment.

Kotak Mahindra Investments Limited is committed to providing service of the highest quality to its clients.

This Fair Practices Code applies to the following categories of products and services offered by us (currently offered or which may be introduced at a future date)

Applications for loans and their processing

- The company shall make all communications to the borrower in vernacular or any other language as understood by the borrower.
- Necessary information will be provided by company to facilitate the Borrower in taking an informed decision.
- The Application Form/ other appropriate documents may also indicate the list of documents required to be submitted by the Borrowers along with the Application form.

Loan appraisal and terms/ conditions

- The company shall convey in writing to the borrower in the vernacular or any other language as understood by the borrower by means of sanction letter or otherwise, the amount of loan sanctioned along with 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 its record.
- The company shall mention the penalties charged for late repayment in bold in the loan agreement.
- The company shall adhere to RBI guidelines on Fair Practice Code on Penal charges.

- The company shall furnish a copy of the loan agreement as understood by the borrower along with a copy each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction / disbursement of loans.

Disbursement of loans including changes in terms and conditions

- The shall give notice to the borrower in the vernacular language or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc.
- The company shall also ensure that changes in interest rates and charges are affected only prospectively. A suitable condition in this regard shall be incorporated in the loan agreement.
- Decision to recall/accelerate payment or performance under the agreement shall be in consonance with the loan agreement.
- The company shall within 30 days of closure of loan account, release all securities subject to any legitimate right or lien for any other claim they 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 company is entitled to retain the securities till the relevant claim is settled/paid.

General

- The company shall refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless information, not earlier disclosed by the borrower, has been noticed)
- The company shall not charge foreclosure charges/ pre-payment penalties on any floating rate term loan sanctioned for purposes other than business to individual borrowers, with or without co-obligant.
- Company shall not discriminate in extending products and facilities including loan facilities to physically/visually challenged applicants on grounds of disability

Regulation of excessive interest

- The Company has laid down appropriate internal principles and procedures in determining interest rates and processing and other charges.
- The rate of interest to be charged depends upon the gradation of the risk of borrower viz. the financial strength, business, regulatory environment affecting the business, security offered, competition, past history of the borrower etc.

The company has an Asset and Liability Committee (ALCO) which will advise the businesses on the borrowing rates on a monthly basis considering all the above factors. The ALCO is also empowered to vary the rate of interest in between the month if any of the above factors undergo a significant change.

- The rates of interest and the approach for gradation of risks shall be made available on the website of the companies and shall be updated whenever there is a change; same shall also be communicated explicitly in the sanction letter.

Recovery of Loans

- We shall not resort to undue harassment for recovery of loans.
- The staff would be adequately trained to deal with customers in appropriate manner

Confidentiality

- Unless authorized by the customer we will treat all personal information as private and confidential.
- We will not reveal transaction details to any other entity including within the group other than the following exceptional cases:
 - If we have to provide the information by statutory or regulatory laws
 - If there is a duty to the public to reveal this information
 - If our interest requires us to provide this information (eg fraud prevention). We will not use this reason for giving information about customers to anyone else (including group companies) for marketing purposes.
- If we have taken the customers permission (for instance at the time of loan sanctioning) to provide such information to our group / associate / entities or companies for providing other products or services
- Where the customer asks us to reveal such information to our group / associate / entities or companies for providing other services or products

Review by Board of Directors

- Quarterly report on compliance with provisions of Fair Practice Code and Grievance Redressal mechanism shall be placed before Board of Directors.

GRIEVANCE REDRESSAL – CONTACT DETAILS

In case of any queries, please contact us/Email us at kmil.helpdesk@kotak.com

For any grievances, you may contact the Grievance Redressal Officer. Alternatively, you may send a written communication to our office at the following address:

Grievance Redressal Officer

Kotak Mahindra Investments Limited
12BKC, 3rd Floor, Plot C-12, G Block,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051
Name: Mr. Sandip Todkar Phone : (022) 67594904
Email : kmil.helpdesk@kotak.com

In case you are not satisfied with the decision of the above or have not received any response within 14 working days, you may escalate your grievances to Nodal officer.

Nodal Officer: - Mr. Jay Joshi

Email: Jay.Joshi@kotak.com
Phone (022) 6218-5307

If the complaint is not redressed within a period of 30 days, customer may approach and lodge a complaint to the Integrated RBI Ombudsman office. Customer can use Complaint lodging portal of the Ombudsman, to access the same.

Customer can refer Ombudsman scheme along with the salient features of the scheme, contact details of Nodal Officer and address of Integrated RBI Ombudsman offices on <https://www.kmil.co.in/ombudsman.html>

Review of Code

In case of any subsequent changes in the regulatory provisions, the relevant amended provisions would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law. This Policy shall be reviewed by the Board as and when any changes are to be incorporated in the Policy due to change in applicable law or at least once in every two years and updated accordingly.