

FAIR PRACTICES CODE

REVISED FAIR PRACTICES CODES (FPC) OF CANBANK FACTORS LIMITED
(updated till 31.12.2024)

CODE

NO

1. Canbank Factors Ltd would have the factoring facility application form containing information about the fees/charges payable for processing, the amount of such fees refundable in case of non-acceptance of the application, pre-payment options, etc., so that a meaningful comparison with that of other factoring companies can be made by the prospective clients to enable them to take informed decisions. Further, the documents required to be submitted by the client are furnished in the application.
2. Canbank Factors Ltd would give acknowledgement for receipt of all factoring facility applications.
3. Canbank Factors Ltd would dispose off the factoring facility application upto Rs.50.00 lakhs containing full information/details/documents within 7 days; proposals above Rs.50.00 lakhs and upto Rs.800.00 lakhs within 15 days and proposals beyond Rs.800.00 lakhs (Board Credit Committee) within 45 days.
4. Canbank Factors Ltd would verify the factoring facility applications within a reasonable period of time. If additional details/documents are required, it would intimate the applicant(s) / client(s) immediately thereafter.
5. Canbank Factors Ltd would ensure that there is proper assessment of factoring facility applications submitted by the applicant(s) / client(s).
6. Canbank Factors Ltd would carry out proper due diligence on the creditworthiness of the applicant (s) / client(s) notwithstanding the stipulation of any security and margin made by it.
7. Canbank Factors Ltd would make proper assessment of the client's factoring facility needs in order to take care that the factoring limit/s which are sanctioned meet/s the genuine requirement of such client(s).
8. Canbank Factors Ltd would convey to the applicant(s) / client(s) concerned in vernacular language or a language as understood by the Borrower/ Client, the factoring limits sanctioned to them along with the terms and conditions thereof and obtain their specific acknowledgement for acceptance of the same for its records. While so conveying, Canbank Factors Ltd would also request the applicant(s) / client(s) therein to specifically inform Canbank Factors Ltd in writing whether they would need a copy of the factoring agreement along with copies of all the enclosures quoted therein.
9. While conveying the terms and conditions and other caveats governing the Factoring facilities stipulated by the sanctioning authority of Canbank Factors Ltd in writing to the applicant/client, the authority of Canbank Factors Ltd as per whose orders the sanction communication has been released would also be duly indicated therein.
10. A copy of the Factoring agreement along with copy of all the enclosures quoted in the Factoring agreement would invariably be given by Canbank Factors Ltd to all the clients at the time of sanction/disbursement of prepayment.
11. In the case of applicant(s) / client(s) seeking factoring facilities, Canbank Factors Ltd would convey in writing within the time earlier indicated in the acknowledgement given for receipt of the related factoring facilities applications, the reasons(s) which have led to the rejection, if any, thereof.

12. Allowing drawings beyond the sanctioned limit, disallowing drawings on a prepayment account on its classification as a non-performing asset or on account of non-compliance with the terms of sanction etc., would be solely at the discretion of the Canbank Factors Ltd. Again, the Canbank Factors Ltd does not have an obligation to meet additional requirement(s) of client(s) on account of growth in business, etc., without the proper review of the factoring limits of such clients.
13. Canbank Factors Ltd would ensure timely disbursement of prepayment sanctioned in conformity with the terms and conditions of the sanction.
14. The Board of Directors will decide the MROD (Minimum Rate of Discount) and Factoring Charges from time to time depending on the market conditions/cost of funds. Canbank Factors Ltd would give notice of any change in the terms and conditions to the clients concerned. In respect of discount rates and factoring charges etc., Canbank Factors Ltd would give notice to the borrowers any change in discount rates / factoring charges in vernacular language or a language as understood by the Borrower/ Client. Canbank Factors Ltd would also ensure that changes in rate of discount charges and factoring charges are effected only prospectively.

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 communicated explicitly in the sanction letter.

The rates of interest and the approach for gradation of risks shall also be made available on the website of Canbank Factors Ltd or published in the relevant newspapers. The information published in the website or otherwise published will be updated whenever there is a change in the rates of interest.

15. Before taking a decision to recall under the agreement or seeking additional securities, Canbank Factors Ltd would give reasonable notice to the clients concerned which would be in consonance with the factoring agreement.
16. Canbank Factors Ltd would release all securities on receiving payment of Factoring liabilities subject to any legitimate right or lien for any other claim, the Canbank Factors Ltd may have against clients. If such right of set-off is to be exercised, the client would be given notice about the same with full particulars about the remaining claims and the documents under which Canbank Factors Ltd is entitled to retain the security till the relevant claim is settled/paid.
17. Canbank Factors Ltd, in the normal course, would endeavour not to interfere in the affairs of its clients which are not either directly or indirectly related in its extending the factoring facilities, unless the new information, not earlier disclosed by the clients concerned, has come to the notice of the Canbank Factors Ltd.
18. Canbank Factors Ltd will not discriminate on grounds of sex, caste and religion in the matter of extending factoring facilities. However, this does not preclude Canbank Factors Ltd from participating in schemes framed for giving impetus like SME segment etc.
19. In the matter of recovery of factoring facilities, Canbank Factors Ltd would not use any muscle power.
20. In the case of receipt of request for transfer of client's accounts either from such clients or from the banks / FIs / NBFCs which propose to take over the accounts, the consent or otherwise of the Canbank Factors Ltd would be taken up by the branch concerned with concerned authority within 7 days of receipt of such requests and the latter would

communicate decision thereon within 15 days from the date of receipt of the related recommendations from the branch.

21. Canbank Factors Ltd would have a Grievance Redressal Mechanism within the organisation to resolve disputes, if any, arising in relation to the FPC for lenders where all disputes, arising out of the decision of a functionary of Canbank Factors Ltd falling up to the sanctioning powers of MD, are heard and disposed off at least by the next higher authority at Registered Office. In respect of proposals falling under the sanctioning powers of the Committee of Directors, grievances if any, would be redressed only by the said Committee of Directors.

Grievances if any shall be addressed to the Grievance Redressal Officer of the Company, Kiran K Moorthy, SVP or by e-mail to grievances@canbankfactors.com.

Further, the periodic review of grievances would be placed to the Board once in 6 months i.e. on half yearly basis.

22. Canbank Factors Ltd shall ensure that its staffs are adequately trained to deal with the Client / Borrower in an appropriate manner.
23. Canbank Factors Ltd shall at the operational level display the following information prominently, for the benefit of client/borrower, at our branches/places where business is transacted:
 - a) The name and contact details (Telephone / Mobile nos. as also email address) of the Grievance Redressal Officer who can be approached by the public for resolution of complaints against the Company.
 - b) If the complaint/dispute is not redressed within a period of one month, the customer may appeal to the Officer-in-Charge of the Regional Office of DNBS of RBI (complete contact details), under whose jurisdiction the registered office of the NBFC falls.
