

VEEFIN CAPITAL PRIVATE LIMITED

Fair Practice Code

1. INTRODUCTION

The Reserve Bank of India, (RBI), vide its notification number DNBS (PD) CC No.80/03.10.042/2005-06 dated September 28, 2006 and subsequently vide Circular No. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 dated October 19, 2023 issued guidelines on Fair Practices Code for Non-Banking Financial Companies (NBFCs) thereby setting standards for fair business and corporate practices while dealing with their customers.

The Fair Practices Code is aimed to provide to the customers effective overview of practices, which will be followed by the Company in respect of the financial facilities and services offered by the Company to its customers. The Code will facilitate the customers to take informed decisions in respect of the financial facilities and services to be availed by them and will apply to any loan that the Company may sanction and disburse.

The Fair Practice Code, as adopted herein below, is in conformity with the Guidelines on Fair Practice Code for NBFCs as contained in the aforesaid RBI Circular(s)/Direction(s). This fair practice code shall be displayed at all the Branches/office premises in the vernacular language and shall also be placed on the company's website.

Veefin Capital Private Limited ("the Company") will ensure that the implementation of the FPC is the responsibility of the entire organization. The Company's fair lending practices shall apply across all aspects of its operations including marketing, loan origination, processing, and servicing and collection activities. Its commitment to FPC will be demonstrated in terms of employee accountability, training, counselling, and monitoring, auditing programs and internal controls, and optimal use of technology.

The Company's Board of Directors and the management team are responsible for implementing the fair practices hereinafter detailed, and also to ensure that its 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 and that all employees are aware of this commitment.

2. OBJECTIVE

This Code has been developed to:

- promote good, fair and trustworthy practices by setting minimum standards in dealing with the customers;
- increase transparency to enable the customers to have a better understanding of what they can reasonably expect of the services.
- encourage market forces, through competition, to achieve higher operating standards;
- promote a fair and cordial relationship between the customers and the Company.

3. Our Key Commitments and Declarations

- a) The Company shall act efficiently, fairly and diligently in its dealings with all customers by:

- Meeting the commitments and standards in this Fair Practices Code for the financial products and services, we offer, and the procedures and practices our staff follow;
 - Ensuring that all the financial services meet relevant laws and regulations;
 - Providing professional, courteous and speedy services;
 - Providing accurate and timely disclosure of terms and conditions, costs, rights and liabilities as regards financial transactions.
 - Updating all products related disclosures periodically on the Company's website.
- b) The Company shall help the customer understand how its financial products and services work by:
- Giving verbal information about the financial schemes in Hindi and/or English and/or local vernacular language as understood by the borrower;
 - Ensuring that our advertising & promotional literature is clear and is not misleading;
 - Explaining financial implications of the transactions;
 - Helping the customer to choose the financial scheme.
- c) The Company shall deal quickly and proactively with things that go wrong by:
- Correcting mistakes quickly;
 - Attending to customer complaints quickly;
 - Telling our customers how to take their complaint forward if the customers are still not satisfied with our assistance;
 - Reversing any charges that we apply due to our mistake.
- d) All loan products offered by the Company shall adhere to the Credit Policy established by the Company.
- e) The Company has adopted a code of conduct for its collection personnel inculcating appropriate behaviour and non-coercive collection practices and shall ensure strict adherence with the same.
- f) The Company shall promptly redress any customer complaint within timelines committed under its grievance redressal mechanism, as published on the Company's website.

4. Non-Discrimination Policy

The Company shall offer all financial products, to eligible qualified applicants, without discrimination on the basis of caste, colour, creed, race, religion, marital status, sex, age or disability, directly or through associates.

5. Confidentiality

All information provided by the customer shall be dealt with as confidential and private, unless disclosure is otherwise explicitly consented to, and acknowledged by the customer.

Exceptional circumstances where the Company may disclose customer information:

- To provide the information if required under statute or regulation to relevant authorities;
- mandated duty to reveal the information to the public;
- if the Company is required to provide any customer or transactional information to banks / financial institutions / our group and associate companies providing Business Support services; and

Provided that, the Company will not use the aforementioned reason for disclosing information about customers to any other party for marketing purposes.

5. Applications for loans and their processing:

- a) All communications to the borrowers shall be made in vernacular language or a language as understood by the borrower. The Company will obtain a written application from the client/borrower and ascertain the language of their understanding. In case the application is made in a language other than English, the Company will obtain a written confirmation from the client/borrower about their understanding of the English language and acceptance of English as the preferred language for all correspondence with the Company. In case the client applies to the Company in a language other than English, the Company will endeavor to communicate in the said vernacular language as understood by the client.
- b) Loan application forms issued by the Company 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 an informed decision can be taken by the borrower. A list of documents required to be submitted along with the application form shall be mentioned in the loan application form and / or hosted on the website of the Company i.e., www.veefincapital.com
- c) The Company will offer credit to eligible qualified applicants who express their need to borrow through their loan request letter.
- d) The Company shall issue an acknowledgement receipt for all loan applications. Subject to receipt of all the requisite documentation and information, loan applications shall be disposed of within 30 days, from the date of receipt of the application form complete in all respects. In any case the Customer will be kept informed by the sales person with regards to the status of his / her application from time-to-time. The Customer may also contact the Company's customer service team at the prescribed toll-free number or email id to obtain an update on the status of application.
- e) If any additional details/ documents are required, the same shall be intimated to the borrowers immediately.

6. Loan appraisal and terms/conditions:

- a) The Company shall conduct a due diligence on the credit worthiness of the borrower, which will be an important parameter for taking decision on the application.
- b) The Company shall appraise loan applications considering the risk-based approach and credit policy/ies of the Company norms and procedures in respect thereof. The KYC guidelines issued by RBI shall be complied with.

- c) The Company shall convey in writing to the prospective borrower in English or in vernacular language / the language as understood by the borrower by means of sanction/welcome letter or otherwise, the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof.
- d) The acceptance of the terms and conditions communicated by the borrower shall be preserved by the Company on its record.
- e) The Company shall mention the penal charges to be charged for late repayment in bold in the sanction / welcome letter or otherwise and loan agreement.
- f) The Company will furnish a copy of loan agreement along with a copy of each enclosure quoted in the loan agreement to all clients at the time of sanction/disbursement of loan.

7. Disbursement of loans including changes in terms and conditions:

- a) The Company shall frame appropriate internal principles and procedures for determining and ensuring that the interest rates and processing and other charges are not excessive. The Company shall, at the time of disbursal, ensure that the interest rate and processing and other charges on loan and advances are in strict adherence to above referred internal principles and procedures.
- b) Prior to disbursement of loans, the rate of interest shall be mutually agreed by the Company and the borrower. The borrower will communicate the terms of disbursal including loan amount, rate of interest, tenure of loan, next interest re-set date, frequency of interest payment in his / her disbursal instructions letter to the Company and the same shall be confirmed by the Company post disbursal of the loan along with the schedule of interest and principal amount payment.
- c) The disbursement will be done as requested by the client and upon compliance of all the terms and conditions of the sanction by the borrower.
- d) The Company shall give a notice to the borrower in the vernacular language as understood by the borrower, of any change in the terms and conditions including disbursement schedule, interest rates, service charges, pre-payment charges etc. The Company shall also ensure that changes in interest rates and charges are affected only **prospectively**. A condition to this effect shall be incorporated in the Loan Documents.

8. Post disbursal monitoring / Supervision

- a) Any decision to recall/accelerate payment or performance under the Loan Documents shall be in consonance with the Loan Documents.
- b) All securities offered by the borrower shall be released 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 the 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.

9. GENERAL

- a) The Company shall not interfere in the affairs of the borrower except for the purposes provided in the Loan Documents, unless new information not earlier disclosed by the borrower has come to the notice of the Company.
- b) In the matter of recovery of loans, the Company shall strictly adhere to the guidelines of Policy on Collection of Dues and Repossession of Security. The Company and its agents shall not resort

to intimidation or undue harassment of any kind either verbal or physical, against any person in their debt collection efforts, including acts intended to humiliate publicly or intrude upon the privacy of the debtors' family members, referees and friends, sending inappropriate messages either on mobile or through social media, making threatening and/ or anonymous calls, for recovery of overdue loans, making false and misleading representations, etc. The Company shall ensure that its staff is adequately trained to deal with the customers in an appropriate manner.

- c) The Company or its representative will call delinquent customers between 08:00 hrs to 19:00 hrs unless special circumstances of the borrower's business require them to call them otherwise outside the hours mentioned.
- d) The Company shall not levy foreclosure charges / pre-payment penalties on floating rate term loans sanctioned for the purposes other than business to individual borrowers with or without co-obligors in accordance with the guidelines prescribed by RBI in this regard from time to time.
- e) The Company may arrange for enforcing security charged to it of the delinquent borrower, if required, with an aim only to recover dues and will not be aimed at whimsical deprivation of the property.
- f) The Company shall ensure that the entire process of enforcing its security, valuation and realization thereof be fair and transparent.
- g) The policy recognizes fairness and transparency in repossession, valuation and realisation of security in consonance with the law.
- h) In case of receipt of a request from the borrower for transfer of the borrowal account, the consent or otherwise i.e., objection of the Company, if any, shall be conveyed within 21 days from the date of receipt of such request. Such transfer shall be as per transparent contractual terms in consonance with law.
- i) The Fair Practices Code, in vernacular languages shall be put up on the Company's website i.e., www.veefincapital.com for the information of various stakeholders.

10. Complaint Redressal Mechanism

- a) The toll-free number for recording the grievances of the customers will be intimated in the Application Form/Sanction Letter/other document issued to the borrower. In addition, a separate e-mail ID i.e., grievance.veefincapital@veefin.com is created where customers can send their grievances via e-mail.
- b) After examining the matter, the Company will endeavour to send the customer its response within one month/30 days and intimate the customer how to escalate the complaint to higher level, if he / she is not satisfied with the response. The Company has set up product wise turnaround time ("TAT") for resolution of customer grievances within the above period of one month/30 days and shall ensure to resolve the complaints within such defined TATs.
- c) At all the branches / Head Office of the Company, notice shall be put up informing the customers of the following for resolution of complaints against the Company:
 - escalation mechanism, the Grievance Redressal Officer who is also the Principal Nodal Officer
 - If the grievance is not redressed within the TAT referred above or the complainant is not satisfied with the reply, the customer may appeal to the Officer in Charge of the Department of Supervision, Reserve Bank of India (with complete contact details), under whose jurisdiction the registered office of the Company is located i.e., Mumbai.
- d) Details of the escalation mechanism for Customer Grievances as mentioned above are available on the website i.e. www.veefincapital.com under Customer Grievances tab.
- e) The Grievance Redressal Officer as also the escalation mechanism as mentioned above in clause (c) shall also deal with the FinTech / digital lending related complaints/ issues raised by the borrowers as also the complaints raised against the Digital Lending Applications (mobile and web-based applications with user interface that facilitate borrowing by a borrower including the

Company's apps as well as those operated by lending service providers engaged by the Company for extension of any credit facilitation services).

- f) The Company shall request the customer to provide feedback on the services rendered. This can be done through direct contact by staff or through specific customer satisfaction surveys that may be conducted from time to time.
- g) A periodical review of compliance of the Fair Practices Code and of the functioning of the grievance redressal mechanism at various levels of management would be undertaken by the Company and a consolidated report of such reviews shall be submitted to the Board of Directors of the Company at regular intervals, as may be prescribed by the Board.

11. Policy for Determining Interest Rates, Processing and Other Charges

As required under clause (a) of para 7 above and to ensure that the Customers are not charged excessive interest rate and charges on loans and advances by the Company, the Board of the Company has adopted a Policy for Determining Interest Rates, Processing and Other Charges ("Interest Rate Policy") and the same has been put up on the Company's website i.e., www.veefincapital.com. Further the Board of the Company also undertakes periodical review of the Interest Rate Policy.

The Company shall abide by this Fair Practices Code following the spirit of the Code and in the manner, it may be applicable to its business.

12. Review of the Compliance of the Fair Practices Code:

- a) The Chief Executive Officer (CEO)/Executive Director of the Company will review the compliance of the Fair Practice Code and the functioning of the grievance redressal mechanism once in a quarter. Any deviation of compliance will be immediately placed to the Managing Director for an immediate circular of the same to the Board.
- b) A report on the compliance of the Fair Practice Code and functioning of the grievance redressal mechanism will be placed before the Board of Directors of the Company at all Board Meetings.
- c) It is important to note that, despite the provisions outlined in this FPC, any contradictions between this policy and existing legislations, rules, regulations, laws, modifications thereof, or the enactment of new applicable laws will result in the supremacy of the latter over this FPC.