

EPIMONEY PRIVATE LIMITED

Fair Practice Code

Detailed Policy Document

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Version	Policy changes	Document Author	Approval Date	Approved By
V1	Initial Policy	Epimoney Legal Team	June 28, 2022	Board of Directors
V2	Changes as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023	Epimoney Legal Team	February 13, 2024	Board of Directors
V3	Changes in GRO details	Epimoney Legal Team	November 18, 2024	Board of Directors

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1. PREAMBLE

This Fair Practices Code is aimed to provide to all the stake holders, especially customers effective overview of practices followed by the Company in respect of the financial facilities and services offered by the Company to its customers. This Fair Practices Code has been put in place as per the regulations prescribed by the Reserve Bank of India (“RBI”).

2. INTRODUCTION

The Domain name *flexiloans.com* (“Website”) is owned by Epimoney Private Limited, (“the **Company**”). The Company is a Non-Banking Finance Company registered with RBI having its registered office at No.119, 2nd Floor, Greenways Towers, St. Mary’s Road, Abhiramapuram, Chennai 600018, Tamil Nadu, India and its corporate office at 7th Floor, South Annexe, Tower 2, One World Centre, 841, Senapati Bapat Marg, Elphinstone, Saidham Nagar, lower Parel, Mumbai-400013, India is in the business of providing different types of collateral free loans for business which includes working capital loan, invoice/vendor financing and allied services etc. to customers including individuals, partnership firms, companies and other legal entities.

3. OBJECTIVES OF FAIR PRACTICES CODE (“CODE”):

- To promote good practices and ensure good practices in dealing with customers;
- To promote a fair relationship between the customer and Company, free from discrimination based on race, caste, colour, religion, sex, marital status, age, handicap etc.;
- To ensure compliance with legal norms in matters relating to recovery of advances;
- To ensure that the customers are, at every step, made aware of the prevailing terms and conditions of the credit facilities offered by the Company; and
- To strengthen mechanisms for redressal of customer grievances.

This Code is applicable to all facilities and services provided by the Company whether the same are provided over the phone, by post, through interactive electronic devices, on the internet or by any other method that the Company may be currently using or may introduce at a future date.

4. COMPANY’S KEY COMMITMENTS TO CUSTOMERS:

A. FAIR DEALINGS WITH CUSTOMERS:

- Meeting the commitments and standards in this Code, for the products and services the Company offers and, in the procedures and practices its staff follows.
- Making sure that Company’s products and services meet relevant laws and regulations. Company’s dealings with customers will rest on ethical principles of integrity and transparency.
- Resolving issues and concerns in a time bound and efficient manner.

- Educating customers on grievance redressal mechanism.

B. CUSTOMER EDUCATION:

- Explaining financial implications.
- Providing information about them in a language as understood by the customer(s).
- Help the customer choose the correct product that meets his/ her needs the best. and give them clear information explaining the key features of the services and products they are interested in.
- Inform customers about the documentary information the Company needs from them to establish customer's true identity and address and, other documents to comply with legal and regulatory requirements.

C. LOAN APPLICATION AND PROCESS

- All communications to the customers shall be shared in vernacular language/ a language understood by the customer.
- The Loan Application Forms of the Company will include necessary information which affects the interest of the customer, including a list of documents required to be submitted with the Loan Application Form.
- The Company will devise a system of giving acknowledgement for receipt of all Loan Applications. The time frame within which loan applications will be disposed of will be indicated in the acknowledgement.

D. LOAN APPRAISAL / DISBURSEMENT AND TERMS/CONDITIONS

- The Company will convey in writing to the customer(s) in the vernacular language or a language as understood by the customer 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, penal interest chargeable for late repayment and keep the acceptance of these terms and conditions by the customer on its record.
- The Company will furnish a copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement to all the customers at the time of sanction / disbursement of loans in the language understood and declared by the customer.
- The Company will give notice to the customer in vernacular language, or a language as understood by the customer of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. The Company may communicate via writing and/or updating on Company's Website, of any change in the terms and conditions and ensure that all such revisions are effected prospectively and the same shall be appropriately covered in the loan agreement.
- Decision to recall / accelerate payment or performance under the agreement will be in consonance with the relevant loan agreement.
- The Company will release all securities, if any 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 customer. If such right of set off is to be exercised, the customer will 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.

E. PENAL CHARGES IN LOAN ACCOUNTS

- Where the Company charges penalty for non-compliance of material terms and conditions of loan contract by the customer, it will be treated as ‘penal charges’ and shall not be levied in the form of ‘penal interest’. There shall be no capitalisation of penal charges i.e. no further interest computed on such charges.
- The Company has adopted a Policy on Penal Charges duly approved by the Board of Directors, in order to ensure compliance with respect to Fair Lending Practice – Penal Charges in loan accounts.
- Any clause relating to penal interest charged for late repayment will be specified in bold in the loan agreement.

F. LOAN SOURCED FROM DIGITAL LENDING PLATFORMS

- Names of digital lending platforms engaged as sourcing agents (referred to as agents, hereinafter) shall be disclosed on the website of the Company.
- Digital lending platforms engaged as agents shall be directed to disclose upfront to the customer the Company’s name and will disclose the agents name on whose behalf, they are interacting with him.
- Immediately after sanction but before execution of the loan agreement, the sanction letter and / or the key fact statement (KFS) shall be issued to the customer on the letter head of the Company.
- A copy of the Most Important Terms and Conditions (MITC) loan agreement along with a copy / e-copy each of all enclosures quoted in the MITC / loan agreement shall be furnished to all customers at the time of sanction/ disbursement of loans.
- Effective oversight and monitoring shall be ensured over the digital lending platforms engaged by Company.
- Adequate efforts shall be made towards creation of awareness about the grievance redressal mechanism.
- The Company shall abide by the Guidelines on Digital Lending, issued by the RBI, as amended from time to time.

G. REGULATION OF RATE OF INTEREST

- The Company has put in place a board approved policy for interest rate, processing and other charges and adopted an interest rate model taking into account relevant factors such as, cost of funds, margin and risk premium, etc. and determine the rate of interest to be charged for loans and advances. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of customers shall be disclosed in the application form and communicated explicitly in the sanction letter. The rates of interest and the approach for gradation of risks shall also be made available on the website of the Company. The information shall be published on the website or otherwise published shall be updated whenever there is a change in the rates of interest.
- The rate of interest shall be annualised.
- The Company shall not charge foreclosure charges/ pre-payment penalties on floating rate term loans sanctioned, if any, to individual customers for the purpose of other than business.

H. CONFIDENTIALITY

- The Company shall treat all information of the customer as private and confidential; this shall even apply after the repayment of all money due to us from the customer.
- The Company shall not reveal transaction details to any other person other than the following cases:
 - If the customer requests/ permits the Company to reveal the information for the purpose of availing any lending or allied services.
 - If required to provide the information relating to a customer by law or under an order of government, statutory, regulatory authority.
 - If the Company has entered into an outsourcing arrangement as per RBI Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs and is providing information to the service provider on a 'need to know' basis in accordance with the said provisions.
 - If there is a duty towards the public to reveal the information;
 - If the Company's interests require them to give the information (for example, to prevent fraud) but the same will not be used as a reason for giving information about customer or customer accounts [including customer name and address] to anyone else;
 - The Company may give the information about the conduct of the customer's account to the credit information companies after intimating about the same to the customers.

I. GENERAL

- The Company will refrain from interference in the affairs of the customer except for the purposes provided in the terms and conditions of the loan agreement / MITC / Sanction Letter / KFS (unless new information, not earlier disclosed by the customer, has come to the notice of the Company).
- In the matter of recovery of loans, the Company will not resort to undue harassment. It shall follow the principles contained in its policy governing the Code of Conduct including ensuring that its personnel do not resort to unethical ways of recovery.
- The Company shall ensure that the staff is adequately trained to deal with the customers (including rights of persons with disabilities) in an appropriate manner and to follow the Board approved policy that is in place in the form of Code of Conduct.
- In case of receipt of request from the customer for transfer of borrowed account, the consent or otherwise objections, if any, shall be conveyed to the customer within 21 days from the date of receipt of any request.

J. CUSTOMER GRIEVANCE REDRESSAL MECHANISM

- A grievance redressal mechanism within the organization comprising customer service team, customer service head, compliance head, and grievance redressal officer has been set up to resolve disputes arising in this regard. This Forum will ensure that all the disputes arising out of the decisions the Company's functionaries are heard and disposed of at least at the next higher level.

- There will be a periodical review of the compliance of the Code and the functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such reviews will be submitted to the Board at regular intervals.
- This Code along with the Customer Grievance Redressal Policy including the following details will be put up prominently in the place(s) that the Company transacts business, for the purpose of addressing and resolving any customer grievances in relation to any Company services and the same is as set out below:

Website: <https://flexiloans.com/regulatory/>

Name: **Ms. Pranaali Sawant**

Address: 4th Floor, South Annexe, Tower 2, One World Centre, 841, Senapati Bapat Marg, Elphinstone, Saidham Nagar, lower Parel, Mumbai-400013, India.

Phone: **8879758863**

E-mail: **nodal.grievance@epimoney.com**

- It may be noted that Ms. Pranaali Sawant also the Nodal Grievance Redressal Officer for dealing with FinTech/ Digital as a lender and LSP for lending related complaints as also for Outsourcing activities.

Whenever the Company carries out lending against collateral of gold jewellery or commercial vehicle finance or secured loans or loan products that have floating interest rates or personal loans, the Code will be updated prior to extending such loans and suitably, in line with the guidelines laid down by the RBI.

5. REVIEW OF POLICY

The Policy shall be reviewed and approved by the Board of Directors of the Company on an annual basis.