



FAIR PRACTICE CODE

PREAMBLE:

SAHYOG FINCAP PRIVATE LIMITED has adopted a Fair Practices Code (FPC) in terms of the master direction RBI/DOR/2023-24/106DoR.FIN.REC.No.45/03.10.119/2023-24, dated 19 October, 2023 (updated as on March 21, 2024). It is, and shall be, the policy of **SAHYOG FINCAP PRIVATE LIMITED PVT LTD (SAHYOG FINCAP PRIVATE LIMITED)** (the "Company") to treat all its clients consistently and fairly. The Company will offer assistance and service to their client in a fair, equitable and consistent manner. The Company will ensure that the implementation of the FPC is the responsibility of the entire organization. The Company's fair lending practices shall apply across all aspects of its operations including origination of the loan proposal, collection of information, appraisal and due diligence, approval, disbursement and collection.

Accordingly, following Fair Practices Code has been approved and adopted by Board of the SAHYOG FINCAP PRIVATE LIMITED.

A. LOANS APPLICATIONS AND THEIR PROCESSING:

- a) All communications by SAHYOG FINCAP PRIVATE LIMITED to the prospective borrower shall be made in vernacular language or a language understood by the borrower.
- b) The Loan application form of SAHYOG FINCAP PRIVATE LIMITED shall contain necessary information to facilitate the borrower in making a meaningful comparison with the terms and conditions offered by other NBFCs and taking an informed decision based on the comparison. The form shall contain a list of documents required to be submitted by the borrower along with the duly filled up form for processing the application.
- c) SAHYOG FINCAP PRIVATE LIMITED shall have a mechanism of issuing acknowledgement (off line/online mode) for receipt of the duly filled up loan application along with necessary documents to the borrower. The decision of SAHYOG FINCAP PRIVATE LIMITED regarding acceptance or rejection of application will be conveyed to the borrower within a reasonable period of time from the date of receipt of the required information from the borrower in full.

B. LOAN APPRAISAL AND TERMS & CONDITIONS:

- a) SAHYOG FINCAP PRIVATE LIMITED shall process the loan application in accordance with the Board approved Lending Policy that provides for internal credit scoring of the borrower based on risk profile and loan pricing. On sanction of loan SAHYOG FINCAP PRIVATE LIMITED shall convey to the borrower in writing (online/Offline), the terms & conditions of loan sanctioned including amount, annualized rate of interest and the method of its application, penal charges applicable in case of default etc. by means of sanction letter in vernacular language or a language understood by the borrower. A copy of the sanction letter bearing acceptance of the borrower of the terms thereof will be put on record by SAHYOG FINCAP PRIVATE LIMITED.

- b) The sanction letter shall specify applicable loan charges, penal charges (in case of late payment or default by the borrower) and service charges (in case borrower takes any value added service)
- c) SAHYOG FINCAP PRIVATE LIMITED shall at the time of sanction / disbursement furnish a copy of the loan agreement and each of the other loan documents executed to the borrower for ready reference.

C. PENAL CHARGES IN LOAN ACCOUNTS

- (a) For non-compliance of material terms and conditions of loan contract by the borrower SAHYOG FINCAP PRIVATE LIMITED shall charge the 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) SAHYOG FINCAP PRIVATE LIMITED shall not introduce any additional component to the rate of interest.
- (c) 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.
- (d) The penal charges in case of loans sanctioned to 'individual borrowers, for purposes other than business', shall not be higher than the penal charges to non- individual borrowers for similar non-compliance of material terms and conditions.
- (e) The quantum and reason for penal charges shall be clearly disclosed by SAHYOG FINCAP PRIVATE LIMITED to the customers in the loan agreement and most important terms & conditions/Key Fact Statement (KFS) as, in addition to being displayed on websites of SAHYOG FINCAP PRIVATE LIMITED under Interest rates and Service Charges.
- (f) SAHYOG FINCAP PRIVATE LIMITED shall communicate the penal charges whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers.

D. DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS:

SAHYOG FINCAP PRIVATE LIMITED shall communicate any change in the terms and conditions of loan including disbursement schedule, interest rates, service charges, penal charges, prepayment charges etc. through its published website/public notice or by issuing appropriate notice if specific to a borrower, in vernacular language or a language understood by the borrower.

- a) Changes in interest rates and service charges/levies will be effected prospectively. A suitable provision in this regard shall be incorporated in the loan agreement.
- b) Decision of SAHYOG FINCAP PRIVATE LIMITED, if any, to recall/accelerate payment or performance under the loan agreement shall be in consonance with the agreement.

- c) SAHYOG FINCAP PRIVATE LIMITED shall release all securities created for the loan upon repayment of all dues by the borrower or on realisation by SAHYOG FINCAP PRIVATE LIMITED of the outstanding amount of loan in full, subject to any legitimate right or lien for any other claim that SAHYOG FINCAP PRIVATE LIMITED may have against the borrower. If such right of set off is to be exercised, the borrower shall be given due notice with particulars of the claim of SAHYOG FINCAP PRIVATE LIMITED and the conditions under which SAHYOG FINCAP PRIVATE LIMITED will be entitled to retain the securities till the relevant claim is settled/paid.

E. RESPONSIBLE LENDING CONDUCT– RELEASE OF MOVABLE / IMMOVABLE PROPERTY DOCUMENTS

- a) SAHYOG FINCAP PRIVATE LIMITED shall release all the original movable / immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/settlement of the loan account.
- b) The timeline and place of return of original movable/immovable property documents shall be mentioned in the loan sanction letters issued on or after the effective date.
- c) In the event of demise of the sole borrower or joint borrowers, SAHYOG FINCAP PRIVATE LIMITED shall return of original movable/immovable property documents to the legal heirs. -

F. RESET OF FLOATING INTEREST RATE ON EQUATED MONTHLY INSTALMENTS (EMI) BASED PERSONAL LOANS

Note: SAHYOG FINCAP PRIVATE LIMITED offers all loan products with fixed rate of interest and interest has calculating on reducing method.

G. OTHER GENERAL PROVISIONS

- a) SAHYOG FINCAP PRIVATE LIMITED is refrains from interference 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 come to the notice of SAHYOG FINCAP PRIVATE LIMITED). However, this does not imply that the commitment will encroach the right of SAHYOG FINCAP PRIVATE LIMITED to recovery and enforcement of security under law, whatsoever.
- b) In case of receipt of request from the borrower for transfer of his account, the consent or otherwise, i.e., objection of SAHYOG FINCAP PRIVATE LIMITED, if any, shall be conveyed to the borrower within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.
- c) SAHYOG FINCAP PRIVATE LIMITED shall not resort to any harassment, such as persistently bothering the borrower at odd hours, use of muscle power for recovery of loan, etc. To ensure this, the staff will be adequately trained to deal with the customers in an appropriate manner.

- d) Regarding to prepayment of various loans by borrowers, SAHYOG FINCAP PRIVATE LIMITED shall charge foreclosure charges/prepayment penalties term loans sanctioned to individual borrowers for the loans sanctioned for other than business purpose because SAHYOG FINCAP PRIVATE LIMITED lending on fixed rate of interest.

H. GRIEVANCE REDRESSAL MECHANISM:

The Board of Directors of SAHYOG FINCAP PRIVATE LIMITED's has laid down the appropriate grievance redressal mechanism within the organization. Such a mechanism also ensure that all disputes arising out of the decisions of lending institution's functionaries are heard and disposed of at least at the next higher level.

The management shall also provide for periodical review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such reviews shall be submitted to the Board at regular intervals, as may be prescribed by it.

1. Level1: The first point for immediate redressal of grievance

Any customer having a grievance / complaint with respect to the product and service offered by SAHYOG FINCAP PRIVATE LIMITED may write/call/visit to the Company' Customer Care Department in the following manner:

Customer Care Department

Email: customer.service@sahyogfincap.com

Mob. No.: 9509090811

2. Level2: Regional Nodal Officer

If the customer is not satisfied with the resolution received through the above channels, within 10 working days of receipt of his/her complaint at the SAHYOG FINCAP PRIVATE LIMITED, the customer may write to the SAHYOG FINCAP PRIVATE LIMITED Nodal Officer on Email SFPL@SAHYOGFINCAP.COM with loan account number and complete complaint details provided in the earlier interaction.

3. Level3: Grievance Principal Nodal Officer

If the customer is not satisfied with the resolution received or if the customer does not hear from the SAHYOG FINCAP PRIVATE LIMITED in 7 working days of receipt of his/her complaint made at level 2, the customer can write to Grievance Redressal Officer at sfpl@sahyogfincap.com with loan account number and complete complaint details provided in earlier interaction.

4. Level4: Appeal to RBI

In case if the customer is not satisfied with the resolution received or if the customer does not hear from the NBFC in 30 working days of receipt of his/her complaint at the NBFC, he / she may lodge their complaint on RBI CMS portal <https://cms.rbi.org.in> or write them one – mail id crpc@rbi.org.in or send complaint form to the below mentioned address:

The NBFC Ombudsman C/O Reserve Bank of India Consumer
Education and Protection
Cell Reserve Bank of India
4th Floor, Sector 17, Chandigarh STD
Code: 0172
Tel. No.: 2721109, 2721011, 2727118

I. INTEREST RATE MODEL/REGULATION OF EXCESSIVE INTEREST CHARGED BY SAHYOG FINCAP PRIVATE LIMITED

In compliance of guidelines of the RBI SAHYOG FINCAP PRIVATE LIMITED has adopted an Interest Policy duly approved by its Board. Rate of Interest has been charged on various factor such as cost of fund, margin, risk associated, operations cost and other factors.

J. REPOSSESSION OF VEHICLES FINANCED BY SAHYOG FINCAP PRIVATE LIMITED

SAHYOG FINCAP PRIVATE LIMITED have a re-possession clause in the contract / loan agreement with the borrower. To ensure transparency, the terms and conditions of the contract/loan agreement also contains provisions regarding:

- (i) Notice period before taking possession;
- (ii) Circumstances under which the notice period can be waived;
- (iii) The procedure for taking possession of the security;
- (iv) A provision regarding final chance to be given to the borrower for repayment of loan before the sale/ auction of the property;
- (v) The procedure for giving repossession to the borrower; and
- (vi) The procedure for sale/auction of the property.

A copy of such terms and conditions also made available to the borrower. SAHYOG FINCAP PRIVATE LIMITED is invariably 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 sanction/disbursement of loans.

K. LOAN FACILITIES TO THE PHYSICALLY / VISUALLY CHALLENGED BY SAHYOG FINCAP PRIVATE LIMITED PRIVATE LIMITED

At SAHYOG FINCAP PRIVATE LIMITED, we are committed to fostering an inclusive and accessible environment for all our customers. In line with our dedication to serving individuals with diverse needs, we render all possible assistance to our customers (including physically/visually challenged) for availing of the various business facilities.

L. REVIEW OF COMPLIANCE OF THE FAIR PRACTICE CODE AND GRIEVANCE REDRESSAL MECHANISM:

A review of compliance of Fair Practice Code and Grievance Redressal Mechanism shall be submitted by the management to the Board in its annual meetings every year.

For SAHYOG FINCAP PRIVATE LIMITED Private Limited

DEV SINGH
MD & CEO

BIJAYA KETAN DAS
Executive Director