



FAIR PRACTICE CODE

INTRODUCTION:

The Fair Practices Code ("FPC") has been formulated by Finodaya Capital Prime Limited ("Company") in accordance with the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by the Reserve Bank of India ("RBI") ("RBI Master Directions"), as amended from time to time.

In accordance with Chapter VII (Fair Practices Code) of the RBI Master Directions, Non-Banking Financial Companies ("NBFCs") having customer interface are required to adopt the guidelines on Fair Practice Code ('FPC') prescribed in the RBI Master Directions. Finodaya, being a NBFC having customer interface, has adopted this FPC for the lending business.

PURPOSE AND ITS APPLICABILITY:

The Company has adopted the Fair Practices Code (FPC) with the objective of ensuring fair, ethical, and transparent dealings with its customers and borrowers. This Code aims to establish minimum standards for customer interaction, thereby promoting integrity and responsible conduct across all levels of operation.

The FPC is intended to:

- Encourage good and fair business practices.
- Enhance transparency so that customers have a clear understanding of the Company's products and services.
- Foster trust and accountability in all customer engagements.

This Code is applicable to all aspects of the Company's lending operations, including but not limited to:

- Marketing and promotion
- Loan origination and processing
- Servicing and customer support
- Collection and recovery practices

KEY COMMITMENTS

The Company is committed to maintaining the highest standards of fairness, transparency, and customer service in all its dealings. Accordingly, the Company promises the following:

1. Fair and Ethical Dealings

- Act fairly, reasonably, and ethically in all interactions with customers.
- Ensure that all products, services, procedures, and practices comply with the commitments outlined in this Fair Practice Code (FPC).
- Adhere to all applicable laws and regulations in both letter and spirit.
- Conduct business with honesty, integrity, and transparency.

2. Clear and Transparent Communications

- Provide information about financial products and services in a clear, simple, and understandable manner.



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- Explain the financial implications of products and services to help customers make informed decisions.
- Assist customers in selecting products and services best suited to their needs.

3. Customer Support and Grievance Redressal

- Strive to provide a seamless and hassle-free experience.
- Promptly correct any errors or oversights.
- Handle complaints quickly, fairly, and sympathetically.
- If a customer is not satisfied with the resolution of a complaint, guide them on the escalation process.
- Reverse any charges, including interest, applied due to the Company's error.

4. Informed Customer Choices

Before establishing a customer relationship, the Company will:

- Provide clear information on the key features of products and services.
- Recommend accounts, products, and services that suit customer needs.
- Disclose the information required for 'Know Your Customer' (KYC) compliance and legal requirements.
- Request additional personal information only on a voluntary basis for database building.

Customers will also be informed about:

- Channels available to access products and services.
- Locations and resources where further information can be obtained.
- Their rights and responsibilities associated with different modes of operation.

5. Responsible Lending Practices

Before offering any fund-based or non-fund-based facility, the Company will:

- Assess the borrower's ability to repay.
- Provide a loan application form specifying required documents.
- Acknowledge receipt of all loan applications.
- Communicate all information in a language understood by the borrower.

Upon loan sanctioning, the Company will:

- Provide a written sanction letter detailing the loan amount, terms, annualized interest rate, and method of calculation.
- Maintain a record of the borrower's acceptance of these terms.
- Clearly mention any penal interest applicable for late payments in the loan agreement.
- Determine interest and charges based on internal policies, reviewed periodically with regard to business needs, regulatory guidelines, and customer expectations.

6. Loan Documentation and Terms



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- Furnish a copy of the signed loan agreement and all referenced enclosures at the time of sanction/disbursement.
- Provide notice in a language understood by the borrower for any changes to terms and conditions, such as interest rates or charges.
- Ensure changes to interest or fees are applied prospectively only, with clear terms included in the loan agreement.
- Exercise any decision to recall or accelerate payments in line with the terms of the agreement.

7. Release of Security

- Release all securities upon full repayment of dues or realization of the loan amount.
- If exercising a right of set-off against other claims, provide the borrower with detailed notice and explanation of outstanding claims and the conditions under which securities may be retained.

8. Confidentiality

The Company shall treat all personal and financial information of its customers as private and confidential. Customer information will be disclosed only:

- If required by law or regulatory authorities.
- With the express consent of the customer.
- When necessary to protect the Company's interests (e.g., to prevent fraud or enforce legal rights), provided it is permitted by law.

The Company will ensure that any sharing of information with third parties (such as credit bureaus or service providers) is done securely and strictly for legitimate business purposes, in accordance with applicable data protection regulations.

LANGUAGE AND MODE OF COMMUNICATING THE FPC:

The Company in accordance with the Guidelines on FPC and RBI Master Directions, shall put in place the FPC in English language. The Company shall also make the FPC available in regional/ vernacular languages for the customers who request for the FPC in vernacular language

The Company will abide by all guidelines, directives, instructions and advice of the Reserve Bank of India as will be in force from time to time. The contents of this document shall be read in conjunction with these guidelines, directives, instructions, and advice.

The Company will apply better practice so long as such practice does not conflict with or violate Reserve Bank of India regulations.