

FAIR PRACTICE CODE

BACKGROUND AND APPLICABILITY OF THE CODE

Singhvi Fintech Private Limited (hereinafter referred to as “Singhvi Fintech” or “the Company”) is a Private Limited company incorporated under the provisions of the Companies Act, 2013 and is a non-deposit taking non-banking financial company registered with the Reserve Bank of India. The Company endeavours to review and follow the policy guidelines laid down by RBI to set up fair business practices while dealing with its customers. Accordingly, this Fair Practice Code (“FPC” or “Code”) has been amended pursuant to the Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023, which prescribed the broad guidelines on fair practices that are to be framed and approved by the Board of Directors of all Non-Banking Financial Companies (NBFCs) and should be published and disseminated on the website of the Company, if any, for the information of the public.

1. Objectives of Code:

- Promote good and fair practices by setting minimum service standards in dealing with the customer;
- Increase transparency so that the customer can have a better understanding of what they can reasonably expect from the services of the Company;
- Encourage market forces, through competition, to achieve higher operating service standards; and
- Promote a fair and cordial relationship with the customer.

2. Applications for loans and their processing

a) Singhvi Fintech’s official language for all communications within the Company or with third parties shall be English.

b) All communications to the borrower shall be in English or in vernacular language / the language as understood and confirmed by the borrower.

c) Loan application of Singhvi Fintech will 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.

d) The documents required to be submitted with the loan application including KYC documents will be informed to the borrower separately.

e) Singhvi Fintech shall provide to the prospective borrower an acknowledgement for receipt of all loan applications. The time frame within which loan applications will be disposed of will be indicated in the acknowledgement.

3. Loan Appraisal and Terms/ Conditions

- a) Singhvi Fintech shall convey in writing to the borrower in English or in vernacular language / the language as understood and confirmed by the borrower, the fate of the loan application by means of sanction letter or otherwise. In case of sanction of loan, the sanction letter shall contain the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof.
- b) The acceptance of the terms and conditions communicated by the borrower shall be persevered by Singhvi Fintech on its record and copy of same shall be provided to the borrower upon its request.
- c) Singhvi Fintech shall mention the penal charged for late repayment in bold in the sanction letter and loan agreement.
- d) Singhvi Fintech will invariably furnish a copy of loan agreement along with a copy of each enclosures quoted in the loan agreement to all borrowers at the time to sanction/disbursement of loan in English or in vernacular language / the language as understood by the borrower.

4. Disbursement of loans including changes in terms and conditions

- a) Singhvi Fintech shall give notice to the borrower in English or in vernacular language / the language as understood by the borrower, of any change in the terms and conditions including disbursement schedule, annualized interest rates, service charges, prepayment charges etc. Changes in interest rates and charges shall be effected prospectively and a suitable condition in this regard shall be incorporated in the loan agreement.
- b) Decision to recall / accelerate payment or performance under the agreement shall be in consonance with the loan agreement.
- c) Singhvi Fintech shall release all securities 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 Singhvi Fintech may have against 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 Singhvi Fintech are entitled to retain these securities till the relevant claim is settled/paid.

5. General

- a) Singhvi Fintech will refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement, unless new information, not earlier disclosed by the borrower, has come to its notice.

b) In case of receipt of request from the borrower for transfer of borrower account, the consent or otherwise i.e. objection of Singhvi Fintech, if any, should be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per contractual terms entered into with the borrower and in consonance with law, statutes, rules, regulations and guidelines as may be applicable from time to time.

c) In the matter of recovery of loans, Singhvi Fintech shall not resort only to remedies which are legally and legitimately available to it and will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc.

d) To avoid rude behavior from the staff of the Company, the Company shall ensure that shall ensure that the staff is adequately trained to deal with the customers in an appropriate manner.

e) Singhvi Fintech will disclose the annualized rate of interest and the approach of gradations of risk and rationale for charging different interest to different categories of borrowers in the application form and will communicate explicitly in the sanction letter.

6. Grievance Redressal Mechanism

The Board of Directors of Singhvi Fintech ("Board") have laid down the appropriate Grievance Redressal Mechanism within the Company to resolve disputes arising in this regard. The Grievance Redressal Mechanism has been set up to ensure that all disputes arising out of the decisions of the Company's functionaries are heard and disposed of at least at the next higher level. Detailed grievance redressal mechanism is placed at the website of the Company.

The Board of Directors will periodically review the compliances of Fair Practice Code and the functioning of the grievances redressal mechanism at the various levels of Management. The consolidated report of such reviews will be submitted to the Board at subsequent Board Meetings.

For grievances, customers can write to:

Name: Mr. Dharmichand Sunil Kumar

Address: 37, Rajamannar Street, T.Nagar, Chennai – 600017

Email: singhvimfintech@gmail.com

7. Policy for determining interest rates, processing and other charges

To ensure that the Customers are not charged excessive interest rate and charges on loans and advances by the Company, the Board of the Company has adopted a Policy for Determining Interest Rates, Processing and Other Charges ("Interest Rate Policy"). Further the Board of the Company shall undertake periodical review of the said Policy for Determining Interest Rates, Processing and Other Charges.

8. Penal Charges in Loan Accounts:

- a. Penalty, if charged, for non-compliance of material terms and conditions of loan contract by the borrower shall be treated as 'penal charges' and shall not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances. There shall be no capitalisation of penal charges i.e., no further interest computed on such charges. However, this will not affect the normal procedures for compounding of interest in the loan account.
- b. The Company shall not introduce any additional component to the rate of interest and company will ensure compliance to these guidelines in both letter and spirit.
- c. The Company shall update the existing board approved interest rate policy on penal charges or similar charges on loans.
- d. The quantum of penal charges shall be reasonable and commensurate with the non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan / product category.
- e. 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.
- f. Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the applicable penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefor shall also be communicated.

9. Review of Fair Practice Code

This Policy shall be reviewed at regular intervals or as and when considered necessary by the Board of Directors of the Company.