

Fair Practises Code

Pursuant to the Notification issued by the Reserve Bank of India by its Circular No.RBI/2006-07/138 DNBS (PD) CC No.80/03.10.042/2005-06 dated September 28th, 2006, Aditya Birla Finance Limited (hereafter referred to as 'ABFL') has formulated this Fair Practices Code to lay down the following procedures/practices in dealing with the business transactions.

(i) Applications for Loans and their processing

(a) The Company offers various financial products including Loan against securities, IPO financing, Bills/ Invoice discounting.

The 'Application Form' of ABFL for each of these products offered by the Company would be different depending upon the requirement of each product which would include the complete information that is required to be submitted by the Borrower. Application form alongwith other information provided by ABFL would facilitate the Borrower to make its meaningful comparison with the similar terms and conditions offered by other Non Banking Finance Companies (NBFCs) and to take an informed decision based on the aforesaid comparison.

(b) The 'Application Form' of ABFL for each of these products offered by the Company also indicates the list of documents required to be submitted by the Borrowers along with the Application form.

(c) ABFL ordinarily has a mechanism of giving an acknowledgement for receipt of Application from to its Borrower for availing loans. ABFL would inform the Borrower about its decision within reasonable period of time from the date of receipt of all the required information in full.

(ii) Loan appraisal and terms/ conditions

ABFL shall convey in writing to the Borrower by way of a sanction letter, the amount of limit sanctioned along with all the terms and conditions including annualized rate of discount/ interest and method of application thereof, and keep the acceptance of these terms and conditions by the borrower on ABFL's record.

(iii) Disbursement of loans including changes in terms and conditions

(a) ABFL will give Notice to all its Borrowers, of any change in the terms and conditions of the sanction, including disbursement schedule, interest/ discount rates, service charges, prepayment charges etc. ABFL will also ensure that changes in discount/ interest rates and charges are effected only prospectively.

(b) Decision to recall/ accelerate payment or performance under the Agreement will be in consonance with the respective loan Agreement.

(c) ABFL will release all securities 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 ABFL 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 ABFL will be entitled to retain the securities till the relevant claim is settled or paid by the Borrower.

(iv) General

(a) ABFL 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 (unless new information, not earlier disclosed by the Borrower, which may come to the notice of ABFL).

(b) In case of receipt of request from the Borrower for transfer of Borrowal account, the consent or otherwise i.e. objection of ABFL, if any, is generally conveyed to such Borrower within 21 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.

(c) In the matter of recovery of outstanding dues of its Borrower, ABFL does not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans/dues, etc.

(v) Grievance Redressal Mechanism

Borrowers and others who have grievances in respect of decisions of ABFL's functionaries may address their grievances to Mr. Muthiah Ganapathy, Company Secretary, at muthiah.ganapathy@adityabirla.com.

The Board will periodically review the compliance of this Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management.

(vi) This Fair Practices Code will always be available on the website of ABFL - <http://www.adityabirlafinance.com>, for the information of its Borrowers and various stakeholders. Any enhancement(s) or change(s) in the scope of this code will be uploaded from time to time in future on the said website.