

Policy Document: Ceejay Finance Limited

Effective Date: 01-01-2025

1. Purpose

This policy aims to establish comprehensive guidelines for Ceejay Finance Limited's primary business of vehicle loans and its ancillary businesses of mortgage and personal loans. The policy is designed to ensure compliance with applicable regulations, promote transparency, protect customer interests, and maintain operational efficiency.

2. Scope

This policy applies to all branches and employees involved in processing, disbursing, recovery and managing vehicle loans, mortgage loans, and personal loans across Gujarat and Maharashtra.

3. General Guidelines

3.1 Loan Application Processing and Disbursement

- The loan application forms and welcome letter shall include comprehensive details regarding the loan, including but not limited to the interest rate, loan tenure, penal interest charges, additional fees, and required cheques. The documents will also outline the date of repayment, repossession conditions, and a detailed repayment schedule. A clear list of documents required for loan approval shall be provided to the borrower. The General Manager (Credit), authorized for this purpose, has the discretionary power to sanction or reject the loan after receiving all necessary documentation from the borrower. An acknowledgment receipt shall be issued to the borrower confirming the submission of the application and documents
- All communications related to the loan shall be communicated in the vernacular language or any language understood by the borrower. This ensures clarity and ensures that the borrower fully comprehends the terms, conditions, and obligations associated with the loan.

3.2 Loan Appraisal and Terms

- After issuing the Welcome/Sanctioned letter mentioned as above 3.1, a copy of the repayment schedule will be provided to the borrower, The Welcome letter will clearly outline all relevant loan terms, including Key Facts Statement (KFS), interest rate, tenure, and any other applicable charges. This ensures transparency and the borrower's understanding of the loan agreement.

3.3 Interest Rates and Charges for Vehicle Loans

- Interest, processing fees, late payment charges, and any other applicable fees will be transparently communicated to the borrower at the time of sanction of the loan and also mentioned in the welcome letter for the record.

- Interest Rate would be a summation of the cost of funds, operational expenses, Risk Margin, and the Profit Margin.

The pricing of Loans would be approved on a periodical basis by the Board. The reset pricing would be applicable only on fresh disbursements and the existing loans would continue at the existing pricing till maturity.

Sr. No.	Component	Definition	Based on Past data
1	Weighted Average Cost of Funds	Includes all costs related to borrowing, such as processing fees, arranger fees, collateral and legal charges. Calculated based on average borrowings.	10.95%
2	Operational Expenses	Encompasses all expenditures from loan origination to the end of the loan cycle, both direct and indirect, including head office expenses. Calculated based on average assets under management.	6.05%
3	Risk Margin	Costs from uncollected loan receivables, factoring in past credit costs, regulatory provisioning, expected credit loss (ECL), and overall business environment assessment.	2.89%
4	Profit Margin	Based on management's expectations for pre-tax Return on Assets (RoA).	4.10%

3.4 Recovery Policy

- Recovery efforts will adhere strictly to RBI directions and FIDC recommendations, ensuring fair, transparent, and ethical practices.
- Recovery agents are trained and monitored to maintain professionalism, avoid harassment, and respect borrower rights during interactions.
- Disputes or grievances arising during recovery will be addressed promptly through a dedicated grievance redressal mechanism.

3.5 Repossession Policy

- Vehicle repossession will comply with the relevant clauses of the loan agreement.
- A notice of outstanding amounts will be issued for repossession, with a notice period of 10 to 15 days for settlement.
- Sale of repossessed vehicles will follow due processes, including quotation/auction, with adjustments transparently communicated to the borrower.

4. Customer Grievance Redressal

- Ceejay Finance Limited has appointed a Grievance Redressal Officer (GRO) to address customer complaints and grievances.
 - **Name of Grievance Redressal Officer:** Mr. Namit Trivedi
 - **Contact Details:** Customers may contact the Grievance Redressal Officer through the toll-free number provided.
- Borrowers are encouraged to raise any complaints using the toll-free number, ensuring easy and accessible grievance submission.
- The company follows a strict policy to resolve complaints within a practical time frame, ensuring customer satisfaction.
- Internal awareness campaigns and training programs will ensure staff are equipped to maintain high customer satisfaction levels.

5. Monitoring and Compliance

- Branch managers will ensure adherence to all loan sanction and disbursement procedures.
- Regular audits will be conducted to review compliance with policy guidelines.
- The policy will be reviewed half yearly to reflect regulatory updates and operational needs.

6. Policy Dissemination

- Copies of this policy will be made available at all branches.
- The policy will also be published on the company's website for public access.