

## **Fair Practice Code**

### **1. Introduction**

This Fair Practices Code has been prepared in compliance with the “Guidelines on Fair Practices Code for NBFCs” issued by the Reserve Bank of India and aims to provide its borrowers an effective overview of the practices followed by the Company and to enable borrowers to take informed decisions in respect of the financial facilities and services offered by the Company. The Code covers the general principles on adequate disclosures on the terms and conditions of the loan and the procedures to be followed when dealing with the borrowers. The Code applies to all categories of products and services offered by Wood capital Finance Limited (“the Company”)

### **2. Application of the Code**

- a. This Code shall apply to all the products and services, whether they are provided by Wood Capital, or Digital Lending Platforms (self-owned and/or under an outsourcing arrangement) across the counter, over the phone, by post, through interactive electronic devices, on the internet or by any other method. In case of outsourced lending platforms, Wood Capital shall meticulously follow regulatory instructions on outsourcing of financial services and IT services.
- b. The code shall be applicable across all aspects of operations including marketing, loan origination processing and servicing and collection activities and various service providers, engaged by Wood Capital. Our commitment to Fair Practice Code would be demonstrated in terms of employee responsibility, efficiency, monitoring and auditing programs, training and technology.
- c. Through regular training programs, meetings, circulars and other modes of the communication employees would be made aware of the code so that there is a strong commitment for fair and quality lending and efficient and fair services.

### **3. Applications for loans and their processing**

- a. All communications to the borrower shall be in the vernacular language or a language as understood by the borrower.
- b. Wood Capital shall transparently disclose to the borrower(s) all information regarding fee/charges payable for processing the loan application, the amount of fees refundable if loan amount is not sanctioned/disbursed or rejected, prepayment options and charges therein , if any, penalty for delayed repayment if any, conversion charges for switching loan from fixed to floating rates or vice versa, existence of any interest re-set clause and any other matter which affects the interest of the borrower(s). In other words, the Company shall disclose “all in cost” inclusive of all charges involved in processing/sanction of loan application in a transparent manner. It should also ensure that such charges/fees are non-discriminatory.
- c. Wood Capital shall not discriminate amongst physically challenged, disable/differently able or blind persons in any manner while dealing them. The Company shall treat such person with humanitarian approach and give priority over other visiting clients at the branch in attending

his queries/application of such persons. Also, the Company shall take special efforts to make it easy and convenient for customers like senior citizens, physically challenged, differently abled or blind and illiterate persons while providing service.

- d. Loan application forms shall include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other Wood Capital can be made and informed decision can be taken by the borrower. The loan application form may indicate the list of documents required to be submitted with the application form.
- e. Wood Capital shall devise a system of giving acknowledgement for receipt of all loan applications. Preferably, the time frame within which loan applications will be disposed should also be indicated in the acknowledgement.

#### **4. Loan appraisal, terms/ conditions, and communication of rejection of loan application**

Loan applications from all the customers are processed fairly. Wood Capital shall not discriminate while appraising loan applications across borrower segments. The Company shall conduct a due diligence on the credit worthiness of the borrower, which will be an important parameter for taking decision on the application. The assessment would be in line with the company's credit policies, norms and procedures in respect thereof.

- a. Normally all particulars required for processing the loan application shall be collected by the Wood Capital at the time of application. In case it needs any additional information, the customer should be told that he would be contacted immediately again.
- b. Wood Capital shall convey in writing to the customer in the vernacular language or a language as understood by the customer by means of sanctioned letter or otherwise, the amount of loan sanctioned along with the terms and conditions which shall include annualized rate of interest, method of application, EMI structure, pre-payment charges, penal interest and shall obtain written acceptance of these terms and conditions from the customer for record.
- c. Wood Capital shall mention the penal interest charged for late repayment in bold in the loan agreement.
- d. Wood Capital shall invariably furnish a copy of the loan agreement along with a copy of each of the enclosures quoted in the loan agreement to every borrower at the time of sanction/ disbursement of loans, against acknowledgement.
- e. If Wood Capital cannot provide the loan to the customer, it shall communicate in writing the reason(s) for rejection by sms/email/letter.

## **5. Disbursement of loans including changes in terms and conditions**

- a. The loan agreement executed by the borrower at the time of availing the loan shall carry all the details with regards to the terms & conditions applicable. It shall also carry details on the interest and other charges as would be applicable.
- b. The Wood Capital shall give advance notice to its customers in the vernacular language or a language as understood by the customer of change in the terms & conditions including disbursement schedule, interest rate, penal interest, service charges, prepayment charges, other applicable fees/charges etc. Moreover, the Company shall ensure that changes to interest rates and charges are imposed only “prospectively” and necessary clause is incorporated in the loan agreement with respect to this.
- c. Wood Capital ensure that the decision to recall/accelerate payment or performance under the agreement or seeking additional securities, the Company should be in consonance with the loan agreement.
- d. Wood Capital shall release all securities within 30 business working days on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim, Wood Capital 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 the Company are entitled to retain the securities till the relevant claim is settled /paid.

## **6. Loans sourced over Digital Lending Platforms**

Wood Capital shall comply with the instructions contained in circular on [“Guidelines on Digital Lending”](#) dated September 02, 2022, if applicable.

## **7. Responsibility of Board of Directors**

- a. The Board of Directors of Wood Capital has laid down the appropriate grievance redressal mechanism within the organization to resolve complaints and grievances. The mechanism ensured that all disputes arising out of the decisions of lending institution’s functionaries are heard and disposed of at least at the next higher level.
- b. The Board of Directors of Wood Capital shall provide for periodical review of the compliance of the Fair Practices Code and the functioning of the grievance’s redressal mechanism at various levels of management.

## **8. Complaints and Grievance Redressal**

- a. Wood Capital have a system and a procedure for receiving, registering and disposing of complaints and grievances in each of its offices, including those received on-line.

**Our Customer Grievance Mechanism as below:**

**Level-1**

You can contact the nearest physical branch OR alternatively can call at 01204100456 OR write to us at [customer.care@woodcapital.in](mailto:customer.care@woodcapital.in) for any queries/complaints. Our Branch Manager or Customer Service Team would resolve it within 7 working days from the date of receipt of the complaint.

**Level – 2**

In case we have not met your expectations at Level 1, you can escalate it to the Central Customer Service Team at the following email Id and we would ensure your issue/concern is resolved within 15 working days from the date of escalation or your issue.

Email id – [query@woodcapital.in](mailto:query@woodcapital.in).

**c. Level- 3**

In unlikely scenario where you are not satisfied with resolution provided to you at Level-2, you can escalate the complaint to our Grievance Redressal Officer who would ensure that your issue is resolved to your satisfaction within 30 working days of receipt of the complaint in the Corporate Office. You can connect us at the below mentioned address and email id,:

Mr. Pankaj Jaiswal (Grievance Redressal Officer)  
Wood Capital Finance Limited  
Wood Capital Finance Ltd. Ansal Plaza,  
Corporate Suites 3FCS#15, Sector-1, Vaishali,  
Ghaziabad. 201010  
Phone: 9821138944

Email: [complaints@woodcapital.in](mailto:complaints@woodcapital.in)

- b. If a complaint has been received in writing from a customer, Wood Capital shall endeavor to send him/ her an acknowledgement/ response within a week. The acknowledgement shall contain the name & designation of the official who will deal with the grievance. If the complaint is relayed over phone at Wood Capital's designated telephone helpdesk or customer service number, the customer shall be provided with a complaint reference number and be kept informed of the progress within a reasonable period of time.
- c. After examining the matter, Wood Capital shall send the customer its final response or explain why it needs more time to respond and shall endeavor to do so within six weeks of receipt of a complaint and he/ she should be informed how to take his/her complaint further if he/she is still not satisfied.
- d. Wood Capital publicized its grievance redressal procedure (e-mail id and other contact details at which the complaints can be lodged, turnaround time for resolving the issue, matrix for escalation, etc.) for lodging the complaints by the aggrieved borrower and ensure specifically that it is made available on its website.

Wood Capital shall clearly display in all its offices/ branches and on the website that in case

the complainant does not receive response from the Company within a period of one month or is dissatisfied with the response received, the complainant may approach the Complaint Redressal Cell of DOS, RBI by lodging its complaints online on the website of RBI or through post to RBI.

#### **9. Language and mode of communicating Fair Practice Code**

- a. Fair Practices Code (in vernacular language) based on the directions outlined hereinabove shall be put in place by Wood Capital with the approval of Board.
- b. The same shall be put up on Wood Capital website, for the information of various stakeholders.

#### **10. Regulation of excessive interest charged by Wood Capital**

- a. The Board of Wood Capital 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 gradation of risk and rationale for charging different rate of interest to different categories of borrowers shall be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.  
The Board of the Wood Capital shall also have clearly laid down policy for penal interest/charges (if any).
- b. The rates of interest and the approach for gradation of risks, and penal interest (if any) shall also be made available on the website of the companies or published in the relevant newspapers. The information published on the website or otherwise published shall be updated whenever there is a change in the rates of interest.
- c. The rate of interest and penal interest (if any) must be annualised rate so that the borrower is aware of the exact rates that would be charged to the account.
- d. Instalments collected from borrowers should clearly indicate the bifurcation between interest and principal.

#### **11. Excessive interest charged by Wood Capital**

Wood Capital shall lay out appropriate internal principles and procedures in determining interest rates, processing and other charges (including penal interest, if any). In this regard the directions in the Fair Practices Code about transparency in respect of terms and conditions of the loans are to be kept in view. The Company shall put in place an internal mechanism to monitor the process and the operations so as to ensure adequate transparency in communications with the borrowers.

#### **12. Advertising, Marketing and Sales**

- a. Wood Capital shall take maximum steps to ensure that all advertising and promotional material is clear and factual.
- b. In any advertising in any media and promotional literature that draws attention to a service or product and includes a reference to an interest rate, Wood Capital shall also indicate whether other fees and charges shall apply and that full details of the relevant terms and

conditions are available on request or on the website.

- c. It shall provide information on interest rates, common fees and charges through putting up notices in their branches, through telephones or help-lines, on the Wood Capital web-site, through designated staff/help desk or providing service guide/tariff schedule.
- d. In case of engagement of third party/ies for the purpose of providing support services, the company shall ensure that the third party/ies do handle the customer's personal information with the same degree of confidentiality and security as when the exercise may have been shouldered by Wood Capital on its own.
- e. Wood Capital shall from time to time, communicate to its customers various features of their products availed by them. Information about their other products or promotional offers in respect of products/services, may be conveyed to customers only if he/she/they has/have given his/her/their consent to receive such information/service either by mail or by registering for the same on the website or on customer service number.
- f. Wood Capital shall apply/prescribe the code of conduct to their Direct Selling Agents/Direct Marketing Agents, if any, whose services are availed to market products/services which amongst other matters require them to identify themselves when they approach the customer for selling products personally or through phone.
- g. The Company shall adopt the Model Code of Conducts for Direct Selling Agents (DSAs)/ Direct Marketing Agents (DMAs) with the approval of the Board.
- h. In the event of receipt of any complaint from the customer, that Wood Capital representative/courier or marketing agents has/have engaged in any improper conduct or acted in violation of this Code, appropriate steps shall be initiated to investigate and to handle the complaint/grievance.

### **13. Guarantors**

The Company must inform the following information to the person considering to be a guarantor to a loan,

- a. His/her liability as guarantor;
- b. The amount of liability he/she will be committing him/herself to Wood Capital;
- c. circumstances in which the Wood Capital will call on him/her to pay up his/her liability;
- d. whether Wood Capital has recourse to his/her other monies if he/she fail to pay up as a guarantor;
- e. Whether his/her liabilities as a guarantor are limited to a specific quantum or are they unlimited; and
- f. time and circumstances in which his/her liabilities as a guarantor shall be discharged as also the manner in which the Wood Capital will notify him/her about this;
- g. In case the guarantor refuses to comply with the demand made by the creditor/lender, despite having sufficient means to make payment of the dues, such guarantor would also be treated as a wilful defaulter

Wood Capital shall keep him/her informed of any material adverse change/s in the financial position of the borrower to whom he/she stands as a guarantor.

### **14. Privacy and Confidentiality**

All personal information of customers (present and past) shall be treated as private and confidential. Wood Capital shall not reveal transaction details of the customers' accounts, to a third party, including entities in the group, other than in the following exceptional cases when the Wood Capital is allowed to do:

- a. If Wood Capital have to give the information by law;

- b.** If there is a duty towards the public to reveal the information;
- c.** If Wood Capital interests require to give the information (for example, to prevent fraud) but Wood Capital shall not use this as a reason for giving information about its customer or its customers' accounts (including name and address) to anyone else, including other companies in the group, for marketing purposes;
- d.** If the customer asks it to reveal the information, or if Wood Capital has the customers' permission to provide such information to group/associate/entities or other companies when they have tie - up arrangements for providing other financial service products;
- e.** If written permission has been obtained from the customer to provide reference of the respective customer;
- f.** The customer shall be informed the extent of his / her rights under the existing legal framework for accessing the personal records that Wood Capital holds about him /her.
- g.** Wood Capital shall not use customer's personal information for marketing purposes by anyone including Wood Capital unless the customer specifically authorizes them to do so.

## **15. General:**

- a. Wood Capital 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).
- b. In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise i.e., objection of the Wood Capital, if any, shall be conveyed within 30 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.
- c. Whenever loans are given, Wood Capital shall explain to the customer the repayment process by way of amount, tenure and periodicity of repayment. However, if the customer does not adhere to repayment schedule, a defined process in accordance with the laws of the land shall be followed for recovery of dues. The process will involve reminding the customer by sending him/ her notice or by making personal visits and/or repossession of security if any.
- d. In the matter of recovery of loans, Wood Capital shall not resort to harassment viz. persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc. As complaints from customers also include rude behaviour from the staff of the companies, the Company shall ensure that the staff is adequately trained to deal with the customers in an appropriate manner.
- e. Wood Capital shall not charge pre-payment levy or penalty on pre-closure of housing loans under the following situations:
  - Where the housing loan is on floating interest rate basis and pre-closed from any source.
  - Where the housing loan is on fixed interest rate basis and the loan is pre-closed by the borrower out of their own sources.

The expression "own sources" for the purpose means any source other than by borrowing from a bank/ HFCs/ NBFC and/or a financial institution.

- f. All dual/ special rate (combination of fixed and floating) housing loans will attract the pre-closure norms applicable to fixed/ floating rate depending on whether at the time of pre-closure, the loan is on fixed or floating rate. In case of a dual/ special rate housing loans, the pre-closure norm for floating rate will apply once the loan has been converted into floating rate loan, after the expiry of the fixed interest rate period. This applied to all such dual/ special rate housing loans being foreclosed hereafter. It is also clarified that a fixed rate loan is one where the rate is fixed for entire duration of the loan.
- g. Wood Capital shall not impose 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(s).
- h. To facilitate quick and good understanding of the major terms and conditions of housing loan agreed upon between Wood Capital and the individual borrower, Wood Capital shall obtain a document containing the most important terms and conditions (MITC) of such loan in all cases. Duplicate copy duly executed between the Wood Capital and the borrower should be handed over to the borrower under acknowledgement.



- i. Display of various key aspect such as service charges, interest rates, Penal interest (if any), services offered, product information, time norms for various transactions and grievance redressal mechanism, etc. is required to promote transparency in the operations of Wood Capital.
- j. Wood Capital shall display about their products and services in any one or more of the following languages: Hindi, English or the appropriate local language.
- k. Wood Capital shall not discriminate on grounds of sex, caste and religion in the matter of lending. Further, Wood Capital shall also not discriminate visually impaired or physically challenged applicants on the ground of disability in extending products, services, facilities, etc. However, this does not preclude Wood Capital from instituting or participating in schemes framed for different.

**To publicize the code Wood Capital shall**

- Provide existing and new customers with a copy of the Code
- Make this Code available on request either over the counter or by electronic communication or mail;
- Make available this Code at every branch and on their website; and
- Ensure that their staffs are trained to provide relevant information about the Code and to put the Code into practice.

**16. Review of the Code**

The Board of Directors shall conduct annual review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management.

The Company shall abide by this Fair Practices Code following the spirit of the Code and in the manner, it may be applicable to its business.