



**Satin Finserv Limited**

## FAIR PRACTICE CODE (VERSION 5)



## FAIR PRACTICE CODE

The Fair Practices Code of Satin Finserv Limited ("SFL") aims at providing its members an overview of practices, which will be followed by SFL in regard to the financial services being provided. SFL's main emphasis is to provide a fair and reliable service to its members while lending and collection of dues. The organization's fair practice code is based on the principle of being aware of the sensitive condition of the members and respecting their dignity while adopting a sensible approach towards recovery of dues.

The Company's Board of Directors and the management team is responsible for implementing the fair practices, and also to ensure that its operations reflect its strong commitment to all the stakeholders for offering in fair and equitable manner, the various financial services and products including lending and that all employees are aware of this commitment.

### The objectives of the Code is:-

- a. To promote good practices and ensure good practices in dealing with customers;
- b. Greater transparency enabling customers to have a better understanding of the product and taking informed decision;
- c. To strengthen mechanisms for redressal of customer grievances.

## APPLICATION FOR LOAN AND THEIR PROCESSING

1. All communications to the borrower will be in the language as understood by the borrower.
2. Loan application form should include necessary information which affects the borrower, so that meaningful comparison with terms and conditions offered by other NBFCs can be made and informed decision can be taken by the borrower. The loan application indicate the documents required to be submitted with the application form.
3. The Company shall provide to the prospective borrower an acknowledgment for the receipt of all loan application. An indicative time frame within which loan applications will be disposed of will be mentioned in such acknowledgement.

## LOAN APPRAISAL AND TERMS/ CONDITION

SFL shall convey in writing to the borrower in the language as understood by the borrower by means of sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions including annualised rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record. As complaints received against the Company generally pertain to charging of high interest / penal interest. If Company charges any delayed payment charges, it will be communicated to the borrowers. Appropriate internal principles and procedures for determining interest and other charges, as per Interest Rate Policy of the Company, shall be laid down and be subjected to review keeping in view the business exigencies, regulatory and customer sentiments, market practices etc. The acceptance of the terms and conditions communicated by the borrower shall be preserved by the Company in its records.

## DISBURSEMENT OF LOAN INCLUDING CHANGE IN TERMS AND CONDITIONS

The Company shall give notice to the borrower in the language as understood by the borrowers of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc.





- a. The Company shall ensure that changes in interest rates and other charges are effected prospectively. A suitable condition in this regard will be incorporated in the loan agreement.
- b. The decision of the Company to recall / accelerate payment or performance shall be in consonance with the terms of the loan agreement.
- c. The Company shall release all securities upon repayment of all dues or on realization of the outstanding amount of loan subject to any Legitimate right or Lien for any other claim it will have against borrower. In case such right of set off is to be exercised, the borrower shall be given due notice with full particular about the outstanding claims and the conditions under which the Company is entitled to retain the securities till the relevant claim is settled/paid.

#### **Loan terms and conditions**

The amount of loan sanctioned along with the terms and conditions including annualised rate of interest and method of application thereof shall be conveyed in writing to the customer in the vernacular language or in a language understood by the customer by means of sanction letter or otherwise, and the record of acceptance of these terms and conditions by the customer on shall be kept on record. The total cost of borrowing in the form of APR, the calculation of which includes not only the interest rate but also other fees that will be charged from the borrower, shall be disclosed upfront in case of loans to individuals for purposes other than business.

Penalties charged for late repayment shall be mentioned in bold in the loan agreement.

A copy of the loan agreement in the vernacular language or in a language understood by the customer along with a copy each of all enclosures quoted in the loan agreement shall be provided to all the customers at the time of sanction / disbursement of loans.

#### **Credit facility pricing model**

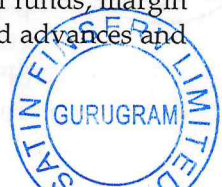
The pricing of credit facilities, which shall be measured in terms of effective APR, shall be approved by the credit approving authority from time to time which shall be determined on the basis, inter alia, of the following:

- a) Interest;
- b) Cost of insurance linked to the credit facility charged to the borrower whether mandatory or voluntary (on an "opt-out" basis); and
- c) Any fees charged to the borrower by whatever name called.

The following components shall not be included in calculating APR:

- a) Foreclosure / prepayment charges
- b) Penal charges
- c) Cost of any optional services / products that are charged to the borrower along with the credit facility
- d) Taxes on any component of APR APR Calculation:
- e) APR shall be calculated on net disbursed amount using IRR approach and reducing balance method.

The interest rate model of the Company shall be based on factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances and the credit approving authority of the Company is delegated with such powers.



Interest rates charged by the Company depend on a variety of factors affecting the Company 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 counterparty and products, industry trends, expected return on equity 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:

- a) Credit and default risk in the related business segment;
- b) Historical performance of similar homogeneous customers;
- c) Profile of the applicant;
- d) Industry segment;
- e) Repayment track record of the applicant;
- f) Nature and value of collateral security;
- g) Secured vs unsecured loan;
- h) Seniority of the loan;
- i) Loan ticket size;
- j) Credit rating of the applicant and corporate guarantor, if any;
- k) Loan tenor;
- l) Location delinquency and collection performance (applicable for retail);
- m) 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. Interest shall be charged only on the outstanding principal and only for such period such principal amount remains outstanding.

Changes in interest rates and charges shall be given effect only prospectively and a suitable condition to that shall be incorporated in the loan agreement. Any increase in credit limits shall be with the explicit consent of the customer.

The company shall not charge foreclosure charges/ pre-payment penalties on any floating rate term loan sanctioned for purposes other than business to individual customers, with or without co-obligor(s).

#### General

- a. SFL will refrain from interfering in the affairs of its Borrower except for the purposes provided in the terms and conditions of the loan agreement of the respective loan agreement (unless new information, not earlier disclosed by the Borrower, has been noticed)
- b. In case the receipt of the request from the borrower for transfer of borrowed account, the consent or otherwise i.e. objection of the Company, 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.
- c. In the matter of recovery of loan, the Company should not resort to undue harassment viz; persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc. As complaints from the customer also includes rude behavior from the staff of the SFL, SFL ensures that the staff are adequately trained to deal with the Customer in an appropriate manner.





## **RESPONSIBILITIES OF BOARD OF DIRECTORS**

- a. The Board of Directors of the Company have laid down the appropriate grievance redressal mechanism within the organization to resolve disputes arising in this regard. The extract of Grievance Redressal Mechanism is set out in Annexure A. Such a mechanism should ensure that all disputes arising out of the decisions of Company' functionaries are heard and disposed of, at least at the next higher level.
- b. There will be a periodical review of the compliance of the Fair Practices Code and the functioning of the grievance's redressal mechanism at the levels of management. A consolidated report of such reviews will be submitted to the Board at regular intervals, as may be prescribed by it.

The public notice will serve the purpose of highlighting to the customers the grievance redressal mechanism followed by the Company, together with details of the Nodal Officer and of the Regional Office of the RBI.

## **UPDATION IN FPC POLICY OF COMPANY**

Chief Executive officer/Whole-time director of the Company shall be authorized to amend/modify the FPC Policy or such other related guidance notes of Company, to be in line with RBI or such other statutory authority's requirements/updates/ amendments time to time.

## **ADOPTION**

This Policy Document and any changes made during the annual reviews shall be taken note/adopted by the Board of Directors.



## Annexure A

### GRIEVANCE REDRESSAL PRINCIPLE

Satin Finserv Limited (SFL) is dedicated to provide the highest quality of services to its clients. SFL believes in having a strong mechanism for recording and responding in a timely manner to queries and complaints of its clients. For this purpose, SFL also has a mechanism for timely and effective client grievance redressal.

### GRIEVANCE REDRESSAL PROCESS AND MATRIX

- a) To Log a complaint / grievance toll free phone number 1800- 572 -1102 has been provided to the Customer.
- b) All the employees at branches and region are given induction as well as fresher training in the grievance redressal process.
- c) A complaint process chart is placed on the notice board of every branch office clearly stating the process of grievance redressal system in vernacular language at the branch level.
- d) 'Grievance Redressal Officer' attends the grievances reported directly to the Head Office. The grievance redressal officer discusses the grievances with the respective branch offices and maintains a grievance log in order to seek complete resolution to the issue.
- e) The officers have to respond to grievances in a prompt, efficient and courteous manner.
- f) A Complaint Register is maintained at Branches and all genuine complaints received are recorded with resolutions.
- g) In all cases complaint received at the branch the Branch Manager / Area Manager will make an earnest effort to redress the grievance and/or implement the suggestion if it relates to any operational issue, which is within his/her competence/authority.

SFL has developed the redressal mechanism to solve its Customers' grievances on priority basis. There are different channels through which the Customers can register their complaints with SFL

The Company has various channels to reach out i.e. through call, mail and written letter. Below are the various ways / modes through the customers can register their Complaints/queries/ enquiries:

#### Primary Level:-

- a) Walk-ins in Branch office recorded in Complaint/ Suggestion register.
- b) **Through Call:** Call our customer service.support helpline on 1800- 572- 1102 between 09:30 am to 06:00 pm from Monday to Friday
- c) **Through Email:** Email us :-[clientgrievance@satinfinserv.com](mailto:clientgrievance@satinfinserv.com) (Please ensure to mention you loan account no and the contact no in email.
- d) **Through Written Letter:** Write to us at the below mention address :-  
Mr. Omshiva Srivastava  
Designation:- Manager  
Department:- Operations-Satin Finserv limited  
Email:- [clientgrievance@satinfinserv.com](mailto:clientgrievance@satinfinserv.com)  
Contact no:- 0124-4715400



### **Secondary Level:**

In case the complaint is not resolved within 7-10 working days or if the customer is not satisfied with the solution provided through above channel, The customer may approach/escalate to the following:-

#### *Level 1 Escalation: -*

The Company has Board approved Grievance Redressal Officer. The details of the same are given below:

Mr. Manish Dwivedi

Grievance Redressal Officer (GRO)

Satin Finserv limited

Email :- [manish.dwivedi@satinfinserv.com](mailto:manish.dwivedi@satinfinserv.com)

Contact no:- 0124-4715400

The customer will receive response within 15 working days. Please quote reference of earlier communication in this regard.

In case the complaint is not resolved within the given time or if the customer is not satisfied with the solution provided through above channel, you may approach the following: -

#### *Level 2 Escalation:-*

Mr. Surojit Chatterjee

Satin Finserv Limited

Email :- [surojit.chatterjee@satinfinserv.com](mailto:surojit.chatterjee@satinfinserv.com)

Contact no:- 0124-4715400

(Between 09:30 am to 06:00 pm , from Monday to Friday except on public holidays)

#### *Level 3 Escalation:-*

Mr. Dhiraj Jha

Satin Finserv Limited

Email:- [ceo@satinfinserv.com](mailto:ceo@satinfinserv.com)

Contact no:- 0124-4715400

The customer will receive response within 21 working days, If the customer is still not satisfied with the resolution provided as stated above or if the complaint is not redressed within a period of 30 working days, The customer may appeal to Officer in Charge of Regional Officer of Department of Non-Banking Supervision (DNBS) of Reserve Bank of India (RBI) as follows:



The Chief General Manager,  
Department of Non-Banking Supervision (DNBS), Reserve Bank of India,  
6, Sansad Marg, New Delhi

Email: [nbfco.newdelhi@rbi.org.in](mailto:nbfco.newdelhi@rbi.org.in)

011-2371 4456/ 0538

The detailed communication w.r.t. Grievances is available in Satin Finserv Limited – Grievance Redressal Policy.

