

FEDEX FINANCE PRIVATE LIMITED

Policy on Fair Practices Code

Fedex Finance Private Limited

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Policy on Fair Practices Code

Fedex Finance Private Limited, a non-deposit taking non-systemically important Non-Banking Financial Company (NBFC) licensed by the Reserve Bank of India (RBI) bearing registration No. 13.00930

Rationale

The Reserve Bank of India, (RBI), has prescribed the broad guidelines on fair practices that are to be framed and approved by the Board of Directors of all Non-Banking Financial Companies (NBFCs) and that the Fair Practices Code (FPC) so framed and approved by the Board of Directors be published on the web-site of the company, if any, for the information of the public. The Company has framed the Fair Practice Code covered in this document, in adherence to above guidelines.

Objective of the code

- 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
- To achieve higher operating standards
- The Fair Practices Code is aimed to provide to the customers effective overview of practices, which will be followed by the Company 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.

Key Commitments

- a) To act efficiently, fairly and diligently with all customers by -
 - Meeting the commitments and standards in this Fair Practices Code for the services offered and the procedures and practices followed
 - 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.
- b) Deal quickly and proactively with things that go wrong by:
 - Correcting mistakes and to customer complaints quickly
 - Reversing any charges that are applied due to mistake.

Non-discrimination policy

The Company shall offer all financial products, to eligible qualified applicants, without discrimination on the basis of caste, colour, creed, race, religion, sex or handicap.

- a. All communications to the borrowers shall be made in a language as understood by the borrower.
- b. The Company will offer credit to eligible, qualified applicants who express their need to borrow through their loan request letter or loan application forms.
- c. 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.
- d. 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 and the Customer will be kept informed with regards to the status of his application from time-to-time.
- e. If any additional details/ documents are required, the same shall be intimated to the borrowers immediately.

Loan appraisal

- a. The Company shall conduct a due diligence on the credit worthiness of the borrower, for taking decision on the application.
- b. The borrower would be informed in writing in the 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 ensure that the Loan Documents and all enclosures furnished to all borrowers contain the terms and conditions and the rate of interest including the penal interest charged for late payment in the Loan Documents.
- d. 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.
 - Procedure for giving repossession to the borrower and,
 - Procedure for sale/ auction of the property.
- e. The Company shall have a built-in repossession clause wherever applicable in the contract/Loan Documents so as to have legal enforceability.

Determining interest rates, Processing and other charges

- a. 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. Further the Board of the Company also undertakes periodical review of the Interest Rate Policy.
- b. The Company has been lending at an interest rate as approved/revised by the Board as and when required. The rate of interest shall be fixed on the basis of the risk gradation of the client and shall be charged on per annum basis. The risk committee will monitor the rates periodically.
- c. The Company intimates the Borrower, the loan amount and Rate of Interest at the time of sanction of the loan along with the tenure.
- d. The processing fee, if any, shall be determined on the basis of quantum of work involved in credit appraisal, volume of documentation and other expenses involved in the transaction. The rate of interest is subject to change as the situation warrants due to market compulsions and change in regulatory norms and is subject to the discretion of the management on a case to case basis.

Disbursement of loans including changes in terms / 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 reasonable.
- b. The disbursement is 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 of any change in the terms and conditions including disbursement schedule, interest rates, service charges, pre-payment charges etc.

Post disbursal monitoring / 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.

Complaint Redressal Mechanism

- a. A separate e-mail ID will be created where customer can send their grievances via e-mail.
- b. After examining the matter, the Company will endeavour to send the customer its response within two weeks and intimate the customer how to escalate the complaint to higher level, if he is not satisfied with the response.
- c. At Head Office of the Company, notice will be put up informing the customers about the escalation mechanism and the Grievance Redressal Officer (including the name and contact

details). If the grievance is not redressed within the Turn-Around-Time (TAT) referred above, the customer may appeal to The RBI, Department of Non-Banking Supervision.

- d. A periodical review of the Fair Practices Code and the functioning of the Grievances Redressal Mechanism at various levels of management 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 regular intervals.
- e. 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.

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 shall not resort to undue harassment. 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 reasonable hours unless special circumstances of the borrower's business require to call them otherwise outside the hours mentioned.
- d. 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 deprivation of the property.
- e. The Company shall ensure that the entire process of enforcing its security, valuation and realisation thereof be fair and transparent.
- f. In case of receipt of a request from the borrower for transfer of the borrower's account to other NBFC or Bank, 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 in writing. Such transfer shall be as per transparent contractual terms in consonance with law.
