

**FAIR PRACTICE CODE
OF
FINNABLE CREDIT PRIVATE LIMITED**

PREAMBLE

The Fair Practices Code (“FPC”) has been formulated by Finnable Credit Private Limited (“Finnable” or “Company”) in accordance with guidelines issued by The Reserve Bank of India (“RBI”) vide its Chapter V of Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 (updated as on September 29, 2022), on Fair Practices Code (FPC) for all NBFCs to be adopted by them while doing lending business. The guidelines inter alia, covered general principles on adequate disclosures on the terms and conditions of a loan and adopting a non-coercive recovery method.

1. Applications for loans and their processing:

- All communications to the customer by Finnable shall be in **English** as it is understood by all customers of Finnable.
- As part of the loan process, to inter alia ensure utmost transparency, Finnable provides all necessary information to the customer along with the term sheet/application/proposal as the case may be including but not restricted to nature of security required fees/charges, if any, payable for processing, the non-refundable nature of fees including in the case of non-acceptance of loan proposal, pre-payment options, check list in respect of information/papers required for considering loan and any other matter which effects the interest of the customer so that a meaningful comparison with the terms and conditions offered by other Non-Banking Financial Companies (‘NBFCs’) can be made and informed decision can be taken by the customer.
- Finnable would give acknowledgement for receipt of all loan applications. The time frame within which loan application shall be disposed of shall also be indicated in the acknowledgement. The company would verify the loan applications within a reasonable period of time. If additional details / documents are required, it would intimate the customers immediately.

2. Loan appraisal terms and conditions:

- Finnable shall convey in writing in English as it is understood by all customers of Finnable by means of Sanction letter or Term sheet or any other form of written communication key terms and conditions of the proposed exposure including:

- the amount of loan sanctioned along with the terms and conditions including annualized rate of interest,
 - details of the default interest / penal interest rates (expressed in percentage per month / annum as the case may be) and the charges payable by the customers in relation to their loan account and method of application thereof (penal interest charged for late repayment of loan would be mentioned in bold in the loan agreement)
 - acceptance of terms and conditions and other caveats governing the credit given by Finnable arrived at after negotiation.
 - all other information which is relevant from the point of view of the loan to be provided and all the parties involved.
- Finnable shall furnish a copy of the loan agreement in English as understood by the borrower along with copy of all relevant enclosures quoted in the loan agreement to all the borrowers at the time of sanction/disbursement of the loan and shall be duly accepted by the customer.

3. Disbursement of loans including changes in terms and conditions:

- Finnable shall give notice in English as understood by the customer regarding any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc.
- Changes in the interest rates and charges shall be effective prospectively.
- Decision to recall / accelerate payment or performance under the agreement should be in consonance with the loan agreement. Before taking a decision to recall / accelerate payment or performance under the agreement or seeking additional securities, Finnable shall give notice to customers in consonance with the loan agreement in English as may be understood by the customer.

4. General:

- Finnable will not interfere 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 loan account, the consent or otherwise i.e., objection from Finnable, 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.

- If the customer does not adhere to repayment schedule, a defined process in accordance with the laws of the land will be followed for recovery of dues. The process will involve reminding the customer by sending the reminders electronically, notices (including legal recourse notices) or by making personal visits, if any. Finnable shall ensure that its process of recoveries will not involve harassment to the Customer. Appropriate instructions and training will be provided by Finnable to its staff for handling customer queries and grievances cordially.
- All the fees / charges / interest would be payable as per interest rate policy or as per mutually agreed terms.

5. Responsibility of Board of Directors:

- The Board of Directors of Finnable has laid down Grievance Redressal Mechanism (“GRM”) within the organization as per details mentioned in the next paragraph. Such a mechanism ensures that all disputes arising out of the decisions of Finnable’s functionaries are heard and disposed of at least at the next higher level. The Board of Directors of Finnable shall annually review the compliance of the FPC and the functioning of the GRM. A consolidated report of compliance shall be submitted to the Board every year.

6. Grievance Redressal Mechanism (“GRM”)

The Board of Directors of the Company has laid down a GRM in compliance with various regulations applicable on the Company.

The Grievance Redressal Mechanism is attached as ‘Annexure-A’.

7. Language and mode of communicating Fair Practice Code (FPC):

- FPC as established by Finnable has been established in English language, since all Finnable customers understand English and is based on the Guidelines and RBI Master Directions as outlined by the RBI.

8. Regulation of excessive interest rates charged:

- Finnable shall adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances.
- Finnable will disclose to the borrower the risk and rationale for charging different rate of interest to different categories of borrowers in the application form and explicitly communicated in the sanction letter.

- The rates of interest and approach for gradation of risk is also made available as an Annexure to this document on Finnable's website- **Annexure-B Interest Rate Model**.
- The rate of interest being charged by Finnable shall be annualized rate to make the customer aware of the exact rates that would be charged to the account.

9. Complaints about excessive interest rates charged:

- Board of Finnable shall lay out an interest rate policy mentioning internal principles and procedures in determining interest rates, processing charges and other charges.

REVIEW OF THE FPC:

The FPC shall be amended or modified with approval of the Board. The FPC shall be reviewed by the Board on an annual basis. Consequent upon any amendments in RBI Master Direction or any change in the position of the Company, necessary changes in this FPC shall be incorporated and approved by the Board.

Notwithstanding anything contained in this FPC, in case of any contradiction of the provision of this FPC with any existing legislations, rules, regulations, laws or modification thereof or enactment of a new applicable law, the provisions under such law, legislation, rules, regulation or enactment shall prevail over this FPC.

GRIEVANCE REDRESSAL MECHANISM

Customer service is extremely important for sustained business growth and as an Finnacle strives to ensure that our customers receive exemplary service across different touch points.

A. PURPOSE

Customer complaints constitute an important voice of customer, and this policy details complaint handling through a structured grievance redressal framework. Complaint redressal is supported by a review mechanism, to minimize the recurrence of similar issues in future. The Grievance Redressal policy follows the following principles:

1. Customers are treated fairly;
2. Complaints raised by customers are dealt with courtesy and in a timely manner;
3. Customers are informed of avenues to escalate their complaints within the organization, and their rights if they are not satisfied with the resolution of their complaints;
4. The employees work in good faith and without prejudice, towards the interests of the customers.

B. INTERNAL MACHINERY TO HANDLE CUSTOMER COMPLAINTS

The Company has invested in the best in class CRM system to ensure timely resolution of the grievances. The system captures the complaints; follows TATs based on the nature of the query and escalates issues on the basis of predefined TATs and as per the escalation matrix.

Once captured in the CRM system, the customer care will be responsible for resolution of complaint/grievance to the customer's satisfaction within a period of 14 working days. Every attempt will be made to offer the customer suitable and appropriate alternate solutions wherever possible.

However, if the customer continues to remain dissatisfied with the resolution, (s)he can escalate the issue through the grievance redressal mechanism as referred below.

C. TIME FRAME

Suitable timelines of 14 working days have been set for every complaint depending upon the investigations which would be involved in resolving the same. Complaints are suitably acknowledged on receipt and the customers are informed of delays if any, in the resolution.

D. REVIEW AND MONITORING

Periodic review of monitoring of complaints, TATs, nature of complaints will be done to ensure that process loopholes, if any, are plugged and trends are checked.

E. ESCALATION MATRIX:

➤ **Customer care**

Borrowers are requested to address all their grievances at the first instance to the Customer care team. The contact details of the Customer are:

Email Id: makeiteasy@finnable.com

The Customer care team shall endeavor to resolve the grievance within a period of 14 (fourteen) days from the date of receipt of a grievance.

➤ **Grievance Redressal Officer**

If the Borrower does not receive a response from the Customer care team within 14 (fourteen) days of making a representation, or if the Borrower is not satisfied with the response received from the Customer care team, the Borrower may reach out to the Grievance Redressal Officer on the number below anytime between 10 AM and 7 PM from Monday to Saturday except public holidays or write to the Grievance Redressal Officer at the e-mail address below. The contact details of the Grievance Redressal Officer are provided below.

Miss: Suman Kumari

Designation: Grievance Redressal Officer

Address: IndiQube Lakeside,

4th Floor Municipal No. 80/2 Wing A Bellandur Village,

Varthur Hobli, Bengaluru, KA 560103 IN

Contact: 9741160321

Email: gro@finnable.com

INTEREST RATE MODEL

Code on Interest Rate Model, Policies and Procedure on determining Interest Rates and other charges

Keeping in view the RBI's guidelines as cited above, the following internal guidelines, policies, procedures, and interest rate model shall be taken into account when determining interest rates or other charges.

- Interest rates charged by the Company depends on a variety of factors including cost of borrowed funds, matching tenor cost, market liquidity, RBI policies on credit flow, offerings by competition, market reputation, cost of operations, disbursements, cost of capital required, inherent credit and default risk in the borrower and products, industry trends, etc. Identical products with identical tenor and availed during the same period may attract different interest rates for different customers. Interest rates could vary depending upon consideration of all or combination of multiple factors including but not limited to the following:
 - Credit and default risk in the related industry segment;
 - Historical performance of similar homogeneous clients;
 - Profile of the applicant;
 - Industry segment;
 - Repayment track record of the applicant;
 - Loan ticket size;
 - Loan tenor;
 - Location delinquency and collection performance;
 - Other indebtedness of the applicant.
- Interest rates will be intimated to the customers at the time of sanction of the loan and the interest and principal repayment schedule will be made available to the customer.
- The interest shall be deemed payable immediately on the due date as communicated and no grace period for payment of interest is allowed.
- Besides normal interest, the company may levy additional interest for ad hoc facilities, penal interest for any delay or default in making payments of any dues.
- Besides interest, other financial charges like processing fees, late payments, cheque bounce charges, pre-closure charges, etc. may be levied by the company under due

communication to the customer, wherever considered necessary. Any revision in these charges would be with prospective effect.

- Claims for refund or waiver of charges / penal interest / additional interest will normally not be entertained by the company and it is the sole discretion of the company to deal with such requests if any.
- The interest reset period shall be decided by the company from time to time and communicated to the customer.
- The interest rate Code shall be available on the website of the Company and updated from time to time.