



Finvasia Financial Services Pvt. Ltd

Fair Practice Code

1. Introduction

Finvasia Financial Services Private Limited (“**Company**”) is a Non Banking Financial Company committed to emerge as the most preferred one-stop digital shop for providing hassle-free end-to-end financial solutions through customer-centric products and services with an objective to support real economic activity as a strong credit intermediary. The Company has put in place this Fair Practice Code (“**FP Code**”) in accordance with the master circular issued by Reserve Bank of India (“**RBI**”) on Fair Practices Code for Non-Banking Financial Companies (“**NBFC’s**”) vide RBI’s Circular no. DNBR (PD) CC.No.054/03.10.119/2015-16 (“**Circular**”). This FP Code has been duly approved by the Board of Directors. The FP Code sets out the principles for fair practices/ standards while dealing with its customers. The Company shall adopt all the best practices prescribed by RBI from time to time and shall make appropriate modifications if any necessary to this FP Code to conform to the standards so prescribed.

The FP Code applies to all categories of products and services offered by the Company (*currently offered and which may be introduced in future*). We have uploaded this FP Code on our website to provide you a brief knowledge about Company’s commitments towards their customers. The Company will ensure that the implementation of the FP Code is the responsibility of the entire organization.

2. Key Commitments

2.1 The Company commits to act fairly and reasonably in all their dealings with customers by:

- 2.1.1 Meeting the commitments and standards specified in the FP Code, for the products and services which the Company offers and, in the procedures and practices its staff follows;
- 2.1.2 Making sure that Company's products and services are always in compliance with the relevant laws and regulations; and
- 2.1.3 Company's dealings with customers will rest on ethical principles of integrity and transparency.
- 2.1.4 Treating all the clients consistently & fairly. All the employees of the company are aware of this commitment. The employees will offer assistance and efficient service to the customers in a fair, equitable & consistent manner.
- 2.1.5 Ensuring that the implementation of FPC is the responsibility of the entire organisation. The company’s fair lending practices shall apply across all aspects of its operations including marketing, loan origination, processing, servicing and collection activities.
- 2.1.6 The company’s Brand and the management team are responsible for implementing the FP and also to ensure that the operations reflect its strong commitment to all the stakeholders for offering in a fair and equitable manner, the various financial services and products including lending products.
- 2.1.7 The FPC is applicable to the company’s products and services irrespective of whether the same is provided physically, over the phone, on the digital platforms or by any other method whatsoever, existing or futuristic.

2.2 The Company commits to help customers understand how Company's product and services work by:

- 2.2.1 Providing information regarding every product and service in the simplest manner; and
- 2.2.2 Explaining their financial implications.

2.3 The Company commits to deal quickly and sympathetically with things that go wrong by:

- 2.3.1 Correcting mistakes as soon as possible;
- 2.3.2 Handling customer's complaints on top priority; and

2.3.3 Telling customers' how to take their complaint forward if they are still not satisfied with the response.

2.4 Publicize the FP Code, put it on Company's website and have copies available for customer on request.

3. Information regarding Products/ Services

3.1 Before establishing any customer relationship, the Company shall assist customer in:

3.1.1 choosing products and services, which meet their needs;

3.1.2 providing clear information and explanation regarding the key features of the services and products they are interested in; and

3.1.3 providing information regarding the documents and information that the Company would need from them to establish customer's true identity and address and, other documents to comply with legal and regulatory requirements.

4. Applications for Loans and their Processing

4.1 All communications to the borrower shall be in the vernacular language or a language as understood by the borrower.

4.2 The Loan application forms of the Company will include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and informed decision can be taken by the borrower.

4.3 The loan application form may indicate the list of documents required to be submitted with the application form.

4.4 The Company has a system of giving acknowledgement for receipt of loan applications. The time frame within which loan applications will be disposed of will be indicated in the acknowledgement.

5. Loan appraisal and terms/conditions

5.1 The Company will convey in writing to the borrower in the vernacular language or a language as understood by the borrower by means of sanction letter or otherwise, which includes but is not limited to:

5.1.1 the amount of loan sanctioned;

5.1.2 the terms and conditions;

5.1.3 annualized rate of interest and method of application thereof;

5.1.4 EMI structure ;

5.2 The Company shall keep the acceptance of all the terms and conditions by the borrower on its record.

5.3 The penal interest which will be charged for late repayment and / or any other default on the part of the customer, will be mentioned in bold in the loan agreement.

5.4 The Company will furnish a copy of the loan agreement preferably in the vernacular language as understood by the borrower along with a copy each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction / disbursement of loans.

6. Disbursement of loans including changes in terms and conditions

6.1 The Company shall give notice to the borrower in the vernacular language or a language as

understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. The Company will also ensure that changes in interest rates and charges are affected only prospectively. A suitable condition in this regard will be incorporated in the loan agreement.

6.2 Decision to recall / accelerate payment or performance under the agreement will be in accordance with the loan agreement.

6.3 The Company shall release all securities on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim the Company may have against borrower. If such right of set off is to be exercised, the borrower will be given notice about the same with full particulars about the remaining claims and the conditions under which the Company is entitled to retain the securities till the relevant claim is settled/paid.

7. General

7.1 The Company will refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the borrower, has come to the notice of the Company).

7.2 In case of receipt of request from the borrower for transfer of borrower account, the consent or otherwise i.e., objection of the Company, if any, will be conveyed within 21 (twenty one) days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.

7.3 In the matter of recovery of loans, the Company will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc. To avoid rude behavior from the staff of the Company, the Company shall ensure that the staff are adequately trained to deal with the customers in an appropriate manner.

7.4 The Company shall not charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to individual borrowers.

8. Grievance Redressal

8.1 The Company has appointed the Grievance Redressal Officer ("**GRO**"). The customer shall submit any grievance/ complaint to the GRO, through e-mail. The contact details of the GRO are available at Company's website as also at all the branches/ offices where business is transacted.

8.2 The GRO shall send an acknowledgement e-mail of the complaint to the customer within 48 (forty-eight) hours of receiving any complaint/ grievance. Further, the GRO shall resolve the grievance/ complaint of the customer within 30 (thirty) days of receiving the same.

8.3 If the complaint / dispute is not redressed within a period of 1 (one) month, the customer may appeal to the *Officer-in-Charge of the Regional Office of DNBS of RBI*.

8.4 The name and contact details of the GRO is available at Company's website as also at all the branches/ places where business is transacted.

9. The company commits to have transparent system of repossession of vehicles financed by it. In case of default and same will be made known to the borrowers through terms & conditions of the contract / Loan agreement.

The contract agreement will invariably contain provisions regarding:

- (a) notice period before taking possession
- (b) circumstances under which the notice period can be waived
- (c) the procedure for taking possession of the security
- (d) a provision regarding final chance to be given to the borrower for repayment of loan before the sale / auction of the property
- (e) the procedure for giving repossession to the borrower
- (f) the procedure for sale / auction of the property

A copy of said contract / loan agreement will be made available to the borrower at the time of sanction / disbursement of loans.

10. Regulation of excessive interest charged

The Board of Directors has adopted an interest rate model for determining the rate of interest to be charged on loans and advances, processing and other charges taking into account relevant factors such as, cost of funds, margin and risk premium, etc. 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 in the application form and communicated explicitly in the sanction letter.

10.1 The rates of interest and the approach for gradation of risks shall also be made available on the website of the Company. The information published on the website or otherwise published shall be updated whenever there is a change in the rates of interest.

10.2 The rate of interest shall be annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

11. Review of Fair Practice Code

The Board of Directors shall be authorized to review and approve any modifications to the FP Code and the functioning of the grievance redressal mechanism, from time to time. A consolidated report of such reviews will be submitted to the Board at regular intervals.

----- * -----