

FAIR PRACTICES CODE

1. INTRODUCTION

The Reserve Bank vide its master circular no. RBI/2014-15/34 DNBS (PD) CC No. 388/ 03.10.042 /2014-15 dated July 1, 2014 and subsequent directions in circular no. RBI/ DNBR/ 2016-17/ 44 Master Directions DNBR.PD.007/ 03.10.119/ 2016-17 dated September 1, 2016 issued guidelines on Fair Practices Code (FPC) for all NBFCs, covering inter alia the general principles on adequate disclosures on the terms and conditions of a loan, adopting a non-coercive recovery method. Based on this, Sarvodaya Nano Finance Limited (SNFL) formulated this Policy known as Fair Practices Code (FPC).

2. OBJECTIVE

Loan products of SNFL will be available to all qualified applicants' without discrimination on the basis of race, caste, color, religion, marital status or handicap. All Customers shall be treated consistently and fairly. Employees will offer assistance, encouragement and service in a fair, equitable, transparent and consistent manner. The FPC shall apply to all categories of products, all categories of services, all aspects of operations of the Company including marketing, loan origination, processing, and servicing and collection activities.

3. LOAN APPLICATION AND PROCESSING

- All communications to the borrower shall be in the vernacular language or a language as understood by the borrower.
- 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.
- Customers who have evinced interest in availing the loan from SNFL should fill up the loan application form, complete in all aspects and should submit the same to the Company's nearest branch
- The application so received will be acknowledged by the Company immediately on submission and will be processed for sanction of the loan. The Company will consider all the documents submitted and the information provided, verify the creditworthiness of the customer and evaluate the proposal at its sole discretion and will grant loan by issuing a sanction letter within 10 days from the date of receipt of the loan application and if no communication is received by the customer, the loan application is deemed to have been rejected and the Company will not send any communication for rejected cases.
- Sanction letter in the vernacular language to be issued to all borrowers whose loan have been sanctioned after due diligence

4. LOAN AGREEMENT

(a) Necessary loan documents shall be executed by the borrower/prospective borrower with all terms and conditions of loan mentioned in it including penal interest to be charged (in bold letters), recall/accelerate payment or performance.

(b) The Company shall furnish to the borrower a copy of the loan agreement as understood by the borrower along with a copy of each document quoted as enclosure to the loan agreement.

5. LOAN DISBURSEMENT

- After loan agreements are successfully executed along with submission of KYC documents of the borrower, the loan shall be disbursed by the Company to the borrower.
- Any change in terms of Conditions like change in disbursement schedule, interest rate, tenure, all charges/fees would be communicated to the borrower in writing in the vernacular language/
- Changes in interest rates and charges are effected by the Company only prospectively.
- Any decision to recall, accelerate payment would be communicated to the borrower in writing as per the terms of the agreement.
- NOC to be issued on recovery of all dues.

6. RECOVERY AND TRANSFER OF LOAN

- In the matter of recovery of loans, the company will not resort to any undue harassment to the borrower viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, rude behavior of staff etc.
- In case of receipt of request from the borrower for transfer of borrowal account, the consent or objection of the company, will be conveyed within 21 days from the date of receipt of such request of transfer to both the transferor and transferee in transparent manner.
- As a measure of customer protection and also in order to bring in uniformity with regard to prepayment of various loans, the Company does 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).

7. 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 (unless new information, not earlier disclosed by the borrower, has come to the notice of the Company).

(b) The Company shall train its employees adequately to deal with the customers in an appropriate manner.

(c) The Company shall adopt Interest Rate by taking into account relevant factors and determine the interest rate to be charged accordingly.

8. RESPONSIBILITY OF BOARD OF DIRECTORS

The Board of Directors of the Company has laid down an appropriate grievance redressal mechanism within the organization. The Board of Directors also reviews 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 is submitted to the Board as and when required.

9. COMPLAINTS, FEEDBACK AND SUGGESTION

The borrower/applicant may report his/her complaint/grievance in writing to the concerned branch of the Company from where he/she availed the loan or applied for the loan. On receipt of such complaint/grievance, the head of the Branch shall immediately take up the matter for redressal.

All disputes arising out of the decisions of branches in relation to the products and services shall be heard and disposed of at least at the next higher level as mentioned below. The disposal shall be by way of a letter addressed to the customer by Registered Post/Speed Post/email in the address as per latest record of the Company.

Complaint Level	Redressal Level
Branch Level	Zonal Level
Zonal Level	Head Office Level

10. GRIEVANCE REDRESSAL MECHANISM

The customer can make his complaint through any of the following modes:

- Website
- Email: nodalofficer@sarvodayanano.org.in
- Customer Walk-in at Branch
- Direct Number: 044 2813 1880

(a) All complaints received at the branch shall be addressed by the Branch Manager and the customers' when dissatisfied with the resolution may refer to the Zonal Head for resolution. If the complainant is not satisfied with the resolution thereto, he may refer the complaint to the Nodal Customer Care Officer. In case, the complaint is not redressed within a period of one month from the date of lodgment of complaint, the customer may appeal to the

The officer-in-Charge,
Dept. of Non-Banking Supervision (DNBS),
Reserve Bank of India
Fort Glacis, 16, Rajaji Salai, Chennai - 600 001
Ph: 044 - 25399222 - Fax No. 044 - 25393797
Email id: dnbschennai @rbi.org.in

(b) All complaints received from RBI and other authorities with regard to this shall be forwarded to the Nodal Customer Care Officer for resolution.

(c) The Nodal Customer Care Officer shall appraise the Board of Directors/Audit/Risk Management Committee on quarterly basis with the status of complaints.

(d) The Nodal Customer Care Officer of the Company shall be such officer as may be decided by the Board of Directors of the Company from time to time.

11. IMPLEMENTATION, EFFECT AND REVIEW

(a) All steps shall be taken by the nodal officer to implement this FPC at all the offices of the Company. This FPC came into effect from April 1, 2020.

(b) The Board shall have periodical review of the FPC, compliance of FPC and the functioning of the Grievance redressal mechanism.

12. CONFIDENTIALITY

Unless authorized by the borrower, the Company will treat all personal information and transaction details of the Customer as private and confidential and will not reveal to anyone except required (i) under statutory or regulatory laws, (ii) under duty to the public (iii) in the interest of the Company to Banks / Financial Institutions / Group and Associate Companies / consultants and advisers.