



EMPOWERING DREAMS

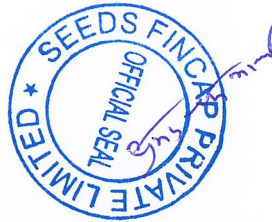
FAIR PRACTICE CODE
APRIL 2024

SEEDS FINCAP PRIVATE LIMITED



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I. PREAMBLE

The Reserve Bank of India (RBI) has issued guidelines on Fair Practices Code for Non-Banking Financial Companies (NBFCs) thereby setting standards for fair business and corporate practices while dealing with their customers. Seeds Fincap Private Limited (“the Company”) hereby furnishes the Fair Practices Code (“the FPC”) based on the guidelines issued by RBI. The Company shall also make appropriate modifications to the FPC from time to time to confirm to the standards that may be prescribed by RBI from time to time.

II. KEY OBJECTIVES

The key objectives of putting in place the FPC are as follows.

- a) To act fairly and reasonably in all the dealings with borrowers by ensuring that:
 - i. The Company’s products, services, procedures, and practices will meet the broad requirements and standards in the FPC.
 - ii. The Company’s products and services will be in accordance with relevant laws and regulations applicable for the time being in force.
 - iii. The Company’s dealings with its borrowers will rest on ethical principles of honesty, integrity, and transparency.
- b) The Company will assist its customers in understanding as to what the broad features of its financial products and services are and what are the benefits and risks involved in availing the same by
 - i. Providing information about the products and services in a simple manner.
 - ii. Explaining the documentation process to its customers.
- c) The Company will make every attempt to ensure that its customers will have trouble-free experience in dealing with it. However, in case of error of commission and/or omissions, it shall:
 - i. deal with the errors promptly and effectively.
 - ii. Deal with the Grievances redressal in a quick and efficient manner and to the satisfaction of the customers.
 - iii. Promptly handle Complaints.
 - iv. Have an Escalation process, in the event of dissatisfaction of the borrower in handling his complaint(s).

III. APPLICABILITY OF FAIR PRACTICE CODE

The FPC will be applicable to the following broad areas:



Loan applications and processing thereof

- a. Loan appraisal and terms/conditions
- b. Disbursement of loans including changes, if any, in terms and conditions
- c. Post disbursement supervision/monitoring
- d. Other general provisions

i. Loan applications and processing thereof

- Loan Application Forms will be made available to the prospective borrowers on request.
- The Loan Application Form may also list the additional information required from the borrowers and their family members to enable the Company to create the database.
- The Loan Application Form shall provide for giving an acknowledgement to the borrowers acknowledging receipt of the same.
- All the loan applications shall be disposed of within a period of 3-5 days from the date of receipt of duly completed Loan Application Forms together with the requisite documents and subject to receipt of all documents complying with prevailing rules and regulations by the borrower.
- All communication with the borrowers shall be in the language understood and confirmed by borrowers.

ii. Loan appraisal and terms/conditions

- The Company shall consider all the loan applications keeping in mind the risk-based assessment procedures adopted by it.
- The Company, before sanctioning the loan, would assess the ability of the borrowers to repay the loan.
- The grant of the loan shall be communicated to the borrowers in writing through a Sanction Letter. The borrowers shall give their acknowledgement in writing in token of their acceptance of terms and conditions governing the loan. The Sanction Letter shall contain the broad terms and conditions governing the loan including the annualized rate of interest and method of application thereof.
- A copy of the loan documents including loan agreement and annexures thereof shall be made available to the borrower.
- The default interest rate will be mentioned in the loan agreement.



iii. **Disbursement of loans including changes in terms and conditions**

- Disbursement of the amount of loans sanctioned may be made available to the borrowers on demand subject to completion of all formalities including execution of loan documents.
- Any change in the terms and conditions, disbursement schedule, interest rate, service charges, prepayment charges, etc. shall be notified to the borrowers in writing.
- Changes in the interest rates and service charges shall be made applicable prospectively. The loan agreement shall contain a specific clause in this regard.

iv. **Post Disbursement Supervision**

- The decision, if any, of the Company to recall/accelerate payment or performance of loan shall be in accordance with the terms and conditions of the Loan Agreement.
- The Company shall give reasonable time to the borrowers before recalling the loan or asking for accelerating the payment or performance subject to the terms and conditions contained in the Loan Agreement and other related documents.
- The collateral lying with the Company may be released on receipt of full and final repayment of loans subject of course to any legitimate right or lien and set off for any other claim that the Company might have against the borrowers. However, in cases where the borrower has availed facility allowing him to borrow/draw monies within the overall amount sanctioned as and when needed by him, the collateral may be retained by the Company for operational convenience and to protect its interest from potential default by the borrowers.

v. **Other General Provisions**

- The Company shall refrain from interfering in the affairs of the borrowers except as provided in the terms and conditions governing the loan as contained in the loan documents (unless new information, not earlier disclosed by the borrower, has come to its notice).
- The Company shall not discriminate on the grounds of gender, caste or religion or disability in its lending policy and activities.
- In the case of recovery of loans, the Company shall resort to the usual measures, which are legally and legitimately available to it and as per laid down guidelines and extent provisions and shall operate within the legal framework.
- The Company shall provide the terms and conditions in respect of its lending activities or services whenever the borrower requests for the same.
- The Company shall inform the borrower about the foreclosure charges on his loan account and mention the same in loan documents.



On request from borrower for closure of his loan account, the request will be executed within 7 days from receipt thereof request subject to clearance of pending dues and completion of all the formalities as prescribed by the Company. In case the request cannot be executed in the time frame.

- stated above due to any reason, the same may be communicated to the borrower.

IV. 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:
 - a. If the Company is required to provide the information to any statutory or regulatory body or bodies (including all the Credit Bureaus of India);
 - b. If arising out of a duty to the public to reveal the information.
 - c. If it is in the interest of the borrowers to provide such information (e.g., fraud prevention);

V. RELEASE OF DOCUMENTS ON REPAYMENT /SETTLEMENT OF PERSONAL LOANS

- a. The Company shall release all the documents after the full settlement of the Loan amount.
- b. The borrower shall collect the documents from branch after the signing of the Letter of acceptance.
- c. In order to address the contingent event of demise of sole borrower or joint borrower, Company will return the original documents to the legal heirs.
- d. In case of delay in releasing of original documents beyond 30 days. NBFC shall communicate to the borrower the reason for the delay. In the event where the delay is attributable to the Company, it shall compensate the borrower at the rate of Rs. 5000/- for each day of delay.
- e. In case of loss & damage to the original documents, either in full or part, Company shall assist the borrower in obtaining duplicate/certified copies of documents and shall bear the associated costs, in addition to pay the compensation. However, additional time of 30 days will be available to the company to complete the procedure and delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).

Note: The Instruction in Clause V shall be applicable to all cases where release of original documents falls due on after December 01, 2023, as per the Master Direction -Reserve bank of India (Non- Banking Financial Company – Scale Based Regulation) Direction, 2023.

VI. COMPLAINTS

In case of any complaint/grievances of the borrowers, the same shall be intimated by them in writing to the Grievance Redressal Officer. The Grievance Redressal Officer shall immediately make all efforts to redress the grievances. The concerned employees shall guide the borrowers who wish to lodge a complaint.



VII. CUSTOMER GRIEVANCE REDRESSAL MECHANISM

The Company has provided Customer Grievance Redressal Mechanism to resolve any of its customers queries / grievance. Policy of the same has been displayed on website.

VIII. 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 FPC to the entire satisfaction of the borrowers, the stakeholders, and the public in general.

