

 kaleidofin capital private limited	
Charter name	Fair Practices Code
Version	2.0
Date of Board Approval	Re-approved on 21 st July 2023
Frequency of Review	Annual
Valid up to	Until reviewed and modified by the Board

Fair Practices Code

1. Purpose and Scope

1. The Reserve Bank of India has, vide its Master Circular no. RBI/2015-16/16/DNBR (PD) CC.No.054/03.10.119/2015-16 titled Master Circular – Fair Practices Code dated July 01, 2015 issued guidelines on Fair Practices Code (FPC) for all NBFCs to be adopted by them while doing lending business.
2. Accordingly, the Company has adopted Fair Practices Code governing its business of credit products to different types of customers with the objective of ensuring fair and transparent dealings with customers and establishing a customer grievances redressal mechanism.

2. Loan Applications and Processing

1. All communications to the borrower shall be in the vernacular language or a language as understood by the borrower.
2. Loan application forms (if applicable) 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 Company shall also provide a Key Facts Statement to customers, so that important terms and conditions of the loan products are clearly communicated.
3. Loan application form (if applicable) shall enlist the list of mandatory documents required to be submitted by the borrower, along with the application form, while applying for any of the credit facilities offered by the company.
4. On receipt of loan application, the Company shall make best efforts to provide an acknowledgment to the borrower. When possible, the time frame within which loan applications will be disposed of should also be indicated in the acknowledgement.

3. Loan Appraisal and Terms & Conditions

1. The Company shall convey in writing to the borrower in the vernacular language as understood by them – where applicable, in the form of a sanction letter, term sheet or loan agreement – the amount of loan sanctioned along with the terms and conditions including annualized rate of interest (in Annualized Percentage Rate or APR form) and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record.
2. In case of bundled products and services (e.g. insurance or other products), the providers of such products and services shall be clearly identified and the terms & conditions of these products and services shall be clearly communicated to the customers.

3. Any penal or additional interest to be charged for late repayment shall be explicitly highlighted in the loan agreement documents.
4. A copy of loan agreement along with a copy of all enclosures quoted in the loan agreement shall be provided to the borrower in the language as understood by them, either in physical form or digital form.

4. Disbursement of Loan and Changes in Terms & Conditions

1. A copy of loan agreement along with a copy of all enclosures quoted in the loan agreement shall be provided to the borrower in the language as understood by them, either in physical form or digital form.
2. Any changes in interest rates and charges will take effect prospectively. A suitable clause to this effect shall be mentioned in the loan agreement.
3. 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 or following the disbursement of loans.
4. The company shall give a notice in writing to the borrower, in a language as understood by borrowers, of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges, etc.
5. The decision to recall / accelerate payment or performance under the agreement shall be in accordance with the loan agreement.
6. All securities pertaining to the loan (if applicable) 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.

5. Grievance Redressal Mechanisms

1. The management of the Company, together with the Board, shall lay down appropriate procedures and mechanisms for customer grievance redressal within the Company. The grievance redressal mechanisms should cover *inter alia*:
 - a. appointment of Grievance Redressal Officer;
 - b. means through which customers can contact the Company and the Grievance Redressal Officer within the company (including e-mail, telephone, post and through dedicated customer care services);
 - c. procedure for providing confirmation to customers or receipt of any complaints;

- d. timeline for resolution of complaints;
 - e. procedure for escalation of complaints to senior management levels, if not resolved within specific timelines.
2. The name and contact details of the Grievance Redressal Officer who can be approached by the public for resolution of complaints against the Company shall be displayed on the Company website and at the branch offices of the Company where business is transacted.
 3. If the complaint / dispute is not redressed within a period of one month, the customer may appeal to the Officer-in-Charge of the Regional Office of DNBS of RBI, Chennai as per the contact details provided below:

The General Manager
Department of Non-Banking Supervision
Chennai Regional Office
Reserve Bank of India
Fort Glacis, No. 16, Rajaji Salai,
Chennai – 600 001.
Tel: 044 – 2536 1631; Fax: 044 – 2536 5220

4. The Board of Directors of the Company shall, at periodic intervals, review the Company's compliance with the Fair Practices Code and the functioning of the grievance redressal mechanisms.

6. General

6.1 Confidentiality

1. Unless authorized by the customer the Company will treat all personal information as private and confidential.
2. The Company will not reveal transaction details to any other entity including within the group other than the following exceptional cases:
 - a. if the Company has to provide the information by statutory or regulatory laws;
 - b. if there is a duty to the public to reveal this information;
 - c. if its interest requires the Company to provide this information (e.g. fraud prevention). The Company will not use this reason for giving information about customers to anyone else (including group companies) for marketing purposes;
 - d. if the customer asks us to reveal such information to its group / associate entities or companies for providing other services or products.

6.2 Interest rates

1. The Company has put in place an interest rates policy, which guides the Company in determining interest rates for different products as well as customer segments. The rate of interest (in Annualized Percentage Rate or APR form) and other charges associated with loan products shall be duly communicated to customers in the sanction documents or loan agreement as applicable.
2. The interest rates policy shall be made available on the website of the Company. When possible, the Company shall also disclose on its website, the range of interest rates applicable for different product categories.

6.3 Other general conditions

1. 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).
2. In case of receipt of request from the borrower for transfer of loan account (if applicable), the consent or otherwise i.e. objection of the Company, if any, should 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.
3. The Company shall not resort to undue harassment viz; persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc. The Company shall ensure that the staff are adequately trained to deal with the customers in an appropriate manner. The Company shall also ensure that all agents appointed by the Company for collections or following up on unpaid instalments shall not unduly harass customers in any manner.
4. The Company shall not charge foreclosure charges / pre-payment penalties on all floating rate term loans sanctioned to individual borrowers (if applicable).