

Salient Features of the Ombudsman Scheme for Non-Banking Financial Companies, 2018

Grounds for filing a complaint by a customer (as covered under Chapter IV, Para 8 of the Scheme):

Any person may file a complaint with the Ombudsman having jurisdiction, on any one of the following grounds alleging deficiency in services:

- a) non-payment or inordinate delay in the payment of interest on deposits;
- b) non-adherence to the Reserve Bank directives, if any, applicable to rate of interest on deposits;
- c) non-repayment or inordinate delay in the repayment of deposits;
- d) non-presentation or inordinate delay in the presentation of post-dated cheques provided by the customer;
- e) failure to convey in writing, the amount of loan sanctioned along with terms and conditions including annualised rate of interest and method of application thereof;
- f) failure or refusal to provide sanction letter/ terms and conditions of sanction in vernacular language or a language as understood by the borrower;
- g) failure or refusal to provide adequate notice on proposed changes being made in sanctioned terms and conditions in vernacular language as understood by the borrower;
- h) failure or inordinate delay in releasing the securities documents to the borrower on repayment of all dues;
- i) levying of charges without adequate prior notice to the borrower/ customer;
- j) failure to provide legally enforceable built-in repossession clause in the contract/ loan agreement;
- k) failure to ensure transparency in the contract/ loan agreement regarding
 - i. notice period before taking possession of security;
 - ii. circumstances under which the notice period can be waived;
 - iii. the procedure for taking possession of the security;
 - iv. a provision regarding final chance to be given to the borrower for repayment of loan before the sale/ auction of the security;
 - v. the procedure for giving repossession to the borrower and

vi. the procedure for sale/ auction of the security;

l) non-observance of directions issued by Reserve Bank to the non-banking financial companies;

m) non-adherence to any of the other provisions of Reserve Bank Guidelines on Fair Practices Code for Non-Banking Financial Companies.

How can a customer file a complaint?

Step 1 – Written representation to the NBFC concerned.

Step 2 – At the end of one month if no reply is received by the customer from the NBFC or the customer remains dissatisfied with the reply of the NBFC and if the customer has not approached any forum, the customer can file a complaint with NBFC Ombudsman not later than one year from after the reply from NBFC.

How does Ombudsman take decision?

☑ Proceedings before Ombudsman are summary in nature.

☑ Promotes settlement through conciliation. If not reached, can issue Award/Order

Can a customer appeal, if not satisfied with decision of Ombudsman?

Yes, If Ombudsman's decision is appealable. Appellate Authority: Deputy Governor, RBI

This is an Alternate Dispute Resolution mechanism

The Customer is at liberty to approach any other court/forum/authority for the redressal at any stage.

Refer to www.rbi.org.in for further details of the Scheme.



GRIEVANCE REDRESSAL MECHANISM OF THE COMPANY ADOPTED BY THE BOARD ON 30.05.2024

- I. Any grievance received on the dispute arising out of the decisions of functionaries **below the level of Executive Vice President (EVP)** shall be heard and disposed of by the EVP within a period of fifteen (15) days from the date of receipt of such grievance.
- II. Any grievance received on the dispute arising out of the decisions of functionaries **at the level of Executive Vice President (EVP)** and above shall be heard and disposed of by the managing director within a period of fifteen (15) days from the date of receipt of such grievance.
- III. Any grievance received on the dispute arising out of the decisions of functionaries **at the level of Managing Director (MD) and disputes (if any) arising in relation to Fair Practice Code (FPC) of the company** shall be placed to the board within a period of thirty (30) days from the date of receipt of such grievance for Redressal.

Mr. Amit Garg, Senior Executive Vice President of the company is designated as 'Grievance Redressal Officer' of the company."

(Senior Executive Vice President)

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