FAITH FINANCIALS PRIVATE LIMITED

FAIR PRACTICE CODE

&

GRIEVANCES REDRESSAL MECHANISM

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FAIR PRACTICE CODE & GRIEVANCES REDRESSAL MECHANISM

1. INTRODUCTION:

"Faith Financials Private Limited" ("The Company") is a Non-Banking Financial Company "Company" registered with the Reserve Bank of India (RBI). In accordance with the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("the Directions"), issued by the RBI, dated October 19, 2023 advised that the Board of Directors of every applicable Company shall frame a Fair Practice Code & Grievances Redressal Mechanism ("Code") for the Company and implement the same.

2. OBJECTIVES:

- To provide best customer services and to comply with the Guidelines of Code prescribed by the Reserve Bank of India.
- To encourage market forces, through fair competition, to achieve higher operating standards.
- To relate with the customer in such manner to promote a fair and cordial relationship.

3. REGULATORY REFERENCE:

- 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.

4. APPLICATION:

- To be applicable to all persons offering the products and services of the Company or interacting with the customers as an employee or otherwise in any manner and/or by any mode.
- The Code is applicable under a normal operating environment except in the event of any force majeure.
- The Code is based on ethical principles of integrity and transparency and all actions and dealings shall follow the spirit of the Code.

5. COMMITMENTS:

- The Company shall always do its best to act fairly, reasonably and meet the standard practices prevalent in the industry.
- The Company shall abide by all the relevant laws, regulations and meet the ethical principles of integrity and transparency during its interaction with customers.
- While interacting with customers, the Company shall take all steps as may be required to provide clear information either in English or the appropriate vernacular language regarding:
  a. Its various products and services.
  b. The terms and conditions, the interest rates/service charges.
  c. Benefits available to customers and the implications, if any.
  d. Contact persons for addressing the queries, if any.

- The Company will provide a copy of this Code, at request, to the customer. The Code will also be made available on its website and/or at every branch / office.
- 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 shall indicate the documents required to be submitted with the application form.
- The Company will not discriminate on the grounds of sex, caste, and religion in the matter of lending.
- The Company shall treat the information relating to customers as strictly confidential and shall not share any information, unless required under law or waived or permitted by the customer.
- The Company shall take necessary steps to inform its customers of their right to information regarding their account and the facilities available to them.
- The Company shall be clear and not misleading in any of its advertising and promotional materials.
- The Company shall inform its customers of all financial information such as rates of interest, charges, method of calculation etc. through brochures, posters or during meeting with the customers etc. prior to entering any transaction.
- The Company shall endeavor to keep its customers informed of any change in interest rates / charges etc. through letters or any other form of general or public announcement or displays, from time to time.
- The Company shall disclose, by such mode and in such manner as deemed fit, to ensure transparency, for all information affecting the interest of the borrower including but not limited to:
  a. Fees/charges payable for processing the loan application.
  b. Annualized rate of interest & method of application thereof
  c. The amount of fee refundable, if any, if the loan amount is not sanctioned.
  d. Prepayment options and charges, if any.
  e. Penalty for delayed repayment, in bold, if any.
  f. Conversion charges, if any (switching loan from fixed to floating rate or vice –versa).
  g. Existence of interest re-set clause, if any.
  h. Any other matter which affects the interest of the borrower.
- The disclosure shall be done to ensure that the borrowers are aware of all interest, charges and fees involved in processing and sanctioning of the loan. The Company shall ensure that changes in interest rates and charges are effective from a prospective date.
- The Board of Director of the Company shall lay out appropriate internal principles and procedures in determining interest rates and processing and other charges.
- The decision to recall / accelerate payment or performance under the agreement shall be in consonance with the loan agreement.

6. LOANS:

- The Company in the normal course of its business shall always endeavor to guide its customers about the process and procedure to be followed for availing a loan.
- Each application shall be considered independently on merit, upon scrutiny of all the information, documents required for verifying the title of the property, identity of the person and/or entity and the security to be offered, including guarantees.

- The Company shall carry out due diligence on the borrower to ascertain the credit worthiness of the borrower, which will be an important parameter in deciding on the application before sanctioning or rejecting any loan application.
- The Company shall give an acknowledgement for receipt of all loan applications.
- The likely time frame within which loan applications will be disposed of shall also be indicated in the acknowledgement.
- The Company shall convey in writing to the borrower in English or any other vernacular language as understood by the borrower by means of sanction letter, loan agreement 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.
- The Company shall mention the penal interest charged, if any, for late repayment in bold in the loan agreement.
- The Company shall furnish a copy of the loan agreement 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.
- Company shall comply with the instructions contained in the circular on 'Key Facts Statement (KFS) for Loans & Advances' dated April 15, 2024, as amended from time to time (format of KFS as given in the circular is incorporated in Annex XXVII). of **Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023**
- For Penal charges in loan accounts one should refer Interest & Penal Charges Policy adopted by the Company
- In case of letter of guarantees executed by the guarantors, the Company shall ensure that the said letter covers their obligations, liabilities, and circumstances in which they can be called upon to pay the dues of the principal customer/borrower.
- 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 they 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.
- The Company shall adopt an interest rate model considering relevant factors and determine the rate of interest to be charged for loans and advances. 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 and shall also be made available on the website of the Company or published in the relevant newspapers, as the Company may decide.
- The Company shall not discriminate in extending products and facilities including loan facilities to physically / visually challenged applicants on grounds of disability.
- 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. Company shall also ensure that changes in interest rates and charges are affected only prospectively. A suitable condition in this regard must be incorporated in the loan agreement.

7. RESPONSIBLE LENDING CONDUCT – RELEASE OF MOVABLE/IMMOVABLE PROPERTY DOCUMENTS ON REPAYMENT/ SETTLEMENT OF PERSONAL LOANS

a) Release of movable/immovable property documents

- 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.
- The borrower shall be given the option of collecting the original movable/ immovable property documents either from the head office/branch where the loan account was serviced or any other office of the Company where the documents are available, as per her/his preference.
- The timeline and place of return of original movable/immovable property documents will be mentioned in the loan sanction letters.
- In order to address the contingent event of demise of the sole borrower or joint borrowers, the Company is having a well laid out procedure for return of original movable/immovable property documents to the legal heirs. Such procedure is displayed on the website of the Company along with other similar policies and procedures for customer information.

b) Compensation for delay in release of movable/immovable property documents

- In case of delay in releasing of original movable/immovable property documents or failing to file charge satisfaction form with relevant registry beyond 30 days after full repayment/ settlement of loan, the Company shall communicate to the borrower reasons for such delay. In case where the delay is attributable to the Company, it shall compensate the borrower at the rate of ₹5,000 for each day of delay.
- 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 th movable/immovable property documents and shall bear the associated costs, in addition to paying compensation as indicated at clause (ii) above. However, in such cases, an additional time of 30 days will be available to the Company to complete this procedure and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).

8. COLLECTION OF DUES:

- The Company shall provide the customers with all the information regarding their dues and provide reasonable time for payment of the same.
- The Company shall while protecting its interest adopt reasonable and lawful measures to recover its dues from defaulting customers, including use of persuasive method for the purpose of collection of its dues.
- In the matter of recovery of loans, an Company shall not resort to undue harassment viz., persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc. As complaints from customers also include rude behaviour from the staff of the companies.
- The Company shall ensure that the staff is adequately trained to deal with the customers in an appropriate manner.

9. **LOAN FACILITIES TO THE PHYSICALLY/VISUALLY CHALLENGED BY COMPANY**

Company shall not discriminate in extending products and facilities including loan facilities to physically/visually challenged applicants on grounds of disability. All branches of Company shall render all possible assistance to such persons for availing of the various business facilities. Company shall include a suitable module containing the rights of persons with disabilities guaranteed to them by the law and international conventions, in all the training programmes conducted for their employees at all levels. Further, Company shall ensure redressal of grievances of persons with disabilities under the Grievance Redressal Mechanism already set up by them.

10. **GENERAL:**

- The Company shall refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless information, not earlier disclosed by the borrower, has been noticed).
- In case of receipt of request from the borrower for transfer of borrowed 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 request. Such transfer shall be as per transparent contractual terms in consonance with law.
- As a measure of customer protection and also in order to bring in uniformity with regard to prepayment of various loans by borrowers, Company shall not charge foreclosure charges/ pre-payment penalties on any floating rate term loan sanctioned for purposes other than business to individual borrowers, with or without co-obligant(s).
- Complaints about excessive interest charged by Company shall be regulated as per Interest & Penal Charges Policy adopted by Company.

11. **COMPLAINTS AND GRIEVANCES:**

- The Board of Directors of the Company shall lay down the appropriate grievance redressal mechanism within the organization.
- The Company shall endeavor to address/respond to all complaints and grievances within a reasonable time and keep the customers informed about the status of their complaints.
- The Company shall make available facilities at each of its branches, if any, and offices for the customers to lodge and/or submit their complaints or grievances, if any.
- The Company will ensure that its grievance redressal procedure is made available on its website.
- Further, the Company shall ensure redressal of grievances of persons with disabilities under the existing Grievance Redressal Mechanism provided herein.

12. **REGISTRATION OF COMPLAINTS:**

The Company enables its customers to register complaints through multiple channels. The various channels available to customers are as follows: -

- E-mail or through contact numbers: Customers can send their grievances to the company through an email, or they can use the respective Telephone or contact number available on the website of company **www.faithfinancials.in** for redressal their grievances.

- Complain Registration: Customers can speak to the officials-in-charge at the Company's offices for resolution of their issues or register their grievances at the Office Complaints Register available at reception.
- Grievance Redressal Officer: Customers can reach out directly to Grievance Redressal officer over phone and/or email which is provided in the below section.

❖ **ESCALATION OF COMPLAINTS:**

LEVEL 1:
The customer may register his/her query/ complaint to the Company which shall be addressed to the Grievance Redressal Officer (GRO) in connection with any matter pertaining to business practices, lending decisions, credit management, recovery and complaints relating to updation / alteration of credit information. The details of the Grievance Redressal Officer are given as follows:

Name of the Grievance Redressal Officer: Abhishek Tejraj Doshi
Email id: mail@faithfinancials.in
Corporate Address: 7&8, Ground Floor, 15/17, Raghavji Building – A Wing, Cumbala Hill, A.K. Marg, Cumbala Hill, Mumbai - 400036
Telephone 9167391038

LEVEL 2:
If the complaint is not resolved within 15 Working days, the customer shall complaint to the Business Head of the Company at his following email id faithfinancialslegal@gmail.com

LEVEL 3:
If the complaint / dispute is not redressed within a period of thirty days from date of its receipt, the customer may appeal to:

Department of Non-Banking Supervision,
Reserve Bank of India Mumbai Regional Office,
3rd Floor, RBI Building, Opposite Mumbai Central Railway Station,
Byculla, Mumbai – 400 008
Telephone No.: 022 2308 4121
Email: dnbsmro@rbi.org.in

13. REVIEW OF THE CODE:

This Code must be reviewed at least once in a financial year or at such intervals as may be deemed necessary by the Board of Directors