

DOCUMENT CONTROL

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Statement of Confidentiality

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CHANGES MADE IN THE CURRENT VERSION SINCE THE LAST APPROVED POLICY

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1.	Objectives reframed	FPC – Objectives	4
2.	Application processing elaborated.	Application for Loan & Their Processing	4
3.	Clearer appraisal communication & penal charges in bold	Loan Appraisal Terms & Condition	5
4.	NOC issuance & collateral release added	Disbursement of Loan incl. Change in Terms	5
5.	Standardized prior notice on changes in terms, charges, schedule	Disbursement of Loan incl. Change in Terms	5
6.	KFS introduced with APR & cooling-off terms	Loan Terms & Conditions (KFS)	5
7.	Updation & Adoption clauses standardized and aligned with RBI updates	Updation & Adoption	7

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FAIR PRACTICE CODE

SATIN FINSERV LTD (SFL) falls under the category of NBFC as per the RBI directives and commits itself to implement and adopt fair practices in all its activities and transactions with the stakeholders/member while functioning as a NBFC. The Company has adopted a code of conduct to promote good and fair practices by setting minimum standards in dealing with the clients and increasing transparency so that the clients have a better understanding of the services provided.

1. OBJECTIVES:

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 fair and reliable service to its members while lending and collecting 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 are responsible for ensuring effective implementation of the Fair Practices Code. They shall ensure that all operations reflect the Company's strong commitment to providing financial products and services, including lending, in a fair, transparent, and equitable manner to all stakeholders. The Board and management must also ensure that all employees are fully aware of, and adhere to, this commitment.

The objectives of the Code are:

- a. Promote good, fair and trustworthy practices by setting minimum standards in dealing with the customers;
- b. Increase transparency to enable the customers to have a better understanding of what they can reasonably expect of the services;
- c. Promote a fair and cordial relationship between the customers and the Company.

2. APPLICATION FOR LOAN AND THEIR PROCESSING

- a. Primary data would be taken from the borrower as per the Company guidelines in the prescribed format and as per Know Your Customer (KYC) norms. Based on this information, the Credit Bureau is checked for the borrower, before further processing.
- b. The authorized staff of the Company shall verify the loan application along with all the sureties and approvals as per the policies of the Company. The staff should also make sure that the following information is filled completely:
 - i. Date of application
 - ii. Borrower identification particulars
 - iii. Loan amount and product details
 - iv. Applicable interest rate
 - v. Term of the loan
 - vi. Repayment particulars
 - vii. Details of indebtedness
 - viii. Income details
 - ix. Purpose of the Loan

- c. All loan related documentation from the Company to the borrower shall be made in the vernacular language or in a language that is clearly understood by the borrower.
- d. The Company will have a system of giving acknowledgement for receipt of loan applications either through physical mode or through digital mode like SMS, Email Id, etc. The time frame within which loan applications will be disposed of will be indicated in the acknowledgement

3. LOAN APPRAISAL TERMS & CONDITION

SFL shall review all documents and information submitted by the customer, verify the customer's creditworthiness, and evaluate the proposal at its sole discretion. If additional information or documents are required, the Company will communicate the same to the customer within a reasonable timeframe. Upon completion of the assessment, the Company will provide written communication either in physical or digital form in a language understood by the borrower, through an offer letter or other appropriate mode, specifying the approved loan amount along with applicable terms and conditions, including the annualized interest rate. The loan agreement shall clearly display, in bold, any penal charge applicable for late repayment. If delayed payment charges are levied, these will be explicitly communicated to the borrower.

4. DISBURSEMENT OF LOAN INCLUDING CHANGE IN TERMS & CONDITIONS

The Company shall provide prior notice to the borrower, in a language understood by them, regarding any changes in terms and conditions, including disbursement schedule, interest rates, service charges, prepayment charges, and other applicable fees.

- 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 the borrower. In case such right to set-off is to be exercised, the borrower shall be given due notice with full particulars about the outstanding claims and the conditions under which the Company is entitled to retain the securities till the relevant claim is settled/paid.
- d. No Due Certificate /No Objection Certificate (NOC) shall be issued on recovery of all dues. Collateral, if any, will be released along with the No Due Certificate.

Loan terms and conditions:

The sanctioned loan amount, along with the applicable terms and conditions including the annualized rate of interest and its method of application, shall be communicated in writing to the customer in vernacular language or a language understood by the customer, through a sanction letter or other appropriate means. The Company shall maintain a record of the customer's acceptance of these terms and conditions. For all loans, the total cost of borrowing, expressed as the Annual Percentage Rate (APR) which includes interest and all applicable fees and charges, and cooling period terms, shall be disclosed upfront in the **Key Fact Statement (KFS)**. Penalties for late repayment shall be clearly highlighted in bold within the loan agreement. Additionally, a copy of the loan agreement, in the vernacular language or a language understood by the customer, along with all referenced enclosures, shall be provided to the customer at the time of loan sanction or disbursement.

5. 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 other fees charged to the borrower by any name.

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. APR shall be calculated on net disbursed amount using IRR approach and reducing balance method.

The Company’s interest rate model shall be determined based on factors such as the cost of funds, applicable margin, and risk premium. The rate of interest to be charged on loans and advances shall be set accordingly. The authority to approve credit and apply the interest rate is delegated to the designated credit approving authority of the Company.

The interest rates charged by the Company are influenced by multiple factors, including but not limited to: cost of borrowed funds, tenor matching costs, market liquidity, RBI credit flow policies, competitive offerings, market reputation, operational costs, disbursement requirements, cost of capital, inherent credit and default risk associated with the counterparty and the product, industry trends, and expected return on equity. Identical products with the same tenor, availed during the same period, may attract different interest rates for different customers. Interest rates may vary based on the consideration of one or a combination of these factors:

- 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/score of the applicant and corporate guarantor, if any;
- k) Loan tenor;
- l) Location delinquency and collection performance (applicable for retail portfolio);
- m) Other indebtedness of the applicant.

Interest rates shall be communicated to customers at the time of loan sanction, and the repayment schedule for both interest and principal shall be provided. Interest will be charged solely on the outstanding principal amount and only for the period during which such principal remains unpaid.

Any changes in interest rates or applicable charges shall be implemented only on a prospective basis, and an appropriate clause to this effect shall be incorporated in the loan agreement. Further, any enhancement in credit limits shall be made only with the explicit consent of the customer.

The Company shall not levy foreclosure charges or prepayment penalties on any floating rate term loan sanctioned to individual customers for purposes other than business, irrespective of the presence of co-obligors.

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 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 account, the consent or otherwise i.e. objection of the Company, if any, should be conveyed within 21 days of 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 loans, 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 Company's staff, SFL ensures that the staff are adequately trained to deal with the Customer in an appropriate manner without resorting to rude behavior.

6. 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 any complaint, grievance, disagreement, or objection raised by borrower related to service deficiency falling within the scope of the company's lending and customer service functions. 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 the Company's 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 level of management. A consolidated report of such reviews will be submitted to the Board at regular intervals, as may be prescribed by it.

7. UPDATION IN FPC POLICY OF COMPANY:

The Chief Executive Officer or Whole-Time Director of the Company shall be authorized to amend or modify the Fair Practices Code (FPC) Policy and related guidance notes, as necessary, to ensure alignment with the requirements, updates, or amendments issued by the Reserve Bank of India or any other statutory authority from time to time.

ADOPTION:

This Policy document, along with any amendments made during the annual review process, shall be duly noted and adopted by the Board of Directors.

Annexure A

GRIEVANCE REDRESSAL PRINCIPLE

Satin Finserv Limited (SFL) is committed to delivering the highest quality of services to its clients. The Company maintains a robust mechanism for recording and responding promptly to client queries and complaints. To ensure timely and effective resolution, SFL has established a comprehensive client grievance redressal framework.

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 refresher training in the grievance redressal process.
- c. A complaint process chart is placed on the noticeboard of every branch office clearly stating the process of grievance redressal system in vernacular language at the branch level.
- d. ‘Grievance Redressal Officer’ attends to the grievances reported directly to the Head Office (HO) and Branches. The grievance redressal officer discusses the grievances with the respective department at HO and maintains a grievance log in order to seek complete resolution to the issue.
- e. A Complaint Register is maintained at HO and all complaints received are recorded with resolution.
- f. The officers must respond to grievances in a prompt, efficient and courteous manner.
- g. For all complaints 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 established a grievance redressal mechanism to address customer complaints on a priority basis. Customers can register their grievances through multiple channels provided by SFL

The Company provides multiple channels for customers to reach out, including phone calls, emails, and written communication. Customers may register their complaints, queries, or enquiries through the following modes:

Primary Level: -

- a) Through walk-ins in Branch office and recording in the Customer grievance register/ system.
- b) Through Call: Call SFL’s customer service support helpline on 1800- 572- 1102 between 09:30 am to 06:00 pm from Monday to Friday (except public holidays)
- c) Through Email: Email us: clientgrievance@satinfinserv.com (loan account no. and the contact no. should be mentioned in the mail).

d) Through Written Letter: Write to us at the below mentioned address: -

Ms. Pooja Verma

Department: - Operations

Address:- Satin Finserv Limited,

Plot No:- 492, 4th Floor, Udyog Vihar Phase III, Sector- 20, Gurugram, Haryana

Contact no: - 0124-4715400, Ext – 3225

Secondary Level: -

In case the complaint is not resolved within 3 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. Arindam Mondal

Grievance Redressal Officer

Email: - clientgrievance@satinfinserv.com

Tollfree Number: - 1800- 572- 1102

Contact Number: 0124-4715400 Ext -3238

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

The customer will receive response within 3 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. Irshad Hussain

Principal Nodal Officer

Plot no – 492, 4th floor 'B' wing, Udyog Vihar Phase III Gurugram Haryana 122016

Email: nodalofficer.customer@satinfinserv.com

Contact no: - 0124-4715400

The customer will receive response within 15 working days.

If the customer does not receive a response within the specified time period or is not satisfied with the response, he/she may lodge a complaint under the **Integrated Ombudsman Scheme, 2021** framed by the Reserve Bank of India.

The complaint may be filed through any of the following modes:

1. Online Mode:

By filing a complaint on the RBI's Complaint Management System (CMS) portal at: <https://cms.rbi.org.in>

2. Physical Mode:

By submitting the complaint in physical form to the Office of the RBI Ombudsman.



Details of the Integrated Ombudsman Scheme are available on the RBI website at <https://www.rbi.org.in>.

The Company shall display details of the Integrated Ombudsman Scheme, 2021, along with the contact particulars of the RBI Ombudsman, at its branches and on its website for the benefit of customers.

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