

# Sabrimala Fintech Private Limited

## FAIR PRACTICES CODE

(Version-1, 17<sup>th</sup> April, 2023)

- 1. INTRODUCTION:** This Fair Practices Code is aimed to provide to all the stake holders, especially borrowers effective overview of practices followed by Sabrimala Fintech Private Limited (“the Company”) in respect of the financial facilities and services offered by the Company to its borrowers. This code seeks to amend and supersede the Fair Practices Code framed by the Company in accordance with Reserve Bank of India guidelines on Fair Practice Code issued by the RBI vide Master Circular RBI/2014-15/34 DNBS (PD) CC No.388/03.10.042/2014-15 dated July 1, 2014, and revised to take into account amendment in the Fair Practices Code for NBFCs as per RBI Master Direction – Non-Banking Financial Company–Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time.
  
- 2. OBJECTIVE OF FAIR PRACTICES CODE:**
  - a)** The Objective of the Fair Practices Code is to achieve the following goals:
    - i) Adopt the best practices followed by entities in the financial and similar service sector while dealing with customers.
    - ii) Provide to the customers effective overview of practices followed by the Company in respect of financial facilities and services offered by the Company to its Customers
    - iii) Enable customers to take informed decision about the financial facilities and services offered by the Company.
    - iv) Promote good, fair, transparent and legally tenable practices by setting minimum standards in dealings with customers.
    - v) Enable customers to have better understanding of what they can reasonably expect of the services offered by the Company.
    - vi) Reckon with market forces, through competition and strive to achieve higher operating standards.
    - vii) Foster fair and cordial relationship between the customers and the Company.
  
  - b)** The Fair Practices Code adopted by the Company covers the following areas.
    - i) Applications for loans and their processing.
    - ii) Loan appraisal and terms/conditions.
    - iii) Disbursement of loans, including changes in terms and conditions.
    - iv) Disclosures about interest rates and approach for gradation of risk.
    - v) Policy on KYC, Appraisal, insurance, storage of securities, Auction etc.
    - vi) Confidentiality
    - vii) Grievance redressal mechanism
    - viii) General Provisions
  
- 3. DECLARATIONS & COMMITMENTS:**
  - i) The Company undertakes to abide by all applicable laws, regulations and guidelines passed/issued by the Regulators (RBI, ROC, SEBI, IRDA etc) and other competent authorities such as Government, Local Authority etc.
  - ii) The Company is striving to customer satisfaction through efficient, professional and courteous services across all its offices.

- iii) The Company shall consistently strive to meet with and improve upon the internally set benchmarks and practices and be ahead of the standards prevalent in the industry.
- iv) The Company undertakes not discriminate customers on grounds of religion, caste, gender or language.
- v) The Company will provide clear and full information about its products and services to its customers/prospective customers and will not resort to any misleading or potentially misguiding advertisement or publicity.
- vi) The Company undertakes to desist from introducing any products/services having elements of hidden charges or lack of transparency.
- vii) The Company undertakes not to take advantage of any unintentional or clerical error made by the customer while transacting business.
- viii) The Company shall display the FPC on its website and also make available to the Customer on request, a copy of the FPC on demand.

#### **4. APPLICATION FOR LOAN AND THEIR PROCESSING:**

- i) A prospective customer would be given all the necessary information adequately explaining in the language he/she understand, the range of loan products available with the Company to suit their needs.
- ii) On exercise of choice, the customer would be given the relevant information about the loan product of his/her choice.
- iii) The Customer would be explained the processes involved till sanction and disbursement of loan and would be notified of timeframe within which all the processes will be completed ordinarily at our Company.
- iv) The Customer would be informed of the names and phone numbers of branches and the persons, whom he can contact for the purpose of loan to suit his needs.
- v) The Loan application issued by the Company shall include necessary information and Terms and Conditions affecting the interests of the borrower and also indicating the documents required to be executed/submitted by the borrower.
- vi) The Loan Application, Agreement, Receipt, Statement etc. shall be in English language and also the Terms and Conditions of the Loan shall be explained to the borrower the Language he/she understand.
- vii) All the communications or Notices to the borrower like Loan Recall, Demand, Auction, Legal Proceedings etc. shall be in English and those borrowers who do not understand English a copy of the same in vernacular language also will be provided.
- viii) If any additional documents/information are required from the Customer, the same shall be communicated to the Customer immediately.
- ix) In case of gold loans which are sanctioned on the same day of receipt of the gold ornaments from the borrower, acknowledgement will be given in the form of customer copy containing the information like loan amount, rate of interest, repayment schedule, borrower details and particulars of security furnished in digital form.
- x) In case of loans, other than gold loans, the acknowledgement will be given to the borrower on the date of sanction of the same in digital form.

#### **5. LOAN APPRAISAL AND TERMS AND CONDITIONS:**

- i) The borrower shall be given a loan sanction letter containing the information like loan amount, rate of interest, repayment schedule, borrower details etc in digital form. The Branch Office also will explain the borrower in the language he/she understand, the terms and conditions of the Loan in detail.
- ii) The penal interest or any default charges that will be charged for late payment shall be mentioned in the sanction letter/loan document in the place of SOC (Schedule of Charges).
- iii) An acknowledged copy of the sanction letter shall be kept as part of the document either in physical mode or in computer software.

- iv) Subject to receipt of all the requisite information and completion of documentation and creation of charge over the security, loan applications shall be disposed of in the normal course on the same day of receipt of the application form complete in all respects. However, if there is any delay in sanctioning the loan, due to reasons like field verification etc, customer shall be informed by the Branch Offices, the time frame within which the loan application will be disposed of. The customer shall be kept informed of the status of his application.
- v) Proper appraisal procedure for assessing the value and purity of the jewellery accepted as collateral security.
- vi) Declaration shall be obtained from the borrower confirming ownership of gold jewellery.

## **6. DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS & CONDITIONS**

- i) The loan shall be disbursed on executing the necessary documents and completion of the formalities regarding creating a charge over the security offered by the borrower. Any change in the terms and conditions including interest rates, service charges, prepayment charges etc. shall be informed to the borrower in a language known to the borrower. Any changes in interest rates and charges effected shall be only prospective. A suitable condition in this regard shall be incorporated in the loan document obtained from the borrower.
- ii) Decision to recall/accelerate payment or performance shall be as per the covenants in the loan document.
- iii) 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 shall 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. RATE OF INTEREST AND GRADATION OF RISK:**

- i) Interest Rates for different loan products would be made available to the borrowers either through Company's website or Telephonic Personal Discussion or Personal Discussions or Loan Application or Email enquiry of the borrower. The Company shall, at the time of disbursal, ensure that the interest rate and other charges, if any, on loan and advances are in strict adherence to above referred internal policies and procedures.
- ii) The rate of interest will be annualized rates so that the borrower is aware of the exact rates that would be charged on the loan. Interest will be charged on the daily balance outstanding at monthly rest on the basis of the actual number of days from the date of availing the loan to the date of closure of the loan.
- iii) The decision to give a loan and the interest rate applicable to each loan account shall be assessed on a case to case basis, based on multiple parameters such as the type of asset being financed, borrower profile and repayment capacity, borrower's other financial commitments, past repayment track record if any, the security for the loan as represented by the underlying assets, loan to value ratio, mode of payment, tenure of the loan, geography (location) of the borrower, end use of the asset etc.
- iv) The rates of interest are subject to change as the situation warrants and are subject to the discretion of the management on a case-to-case basis.
- v) Any penal interest, late payment interest, dishonour charges, pre closure charges under the agreement shall be in consonance with the SOC (Schedule of Charges) loan agreement.
- vi) Changes in Rate of Interest shall be effected prospectively

## **8. INSURANCE & STORAGE OF SECURITY:**

- i) The jewellery accepted as collateral security shall be adequately and appropriately insured.

- ii) The jewellery accepted as collateral security shall be kept in the utmost safe custody of the custodians of the company.
- iii) The authorized employee by the management of the Company only will be having access to the jewellery in safe custody for release, audit, etc. as the case may be.
- iv) The gold items shall be periodically inspected by the internal auditors to ensure quality, quantity and proper storage.

**9. RECALL OF LOAN:** Any decision pertaining to recall of loan or acceleration of repayment or seeking of any additional securities shall be taken strictly in accordance with the relevant provisions in the respective Loan Agreement with the borrower or any amendments made thereto.

**10. AUCTION:** If the borrower failed to repay the demand or dues or close his/her loan account despite of service of loan recall notices, auction notices, intimations, then the collateral furnished or pledged by the borrower as security shall be auctioned in terms of auction notices, intimations. The auction shall be announced to the public by issuing advertisements in at least two newspapers, one in vernacular language and the other in a national daily newspaper, unless Letter of Authority for Private Sale obtained earlier from the Customers.

**11. RELEASE OF SECURITIES:** 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 other claims, Company may have against the borrowers.

**12. TRANSFER OF ACCOUNT:** The Company will not entertain any request for transfer of borrowal accounts as this is not practical in the case of loans granted against collateral of gold jewellery pledged. Any request for transfer of the Loan Account, acceptance or refusal thereof shall be at the discretion of the Company.

**13. POLICY OF KYC:** Adequate steps to ensure that the KYC guidelines stipulated by RBI are complied with and to ensure that adequate due diligence is carried out on the customer before extending any loan.

**14. CONFIDENTIALITY:** Unless authorized by the borrower, the Company will treat all personal information as private and confidential. The Company may not reveal transaction details of the borrowers to any other persons except under following circumstances.

- i) If the Company is required to provide the information as per regulatory directives to any statutory or regulatory body or bodies.
- ii) If arising out of a duty to the public to reveal the information.
- iii) If it is in the interest of the borrowers to provide such information (eg. Fraud prevention)
- iv) If the borrower authorizes the Company to provide such information to any Company or Organization for performance of specific duties and services.

**15. CUSTOMERS GRIEVANCE AND REDRESSAL MECHANISIMM:** At the operational level, ensuring redressal of disputes arising out of decisions of the functionaries of the Company, the below mechanism is put in place information prominently, for the benefit of its customers, at its branches / customer touchpoints / places where business is transacted:

- i) **Stage: -1** The customer may register his/her query/complaint to the Company to the Branch Manager by request email or through the phone. The customer can also personally visit the branch office and make the complaint in writing to the Branch Manager. On registering the complaint customer shall be provided

a Reference number for the complaint lodged for future correspondence. Time frame for resolution of Grievances is 3 working days for date of Complaint.

- ii) **Stage: -2:** If the customer is not satisfied with the resolution provided by the local branch office, the customer may provide feedback or send their complaint using the following channels between **10:30 A. M to 5.30 P.M.** from Monday to Friday (except on national holidays) through **Customer Care/Help line No: 0674 3137080 / 0674 230399** or sending **email** at **mis@ananditafinance.com**. Time frame for resolution of Grievances is 5 working days for date of Complaint.
- iii) **Stage-3:** In case the complaint is not resolved within the given time or if the customer is not satisfied with the solution provided, the customer can approach the Grievance Redressal Officer through email. The name and contact details of the Grievance Redressal Officer is as follows:  
**Mr. Bikash D.**  
**Grievance Redressal Officer, Sabrimala Fintech Private Limited**  
**Central Processing Centre, Plot No. 21/361, 3rd Floor, Raghunath Pur, Nuagaon Road, (Behind Indian Oil Petrol Pump), Lingipur, Bhubaneswar, Dist. Khurdha, Odisha, PIN-751002**  
**Email: sabrimalafpl@gmail.com**
- iv) We assure a response to letters/emails received through this channel within 7 working days at every stage. We assure a response to letters/emails received through this channel within 7 working days at every stage.
- v) If the complaint/dispute is not redressed within a period of one month or the customer is not satisfied with the resolution, the customer may appeal to the RBI integrated ombudsman portal (<https://cms.rbi.org.in>), or physical mode in form A to the Centralised Receipt and Processing Centre, the details of the RBI ombudsman Centralised Receipt and Processing Centre, 4th Floor, Reserve Bank of India, Sector -17, Central Vista, Chandigarh - 160017 or customer can be sent an email to [crpc@rbi.org.in](mailto:crpc@rbi.org.in) with required details.

#### **16. GENERAL PROVISIONS:**

- i) The Company will display at the respective Branches or in its website the normal business hours, list of holidays and notify the changes, if any, by way of a notice displayed in the premises of the branch.
- ii) Personal information of the customer will not be shared with unauthorized persons or agencies or third parties by the Company. However, the Company will be bound to honour and comply with legal or regulatory requirements, if any, in this matter obligating it to part with such information even without notice to the customer.
- iii) The Company shall refrain from interfering in the affairs of the borrower except for the purposes provided in the terms and conditions of the letter of undertaking (unless new information, not earlier disclosed by the borrower, has come to the notice of the Company).
- iv) In the matter of recovery of loans, the Company shall not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc. The staff of the Company shall be adequately trained to deal with the customers in an appropriate manner so as to ensure proper behavior.

**17. REVIEW OF FAIR PRACTICE CODE:** A periodical review of the Fair Practices Code and functioning thereof will be undertaken by the Company by the Directors or CEO at yearly intervals or at such intervals as and when any changes or amendments taken place thereof and report of such reviews shall be submitted to the Board of Directors.