

## **Fair Practices Code**

### **FAIR PRACTICES CODE**

#### **Introduction:**

This Fair Practice Code (“**FPC**”) is aimed to provide to all the borrowers/customers effective overview of practices followed by the company in respect of the financial facilities and services offered by Flexidigital Tech India Private Limited (hereinafter referred to as “**Company**”) to its borrowers. This FPC is in accordance with Reserve Bank of India (“**RBI**”) Master Direction RBI/2015-16/16DNBR (PD) CC.No.054/03.10.119/2015-16 dated 1st July, 2015 on Fair Practices Code for NBFCs (“**RBI Guidelines**”).

#### **Objective:**

This FPC has been developed:

To promote good, fair and trust-worthy practices by setting standards in dealing with borrowers;

To ensure transparency in the Company’s dealings with its borrowers;

To ensure compliance with legal norms in matters relating to recovery of advances;

To enable borrowers to have better understanding of what they can reasonably expect of the services offered by the Company;

To reckon with market forces, through competition and strive to achieve higher operating standards;

To strengthen mechanisms for redressal of borrower grievances;

#### **Application For Loans and Their Processing:**

All loan application forms shall contain detailed information relating to the terms and conditions governing the loan facility and other relevant information affecting the interest of the borrowers. The Company tele callers shall explain to the borrowers the contents of various loan documents in the vernacular language and further ensures that the borrower understands the terms and conditions governing the loan facility.

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 NBFCs can be made and informed decision can be taken by the borrower. The loan application form may indicate the documents required to be submitted with the application form.

Wherever applicable, the Company shall follow the system of issuing acknowledgements for receipt of all loan applications. The Company will consider all the documents submitted and the information provided and evaluate the proposal at its sole discretion.

The completed loan application form shall indicate the loan amount to be disbursed, information which affects the interest of the borrower, the annualised rate of interest applicable, processing fee (if any), dates of interest payments due, loan tenure etc. Company shall provide the acknowledgement receipt of the loan application form with the time frame within which loan applications will be disposed of.

Company shall convey or explain to the borrower in the vernacular language his/her/their loan sanction Amount, Rate of Interest, equated monthly instalments (“EMI”) date, Monthly EMI Amount, etc. and preserve the call recording for office records. The Company shall also collect the vernacular declaration regarding the acceptance of the terms and conditions by the borrower in his/her/their language.

#### **Loan Appraisal and Terms and Conditions:**

The Company shall convey or explain to the borrower in the vernacular language as understood by the borrower the following particulars:

sanctioned loan amount;

annualised rate of interest to be charged;

tenure of loan;

installment amount and structure;

EMI payments date;

terms and conditions of the loan;

method of making the loan application.

The Company shall furnish a copy of the loan agreement 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.

Company shall mention the penal interest charged for late repayment or for any other defaults under the loan agreement in bold.

Acceptance of the sanction letter by the borrower shall be kept on record.

#### **Disbursement Of Loans Including Changes in Terms and Conditions:**

Company would frame internal guidelines and procedures for determining and ensuring that the interest rates and processing and other charges levied on the borrowers are not excessive. The disbursement will be initiated upon compliance with all the terms and conditions of sanction of loan by the borrowers. The Company will give notice to all its borrower in the vernacular language or a language as understood by the borrowers for any change and conditions and for any changes in the disbursement schedules, rates of interest or service charges (if applicable) or other prepaid charges etc. Proper mention will be made in the Loan agreement as and when required. Changes in the interest rates and other charges would be effected prospectively other than under circumstances arising from regulatory instructions.

#### **Recall Of Loan:**

Any decision to recall or accelerate the payment or performance will be carried out as per the loan agreement.

#### **Release of Securities:**

Company would release securities (if any) lying with it 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 that Company may have against the borrowers. If any right of set off is to be exercised, the borrowers would be given notice about the aforesaid 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.

#### **General Clauses:**

The Company shall not 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).

Whenever a request for transfer of loan account is received from a borrower, Company shall respond to the same within twenty one (21) days of receipt of request. Acceptance or refusal thereof shall be in accordance with terms of the agreement. Such transfer shall be as per transparent contractual terms in consonance with law.

If any recovery proceedings need to be initiated, these shall be conducted in accordance with the rights provided under the loan agreement and in accordance with legally accepted norms. Company trains its staff adequately to deal with the borrowers in an appropriate manner. The Company does not resort to coercive measures (like persistently bothering at odd hours, use of muscle power, rude behaviour or harassment from any of the staff of the Company) for recovery of loan.

The Company may arrange to enforce security provided (if any) by delinquent customers/borrowers. In all such instances, the Company would ensure that the entire process of enforcing its security, valuation and realization thereof is fair and transparent.

Cooling off/look-up period means the time window which shall be given to borrowers for exiting digital loans, in case a borrower decides not to continue with the loan. The cooling off/look up shall be three days for loans having tenor of seven days or more and one day for loans having tenor of less than seven days. For borrowers continuing with the loan even after look-up period, pre-payment shall continue to be allowed as per applicable laws and/or RBI guidelines. The Company will give option to borrower to exit digital loan by paying principal and proportionate annual percentage rate (“APR”) without any penalty during cooling off/look up period.

#### **Interest Rates and Gradation Of Risk:**

The Company would lay down appropriate internal guidelines and procedures for determining interest rates and processing and other charges, keeping in view the transparency in respect of terms and conditions of the loans guidelines indicated in the FPC.

At the time of sanctioning of the loan all terms and conditions of the loan including the payment of interest along with the tenure of the loan will be communicated to the Borrower.

The risk and rationale for charging different rates of interest to different categories of borrowers shall be disclosed to the borrowers while making the application and or while issuing the sanctioned letter. The interest rate for its customers/borrowers would be arrived at taking into account the broad parameters such as the risk profile of the customers/borrowers, interest rate trends prevailing in the money market, cost of borrowings, primary and collateral security (if any) offered by customers/borrowers, structure of the deal, interest rate charged by competitors and the historical track record of the customers/borrowers with Company.

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

As a measure of customer protection and also in order to bring in uniformity with regard to prepayment of various loans by borrowers of the Company, the Company shall disclose the interest rates and gradation of risks on its website. The information published in the website or otherwise published should be updated whenever there is a change in the rate of interest.

The rate of interest should be annualised rates so that the borrower is aware of the exact rates that would be charged to the account.

### **Responsibility Of Board of Directors**

The board of directors of the Company ("**Board**") shall adopt an interest rate model taking into account relevant factors such as, cost of funds, margin and risk premium, etc and determine the rate of interest to be charged for loans and advances.

Further, the Board or the committee thereof of Company shall lay down appropriate grievance redressal mechanism within the organization. Such a mechanism should ensure that all disputes arising out of the decisions of Company's functionaries are heard and disposed of at least at the next higher level. The Board either through itself or by through any committee thereof shall also provide for periodical review of the compliance of the FPC and the functioning of the grievance redressal mechanism at various levels of management. A consolidated report of such reviews may be submitted to the Board at regular intervals, as may be appropriate.

### **Grievance Redressal and Borrower Relationship Management:**

It shall be the endeavour of the Company to improve the quality of service and redress complaints and grievances, if any, of the borrowers as part of borrower relationship management. Customer service and satisfaction are the prime areas of focus. The Company believes that providing prompt and efficient service is essential not only to attract new customers, but also to retain existing ones. In order to make the Company's grievance redressal mechanism more meaningful and effective, a structured system has been built. This system would ensure that the grievance redressal sought is just and fair and is within the given framework of rules and regulations.

The following is the grievance redressal mechanism for borrowers:

#### **Escalation of complaints: First Level**

The customer/borrower may contact the support team of the Company in case of any query/problem or grievance. The customer/borrower can:

- Write an email to the email ID: [accounts@savantika.com](mailto:accounts@savantika.com)
- Write to the Company through the official website: <https://www.savantika.com/>

## **Escalation of complaints: Second Level**

If the customer/borrower is not satisfied with the response received from the Company, he/she may raise the issue with grievance redressal officer. The name and address and contact details are as furnished below:

Grievance Redressal Officer

Name: Vijay J Ahir

Address: 604, Silicon Tower, Off CG Road, Law Garden, Ahmedabad, Gujarat-380009

Email: [nationalcollection@savantika.com](mailto:nationalcollection@savantika.com)

Contact no.: +91 9909903315

The Company shall disclose the following at all its branches/ places where business is transacted and on its website:

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.

that if the complaint / dispute is not redressed within a period of one month, the borrower may appeal to the Officer-in-Charge of the Regional Office of RBI.