

IMFL

FAIR PRACTICES CODE

INTRODUCTION

The Fair Practices Code (“Code”) is aimed to provide to the customers effective overview of practices, which will be followed by First IMFL in respect of the financial facilities and services offered by the Company to its customers. The Code will facilitate the customers to take informed decisions in respect of the financial facilities and services to be availed by them and will apply to any loan that the Company may sanction and disburse.

1. Objective of the Code

This Code has been developed to:

- promote good, fair, and trustworthy practices by setting minimum standards in dealing with the customers.
- increase transparency to enable the customers to have a better understanding of what they can reasonably expect of the services.
- encourage market forces, through competition, to achieve higher operating standards.
- promote a fair and cordial relationship between the customers and the Company.

2. Our Key Commitments and Declarations

We shall act efficiently, fairly, and diligently in our dealings with all our customers by:

- Meeting the commitments and standards in this Fair Practices Code for the financial products and services, we offer, and the procedures and practices our staff follow.
- Ensuring that all the financial services meet relevant laws and regulations.
- Providing professional, courteous, and speedy services.
- Providing accurate and timely disclosure of terms and conditions, costs, rights, and liabilities as regards financial transactions.

We shall help the customer understand how our financial products and services work by:

- Giving verbal information about the financial schemes in Hindi and/or English and/or local vernacular language as understood by the borrower.
- Ensuring that our advertising & promotional literature is clear and is not misleading.
- Explaining financial implications of the transactions.
- Helping the customer to choose the financial scheme.

We shall deal quickly and proactively with things that go wrong by:

- Correcting mistakes quickly.
- Attending to customer complaints quickly.
- Telling our customers how to take their complaint forward if the customers are still not satisfied with our assistance.
- Reversing any charges that we apply due to our mistake.

3. Non-Discrimination Policy

We will not discriminate between our customers on the basis of gender, race or religion.

4. Applications for loans and their processing:

- a) All communications to the borrowers shall be made in vernacular language or a language as understood by the borrower.
- b) Loan application forms issued by the Company shall include necessary information which affects the interest of the borrower so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and an informed decision can be taken by the borrower. A list of documents required to be submitted along with the application form shall be mentioned in the loan application form and / or hosted on the website of the Company i.e. info@imfl.co.in.
- c) The Company shall issue an acknowledgement receipt for all loan applications. Subject to receipt of all the requisite documentation and information, loan applications shall be disposed of within 30 days, from the date of receipt of the application form complete in all respects. In any case, the Customer will be kept informed by the sales person with regards to the status of his / her application from time-to-time. The Customer may also contact the Company's customer service team at the prescribed customer care number or email id to obtain an update on the status of application.
- d) If any additional details/documents are required, the same shall be intimated to the borrowers immediately.

5. Loan appraisal and terms/conditions:

- a) The Company shall conduct a due diligence on the credit worthiness of the borrower, which will be an important parameter for taking decision on the application. The assessment would be in line with the Company's credit policies, norms, and procedures in respect thereof.
- b) The borrower would be informed in writing in the vernacular language as understood by the borrower by means of sanction letter or otherwise, the amount of loan sanctioned. The said letter shall contain the terms and conditions including the annualized rate of interest and the method of application thereof. The Company shall keep on record the acceptance of these terms and conditions by the borrower.
- c) The Company shall invariably be bound to furnish a copy of the loan documents containing the terms and conditions of the loan ("Loan Documents"), preferably in the vernacular language as understood by the borrower, along with a copy of all enclosures quoted in the Loan Documents to all the borrowers at the time of sanction/disbursement of loans. The Company shall ensure that the Loan Documents and all enclosures furnished to all borrowers contain the terms and conditions and the rate of interest. Further, the Company shall mention the penalties charged for late repayment in bold in the Loan Documents. It shall also contain the provisions referred to in clauses (d) and (e) of Para 5 of this Code.
- d) The Company shall have a built-in repossession clause, wherever applicable, in the contract/Loan Documents so as to have legal enforce ability.
- e) Wherever applicable, the terms and conditions contained in the Loan Documents of the Company shall also contain the following provisions:
 - Notice period before taking possession.
 - Circumstances under which the notice period can be waived.
 - Procedure for taking possession of the security.
 - Provision regarding final chance to be given to the borrower for repayment of loan before the sale/auction of the property.
 - Procedure for giving repossession to the borrower and
 - Procedure for sale/auction of the property.

6. Disbursement of loans including changes in terms and conditions:

- a) The Company shall frame appropriate internal principles and procedures for determining and ensuring that the interest rates and processing and other charges are not excessive. The Company shall, at the time of disbursal, ensure that the interest rate and processing and other charges on loan and advances are in strict adherence to above referred internal principles and procedures.
- b) The disbursement will be done immediately upon compliance of all the terms and conditions of the sanction by the borrower.

- c) The Company shall give a notice to the borrower in the vernacular language, or a language as understood by the borrower, of any change in the terms and conditions including disbursement schedule, interest rates, service charges, pre-payment charges, etc. The Company shall also ensure that changes in interest rates and charges are effected only prospectively. A condition to this effect shall be incorporated in the Loan Documents.

7. Post Disbursal Supervision:

- a) Any decision to recall/accelerate payment or performance under the Loan Documents shall be in consonance with the Loan Documents.
- b) All securities offered by the borrower shall be released on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim the Company may have against the 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.

8. General

- a) The Company shall not interfere in the affairs of the borrower except for the purposes provided in the Loan Documents, unless new information not earlier disclosed by the borrower has come to the notice of the Company.
- b) In the matter of recovery of loans, the Company and its agents shall not resort to intimidation or undue harassment (*viz.* persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans) of any kind either verbal or physical, against any person in their debt collection efforts, including acts intended to humiliate publicly or intrude upon the privacy of the debtors' family members, referees and friends, sending inappropriate messages either on mobile or through social media, making threatening and/or anonymous calls, for recovery of overdue loans, making false and misleading representations, etc. The Company shall ensure that its staff is adequately trained to deal with the customers in an appropriate manner.
- c) The Company or its representative will call delinquent customers between 08:00 hours to 19:00 hours unless special circumstances of the borrower's business require to call them otherwise outside the hours mentioned.
- d) The Company shall not levy foreclosure charges/pre-payment penalties on floating rate term loans sanctioned for the purposes other than business to individual borrowers with or without co-obligors in accordance with the guidelines prescribed by RBI in this regard from time to time.
- e) The Company may arrange for enforcing security charged to it of the delinquent borrower, if required, with an aim only to recover dues and will not be aimed at whimsical deprivation of the property.
- f) The Company shall ensure that the entire process of enforcing its security, valuation and realization thereof be fair and transparent.

- g) In case of receipt of a request from the borrower for transfer of the borrower account, the consent or otherwise i.e. objection of the Company, if any, shall be conveyed within 21 days from the date of receipt of such request. Such transfer shall be as per transparent contractual terms in consonance with law.
- h) The Fair Practices Code, in vernacular languages, shall be put up on the Company's website i.e. info@imfl.co.in for the information of various stakeholders.

9. Complaint Redressal Mechanism

The customer care number for recording the grievances of the customers will be intimated in the Application Form/Sanction Letter/other document issued to the borrower. In addition, a separate e-mail ID i.e. customercare@IMFL.org.in is created where customer can send their grievances via e-mail.

- a) After examining the matter, the Company will endeavor to send the customer its response within one month/30 days and intimate the customer how to escalate the complaint to higher level if he / she is not satisfied with the response. The Company has set up product wise Turn Around Time ("TAT") for resolution of customer grievances within the above period of one month/30 days and shall ensure to resolve the complaints within such defined TATs.
- b) At all the branches/Head Office of the Company, notice shall be put up informing the customers of the following for resolution of complaints against the Company:
 - escalation mechanism, the Grievance Redressal Officer who is also the Principal Nodal Officer (including the name and contact details i.e. Telephone / Mobile numbers as also e-mail address).
 - If the grievance is not redressed within the TAT referred above or the complainant is not satisfied with the reply, the customer may appeal to the Officer-In-Charge of the Department of Supervision, Reserve Bank of India (with complete contact details), under whose jurisdiction the registered office of the Company is located i.e. Mumbai.
- c) Details of escalation mechanism for Customer Grievances as mentioned above are available on the website i.e. info@imfl.co.in under Customer Grievances tab.
- d) Pursuant to the Company being registered with Insurance Regulatory & Development Authority of India ("IRDAI") as a Composite Corporate Agent, for distribution of Insurance Products, the grievance redressal channels shall also be available for resolving issues related to the insurance distribution undertaken by the Company as a licensed corporate agent.
- e) The extant Grievance Redressal Mechanism will also deal with the issues (if any) relating to services provided by the outsourced agency(ies).

- f) The Grievance Redressal Officer as also the escalation mechanism as mentioned above in clause (c) shall also deal with the FinTech/digital lending related complaints/issues raised by the borrowers as also the complaints raised against the Digital Lending Applications (mobile and web-based applications with user interface that facilitate borrowing by a borrower including the Company's apps as well as those operated by lending service providers engaged by the Company for extension of any credit facilitation services).
- g) The Company shall request the customer to provide feedback on the services rendered. This can be done through direct contact by staff or through specific customer satisfaction surveys that may be conducted from time to time.
- h) A periodical review of compliance of the Fair Practices Code (half yearly basis) and of the functioning of the grievances redressal mechanism at various levels of management (quarterly basis) would be undertaken by the Company and a consolidated report of such reviews shall be submitted to the Board of Directors of the Company at the periodicity mentioned above.

10. Integrated Ombudsman Scheme, 2021

Under the Reserve Bank – Integrated Ombudsman Scheme, 2021, the Company has appointed Principal Nodal Officer. Details of the same are available on the website i.e. info@imfl.co.in of the Company under Ombudsman Scheme tab.

11. Policy for Determining Interest Rates, Processing and Other Charges

As required under clause (a) of para 6 above and to ensure that the Customers are not charged excessive interest rate and charges on loans and advances by the Company, the Board of the Company has adopted a Policy for Determining Interest Rates, Processing and Other Charges ("Interest Rate Policy") and the same has been put up on the Company's website i.e. info@imfl.co.in. Further, the Board of the Company also undertakes periodical review of the Interest Rate Policy.

The Company shall abide by this Fair Practices Code following the spirit of the Code and in the manner, it may be applicable to its business.
