



FAIR PRACTICE CODE

(Last Amended and Approved in The Board Meeting Held On 28/02/2024)



FAIR PRACTICES CODE

1. Preamble

This Fair Practices Code has been prepared in compliance with the “Guidelines on Fair Practices Code for NBFCs” issued by the Reserve Bank of India and aims to provide its borrowers an effective overview of the practices followed by the Company and to enable borrowers to take informed decisions in respect of the financial facilities and services offered by the Company. The Code covers the general principles on adequate disclosures on the terms and conditions of the loan and the procedures to be followed when dealing with the borrowers. The Code applies to all categories of products and services offered by Tattva Fincorp Limited (“the Company”).

2. Objective of the Code

The code has been developed with an objective of:

- Ensuring & Regulating fair practices while dealing with borrowers;
- Enabling borrowers in having a better understanding of the product and taking informed decisions;
- Building borrowers’ confidence in the company;
- Facilitate a continuously growing base of satisfied borrowers while scrupulously avoiding association with borrowers having doubtful credentials or criminal background;
- Deal with the Grievances redressal in a quick and efficient manner and to the satisfaction of the borrowers;
- Have Escalation process, in the event of dissatisfaction of the borrowers in handling the complaint(s) raised.

3. Declarations & Commitments

- The Company undertakes to abide by all applicable laws, regulations and guidelines passed/issued by the Regulators (Reserve Bank of India, Ministry of Corporate Affairs, etc.) and other competent authorities.
- The Company commits itself to full customer satisfaction through efficient, professional and courteous services across all its offices.
- The Company shall consistently strive to meet with and improve upon the internally set benchmarks and practices and be ahead of the standards prevalent in the industry.
- The Company undertakes not to discriminate customers on grounds of religion, caste, gender or language.

- The Company will provide clear and full information about its products and services to its customers / prospective customers and will not resort to any misleading or potentially misguiding advertisement or publicity.
- The Company undertakes to desist from introducing any products / services having elements of 'hidden charges' or lack of transparency.
- The Company will communicate in the local language with the customer and in English at the request of the customer
- The Company undertakes to take all possible and reasonable measures to secure the safe custody of the security pledged by the customer and to compensate the customer for any accidental, inadvertent or fraudulent loss of the security whilst in the custody of the Company.
- The Company undertakes not to take advantage of any unintentional or clerical error made by the customer while transacting business.
- The Company is committed to putting in place a system for promptly addressing complaints and suggestions of the customers supplemented with a structured Grievance Redressal Mechanism having an escalation matrix.
- The Company shall display the FPC on all the places of its operation and also make available to the Customer, on request, a copy of the FPC on demand.

4. Applicability of Fair Practice Code

The Fair Practice Code will be applicable to the following broad areas:

- i. Loan application and processing;
- ii. Loan appraisal, sanction, agreement and terms/ conditions;
- iii. Loan disbursal;
- iv. Recovery and transfer of loan;
- v. Settlement of loan;
- vi. General.

i. Loan application and processing

- a. All communications to the borrower shall be in vernacular language or a language understood by the borrower.
- b. Application forms for each of the products offered by the Company would be different depending on the information required for each product.
- c. Loan Application Forms shall include all 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 an informed decision can be taken by the



borrower. The loan application form shall also indicate all the documents that are required to be submitted with the application form.

- d. The Company would give acknowledgment for receipt of all loan applications. The time frame within which loan applications shall be disposed of will also be indicated in the acknowledgment.
- e. The Company would verify the loan applications within a reasonable period and if additional details/documents are required, it would inform the borrowers immediately.

ii. Loan appraisal, sanction, agreement and terms/ conditions

- a. The Company shall convey in writing to the borrower in a vernacular language or a language as understood by the borrower by means of a sanction letter, the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof. The Company shall also communicate to the borrower if the loan is rejected.
- b. Penalty if charged for noncompliance of material terms and conditions of loan contract by the borrower shall be treated as penal charges and shall not be in the form of penal interest on the advances. There shall be no capitalization of penal charges ie No further interest computed on such charges.
- c. This will not affect the normal procedures for compounding of interest in the loan account.
- d. Penal charges shall be reasonable and commensurate with the non- compliance and company shall have board approved penal charges.
- e. The company shall impose reasonable penal charges for non compliance of material terms and conditions of the loan contract and shall disclose the quantum and reason in the loan agreement /Key Fact statement.
- f. No further interest shall be computed on such penal charges.
- g. 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.



- h. The Company shall keep the acceptance of these terms and conditions by the borrower on its record.
- i. 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 disbursement of loans

iii. Loan disbursal

The Company would ensure timely disbursement of loans sanctioned in conformity with the terms and conditions governing such sanction.

- a. The Company shall 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 shall ensure that changes in interest rates and charges are effected only prospectively. The Loan Agreement will contain necessary provisions to this effect.
- b. Decision to recall/accelerate payment or performance under the agreement shall align with the loan agreement.
- c. The Company shall release all securities on repayment of all dues or on the 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.

iv. Recovery and transfer of loan

- a. Decision to recall/ accelerate payment or performance under the agreement will be in consonance with the respective loan Agreement.
- b. 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 behaviour of staff etc.
- c. 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. Such transfer will be as per transparent contractual terms in consonance with all the applicable laws

v. Settlement of loan

- a. The Company will release all securities to the borrower on receipt of repayment of all dues 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 by the Company with full particulars of the remaining claims and the conditions under which the Company is entitled to retain the securities till the relevant claim is settled/ paid.
- b. No due/ objection certificate will be issued to the customer on fulfillment of said terms within 15 workings days of completion of formalities.

vi. General

- a. SELF will refrain from interference in the affairs of its Borrower except for the purposes provided in the terms and conditions of the respective loan agreement (unless new information, not earlier disclosed by the Borrower, which may come to the notice of SELF).
- b. Training will be imparted to ensure that directors/ staff/ representatives of the company are adequately trained to deal with borrower in an appropriate manner.
- c. The company shall adopt interest rate by considering relevant factors and determine the interest rate to be charged accordingly.

5. Confidentiality

Unless authorized by the borrower, the Company will treat all his personal information as private and confidential.

The Company may not reveal transaction details of the borrowers to any other persons except under following circumstances:

- i. If the Company is required to provide the information to any statutory or regulatory body or bodies;
- ii. If arising out of a duty to the public to reveal the information;
- iii. If it is in the interest of the borrowers to provide such information (e.g. fraud prevention);
- iv. If the borrower has authorised the Company to provide such information to its group / associate / entities or companies or any such person/ entity as specifically agreed upon;



6. Complaints

The borrower/applicant may report his/her complaint/grievance in writing to the concerned branch head from where he/she availed the loan or applied for the loan. The concerned employees shall guide the borrowers who wish to lodge a complaint.

On receipt of such complaint/grievance, the head of the Branch shall immediately take up the matter for redressal. The Customers are requested to provide feedback, suggestion on the services of the company to the Nodal Officer.

Grievance Redressal Mechanism

The Company has a three level Grievances Redressal Mechanism as given below.

Level 1

The customer may register his/ her query/ complaint to the company which shall be addressed to the Grievance Redressal 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:	CS Nayana Gopal Nodal Officer
Corporate office address:	2 nd Floor, Prasad Arcade, Shoranur Road, Patturaikkal, Thrissur, Kerala - 680 022
Contact details	Mob No. 8943110999
E-mail ID	cs@tattvafincorp.com

Level 2

If the complaint is not resolved within 15 working days, the customer shall complaint to the Managing Director of the company at his email id: vijaykumar@tattvafincorp.com

Level 3

If the complaint / dispute are not redressed within a period of 1 month from date of its receipt, the customer may appeal to:



General Manager
Reserve Bank of India,
Department of Non Banking Supervision,
Fort Glacis, Rajaji Salai, Chennai – 600 001
Tel. No. 044 – 2539 3406, Fax No. 044 -2539 3797
E-mail id: dnbschennai@rbi.org.in

a) Mandatory display requirements

The company has the following in all the branches/ places where the business of the company is transacted for the benefit of the borrowers:

- i. Appropriate arrangement for receiving complaints and suggestions;
- ii. Display of name, address and contact number of the Grievance Redressal Officer.

b) Points to complied along with the redressal process thereof:

- i. In case of complaints received, the concerned branch head shall provide an acknowledgment in the same working day, and would report the matter with full details, within 2 working days from date of receipt, to the Secretarial department.
- ii. The Secretarial department comprises of Company Secretary/ Compliance Officer of the company, who shall take all necessary steps to redress and resolve the grievance.
- iii. Any unresolved/ not replied grievance in the level 1 within 5 days of its receipt, shall be escalated to the Company Secretary/ Compliance Officer of the company, who shall take all necessary steps to redress and resolve the grievance, and will send a response as soon as possible and in any case not later than a maximum period of 15 working days of its receipt with the branch.
- iv. Grievances/ Complaints that require extraordinary time for examination of issues involved will be acknowledged promptly.
- v. If the unresolved / not replied grievance is not resolved by the Company Secretary within 15 working days of its receipt, the same shall be escalated to the Managing Director of the company.
- vi. The Status Report on all complaints shall be placed before the Board of Directors for their review on a quarterly basis by the Company Secretary.



7. Force Majeure

The various commitments outlined and made by the company shall be applicable under the normal operating environment. In the event of any Force Majeure circumstances, the company may not be able to fulfill the objectives under the Fair Practice Code to the entire satisfaction of the borrowers, the stakeholders and the public in general.

8. Regulation of Excessive Interest charged

The Company has to adopt an interest rate model taking into account cost of funds, margin and risk premium for determining rate of interest to be charged for loans and advances.

The rate of interest to be charged depends upon the gradation of the risk of borrower viz. the financial strength, business, regulatory environment affecting the business, competition, past history of the borrower etc.

9. Implementation, Effect and Review

All necessary steps shall be taken by the Board of Directors to implement this Fair Practice Code at all the offices/ branches/ places where the business of the company is transacted.

The Board shall have periodical review of the Fair Practice Code, compliance of Fair Practice Code and the functioning of the Grievance redressal mechanism.

For and On Behalf of Board of Directors of Tattva Fincorp Limited

Mr. C Vijayakumaran Nair

Managing Director (DIN: 07702882)

As amended in the Board Meeting held on 28/02/2024