

LOANZEN FINANCE PRIVATE LIMITED

FAIR PRACTICES CODE

This is in reference to RBI Circular No. 2012-13/416/DNBS. CC. PD No. 320 /03.10.01/2012-13 dated 18th February, 2013, wherein the Reserve Bank of India ('RBI') has revised the guidelines on Fair Practices Code for NBFCs to implement the same.

The Fair Practices Code, as mentioned herein below, is in conformity with these Guidelines on Fair Practices Code for NBFCs as contained in the aforesaid RBI Circular. This sets minimum Fair Practice standards for Loanzen Finance Private Limited ('the Company') to follow when dealing with customers. It provides information to customers and explains how the Company is expected to deal with them on a day to day basis.

This policy applies to all customers including those with any complaints / enquiries as posted on social / any other media and we encourage all customers to reach out to the below platforms as required.

Objective of the Code

The code has been developed with an objective of:

- Ensuring fair practices while dealing with customers
- Greater transparency enabling customers in having a better understanding of the product and taking informed decisions
- Building customer confidence in the Company

Applications for loans and their processing

- The Company offers various financial products including Loan against securities, Project loan, Working capital loan, Term loan, among others.
- The 'Application Form/ appropriate documents' will indicate the list of documents required to be submitted by the borrowers along with the Application form.
- The Company has a mechanism of giving an acknowledgement for receipt of application form to its borrower for availing loans. The Company would inform the borrower about its decision within reasonable period of time from the date of receipt of all the required information in full.

Loan appraisal and terms/ conditions

- The acceptance of applications shall be preceded by a due diligence of the credit worthiness of the borrower as per credit norms of the Company.
- The Company shall convey acceptance of the agreement with the terms and condition of the loan advanced, in writing, through a sanction letter or otherwise, which *inter-alia* includes:
 - Amount of limit sanctioned;
 - Annualized rate of discount/ interest; and
 - Method of calculation of interest.
- The Company shall furnish a copy of the loan agreement at the time of disbursement / sanction of the loan. The Company shall mention the penal interest charged for late repayment in bold in the loan agreement.

Disbursement of loans including changes in terms and conditions

- Any change in the agreed on terms and condition of the loan including any change in the interest charged shall be intimated to the Borrower through a notice in writing which shall be served as per the mode agreed upon with the Borrower in the sanction /agreement. Any change in the rate of interest shall be effected only prospectively.
- Any act of recalling or accelerating the payment / performance under the Agreement shall be made on the mutual consent of the parties.
- The Company would release all securities on repayment of all dues or on realisation of the outstanding amount of loan 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 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.

General aspects

- The Company would 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 the notice of the Company).
- In case of receipt of request from the borrower for transfer of account, the consent or otherwise ie objection of the Company, if any, would 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.

- In the matter of recovery of loans, the Company would not resort to undue harassment viz., use of muscle power for recovery of loans etc. The Company shall ensure that its personnel are adequately trained to deal with the customers in an appropriate manner.
- The Company would display following information on notice board at all branches and offices of the Company where business is transacted:
 - Name of Grievance Redressal Officer and contact details of the office where customers can direct their grievances.
 - If the complaint/ dispute are 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'.

Address for the Regional Office of DNBS of RBI:

Department of Non-Banking Supervision
 Bangalore Regional Office,
 10/3/08, Nrupatunga Road, P.B.No.5470,
 Bangalore-560001.

Policy for determining interest rates and processing and other charges

- The Company shall lay out appropriate internal principles and procedures in determining interest rates and processing and other charges.
- The rate of interest shall be disclosed to the borrower or customer in the sanction letter or in the accompanying schedule of repayment.
- The information published in the website or otherwise published would be updated whenever there is a change in the rates of interest.
- The rate of interest would be annualized rates so that the borrower is aware of the exact rates that would be charged to the account.

The Company shall abide by this Fair Practices Code in its true spirits and in the manner applicable to the business operations.