

**Quest Capital Markets Limited**  
**(Earlier known as BNK Capital Markets Limited)**

**FAIR PRACTICE CODE**

**INTRODUCTION**

Quest Capital Markets Limited is a Non-Deposit Taking Non-Banking Financial Company registered with the Reserve Bank of India.

The Company had adopted a Fair Practice Code pursuant to RBI Circular dated 28th September, 2006 and was revised to comply with the Reserve Bank of India ("RBI") vide its Master Direction - Reserve Bank of India (Non-Banking Financial Company --Scale Based Regulations) Non-Banking Financial Company Directions, 2023 as amended, and bearing reference number DoR.FIN.REC.No.45/03.10.119/2023-24 ("Master Direction"). As instructed by the Reserve Bank of India, the Board of Directors, reviews the Fair Practice Code periodically and endeavor to revise the same regularly to comply with the amendments made by RBI in the regulations/provisions with respect to the fair practice code.

The Objectives of the Code are:-

- Follow good, fair and transparent business practices by setting reasonable standards;
- Encourage market forces, through fair competition, to achieve higher operating standards;
- Ensure transparency in the Company's dealings with its customers;
- Ensure compliance with legal norms in matters relating to recovery of advances;
- Strengthen mechanisms for redressal of customer grievances.

**I. Applications for loans and their processing**

- All communications to the borrower shall be in the English language or a language as understood by the borrower.
- KYC of the loan applicant to be done.
- The loan disbursement letter shall include the documents required to be submitted by the borrower.

**II. Loan Appraisal and Terms and Conditions**

- The Company shall convey in writing to the borrower in the English language or a language as understood by the borrower, by means of covering letter or otherwise, the amount of loan disbursed along with the terms and conditions including annualized rate of interest and shall keep on record the acceptance of these terms and conditions by the borrower.
- The Loan document shall contain the Penal interest charged for late repayment.



**III. Disbursement of loans including changes in terms and conditions**

- The Company shall give notice to its borrowers 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 provision in this regard shall be incorporated in the loan document.
- Decision to recall / accelerate payment or performance under the document shall also be in consonance with the loan document.
- The Company shall 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 the Company may have against a borrower. If such right of set off is to be exercised, the borrower is given a 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.

**IV. Regulation of excessive interest charged by NBFCs**

- The Board of Directors of the Company shall adopt an Interest Rate model taking into account 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 rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers shall be disclosed to the borrower or customer explicitly in the sanction letter.
- The rate of interest should be annualised rate so that the borrower is aware of the exact rates that would be charged to the account.

**V. General**

- The Company shall refrain from interference in the affairs of the borrower except for the purposes provided for in the terms and conditions of the loan document (unless new information, not earlier disclosed by the borrower, has come to the notice of the Company).
- In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise - i.e., objection of the Company, if any - shall be conveyed to the borrower within a reasonable time from the date of receipt of any request. Such transfer shall be as per transparent contractual terms in consonance with law.
- In the matter of recovery of loans, the Company shall apply all legal means and not resort to any harassment - such as persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc. The Company shall also make sure that adequate and proper training is provided to the staff to deal with customers in an appropriate manner.
- As a measure of customer protection and to bring uniformity with regard to payment of various loans by borrowers, the Company shall not charge foreclosure charge/pre-payment penalties on all floating rate term loans sanctioned to individual borrowers.



**VI. Grievance Redressal Mechanism**

The implementation of the Code shall be the responsibility of the entire organization. The Company shall make every effort to ensure that its dealing with customers is smooth and hassle free. Any complaint brought to Company's notice by a customer shall be resolved within a period of 30 days from the date of receipt.

All disputes / complaints arising out of the decisions of Company's functionaries would be heard and disposed of at least at the next higher level after it is brought to their notice.

The contact details of the Grievance Redressal Officer ("GRO") and the local office of RBI (which can be approached, will be displayed at the Registered office of the Company

The Company Secretary of the Company is designated as the "Grievance Redressal Officer" of the Company and can be approached by the public for resolution of complaints against the Company.

**VII. Review of the Code**

The Company shall review the Company's Fair Practice Code in every financial year based on its own experience, business need and RBI guidelines in this regard.

