

FAIR PRACTICES CODE

1. Introduction

TECHFINO CAPITAL PRIVATE Limited, a Non-Deposit Taking Non-Banking Finance Company registered with Reserve Bank of India ("RBI") is presently in the business of providing different types of loans which includes Consumer Loans, Personal Loans, Loan against Property etc., to its various customers. Such credit facilities are extended to different types of customers, which may include Individuals, Partnership Firms, Companies and other Legal entities.

TECHFINO CAPITAL PRIVATE Limited ("the Company") has put in place the Fair Practice Code (FPC) as per the RBI directives and it has been duly approved by the Board of Directors. The Fair Practice Code sets out the principles for fair practices/ standards while dealing with its customers.

The Company has adopted this Fair Practices Code ("the Code") and have implemented it. The Code applies to all categories of products and services offered by the Company (currently offered and which may be introduced in future).

2. Key Commitments

The Company's key commitments to customers:

- i. Act fairly and reasonably in all their dealings with customers by:
 - Meeting the commitments and standards specified in the Code, for the products and services which the Company offers and, in the procedures and practices its staff follows;
 - Making sure that Company's products and services meet relevant laws and regulations;
 - Company's dealings with customers will rest on ethical principles of integrity and transparency
- ii. Help customers understand how company's product work by:
 - Explaining their financial implications
- iii. Deal quickly and sympathetically with things that go wrong by:
 - Correcting mistakes;
 - Handling customer's complaints;
 - Telling customers' how to take their complaint forward if they are still not satisfied
- iv. Publicize the Code, put it on Company's website and have copies available for customer on request.

3. Information

- a) Helping customer choose products and services, which meet their needs and give them clear information explaining the key features of the services and products they are interested in.
- b) Inform customers about the documents and information the Company needs 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

- a) All communications to the borrower shall be in English language and the same will be

explained, by TCPL representative, to the borrower in a language as understood by the borrower.

- b) 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 lenders can be made and informed decision can be taken by the borrower. The loan application form shall also indicate the documents required to be submitted with the application form.
- c) The Company will have a system of giving acknowledgement for receipt of loan applications. Where possible and practical, the time frame within which loan applications will be disposed of shall also be indicated in the acknowledgement.

5. Loan appraisal and terms/conditions

The Company will convey in writing to the borrower in English language by means of sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record. Where required a TCPL representative will explain these in a language understood by the borrower. The Company will mention the penal charge which will be charged for late repayment and / or any other default on the part of the customer, in bold in the loan agreement.

The Company will 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.

The exact due dates for repayment of a loan, frequency of repayment, breakup between principal and interest, examples of SMA/NPA classification dates, etc. shall be communicated to the borrower at the time of loan sanction and also at the time of subsequent changes, if any, to the sanction terms/ loan agreement till full repayment of the loan. In cases of loan facilities with moratorium on payment of principal and / or interest, the exact date of commencement of repayment shall also be communicated to the borrower.

Company representative will explain the documents to the borrower in a language understood by the borrower and obtain a declaration from the borrower confirming the same.

6. Penal Charges in Loan Accounts

- a) Penalty, if charged, for non-compliance of material terms and conditions of loan contract by the borrower shall be treated as 'penal charges' and shall not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances. There shall be no capitalization of penal charges i.e., no further interest computed on such charges. However, this will not affect the normal procedures for compounding of interest in the loan account.
- b) The Company shall not introduce any additional component to the rate of interest and ensure compliance to RBI Guidelines on Fair Practice Code in both letter and spirit.
- c) The quantum of penal charges shall be reasonable and commensurate with the non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan / product category.
- d) The penal charges in case of loans sanctioned to 'individual borrowers, for purposes other than business', shall not be higher than the penal charges applicable to non-individual borrowers for similar non-compliance of material terms and conditions.
- e) The quantum and reason for penal charges shall be clearly disclosed by the Company to the customers in the loan agreement and most important terms & conditions / Key Fact Statement (KFS) as applicable, in addition to being displayed on the Company's website under Interest

rates and Service Charges.

- f) Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the applicable penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefor shall also be communicated.

7. Disbursement of loans including changes in terms and conditions

- a) The Company will give notice to 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 effected only prospectively. A suitable condition in this regard will be incorporated in the loan agreement.
- b) Decision to recall / accelerate payment or performance under the agreement will be in accordance with the loan agreement.
- c) The Company will release all securities 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 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.

8. Responsible Lending Conduct – Release of movable/immovable property documents on repayment/ settlement of personal loans

- a) Release of movable/immovable property documents
 - i. The Company shall release all the original movable / immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/settlement of the loan account.
 - ii. The borrower shall be given the option of collecting the original movable/ immovable property documents either from the banking outlet/branch where the loan account was serviced or any other office of the Company where the documents are available, as per her/his preference.
 - iii. In order to address the contingent event of demise of the sole borrower or joint borrowers, the Company have a procedure for return of original movable/immovable property documents to the legal heirs.
- b) Delay in release of movable/immovable property documents
 - i. In case of delay in releasing of original movable/immovable property documents or failing to file charge satisfaction form with relevant registry beyond 30 working days after full repayment/ settlement of loan, the Company shall communicate to the borrower reasons for such delay.
 - ii. In case of loss/damage to original movable/immovable property documents, either in part or in full, the Company shall assist the borrower in obtaining duplicate/certified copies of the movable/immovable property documents and shall bear the associated costs. However, in such cases, an additional time of 60 working days will be available to the Company to complete this procedure.

9. General

- a) 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).
- b) In case of receipt of request from the borrower for transfer of borrowal account, the consent

or otherwise i.e., objection of the Company, if any, will be conveyed within 21 days from the date of receipt of request.

- c) 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.

10. Grievance Redressal

- a) A periodical review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such reviews will be submitted to the Board at regular intervals.
- b) The following information shall be displayed prominently, for the benefit of the customers, at all branches/ places of the Company, where business is transacted:
 - i. the name and contact details (Telephone / Mobile nos. as also email address) of the Grievance Redressal Officer who can be approached for resolution of complaints against the Company.
 - ii. If customer's complaint/concern is not redressed within a period of 30 days, customer can lodge a complaint on RBI CMS portal - <https://cms.rbi.org.in>

Or send complaint form to the below mentioned address:

Centralised Receipt and Processing Centre,
Reserve Bank of India, 4th Floor,
Sector 17, Chandigarh – 160017
Tollfree Number- 14448

11. Ombudsman Scheme for Non-Banking Financial Companies

(a) Reserve Bank – Integrated Ombudsman Scheme, 2021

Under the Ombudsman Scheme, the Company has appointed Principal Nodal Officer (PNO) who shall be responsible for representing the Company and furnishing information to the Ombudsman in respect of complaints filed against the Company. The Nodal Officers (NO) appointed by the Company will assist the PNO.

For the benefit of the customers, at the branches/ places where business is transacted, the name and contact details (Telephone/ Mobile number and email) of the PNO along with the details of the complaint lodging portal of the Ombudsman (<https://cms.rbi.org.in>) will be displayed.

The salient features of the Scheme shall be displayed prominently in English, Hindi and Regional languages at all the offices and branches in such a manner that a person visiting the office or branch has adequate information on the Scheme.

The salient features of the Ombudsman Scheme along with the copy of the Scheme and contact details of the Principal Nodal Officer shall be prominently displayed and updated on the website.

(Reference: Reserve Bank - Integrated Ombudsman Scheme, 2021 dated November 12, 2021)

12. Hosting on Website

Fair Practices Code shall be put up on the website of the Company for the information of various stakeholders.

13. Regulation of excessive interest charged

- a) 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.
- b) The rates of interest and the approach for gradation of risks shall also be made available on the web- site of the company. The information published on the website shall be updated whenever there is a change in the rates of interest.
- c) The rate of interest shall be annualised rate.

14. Loan facilities to the physically/visually challenged by the Company

The Company shall not discriminate in extending products and facilities including loan facilities to physically/visually challenged applicants on grounds of disability. All branches of the Company shall render all possible assistance to such persons for availing of the various business facilities.

15. Review of Fair Practice Code

Director(s) shall be authorized to review and approve any modifications to the Fair Practice Code from time to time.