



OXYZO FINANCIAL SERVICES PRIVATE LIMITED (COMPANY OR OXYZO)

FAIR PRACTICE CODE

(Pursuant to Chapter V of Master Direction – Non-Banking Financial Company- Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016)

REVIEW & APPROVING AUTHORITY

Authority	Designation
Prepared By	Finance, Compliance and Credit Processing Department
Reviewed By	Operational Committee
Approved By	Board of Directors

VERSION HISTORY

Version	Issue Date	Brief Description
1.0	30-09-2020	Appointment of new Grievance Redressal Officer
2.0	04-02-2022	Grievance Redressal Officer's postal address
2.1	26.05.2022	Appointment of GRO
2.2	15.02.2023	Reviewed by Operational Committee
2.3	23.05.2023	Approved/Noted by Board of Directors

1. PREAMBLE

The Reserve Bank of India (RBI) has issued guidelines on Fair Practices Code for Non- Banking Financial Companies (NBFCs) thereby setting standards for fair business and corporate practices while dealing with their borrowers. **OXYZO Financial Services Private Limited. (“the Company”)** hereby furnishes the Fair Practices Code (“**the FPC**”) based on the guidelines issued by RBI. The Company shall also make appropriate modifications in the FPC from time to time to confirm to the standards that may be prescribed by RBI from time to time. Considering the nature of business of the Company, it is proposed to establish the following as the Fair Practices Code for the Company’s lending activities.

Based on the current business of the Company, the Fair Practices Code shall apply to all categories of services offered by the Company.

Commitments made in the FPC are applicable under normal operating environment.

2. KEY OBJECTIVES

The key objectives of putting the FPC in place are as follows.

- a. **To act fairly and reasonably in all the dealings with borrowers by ensuring that:**
 - i. The Company’s products, services, procedures and practices will meet the broad requirements and standards in the FPC;
 - ii. The Company’s products and services will be in accordance with relevant laws and regulations as applicable for the time being in force;
 - iii. The Company’s dealings with its borrowers will rest on ethical principles of honesty, integrity and transparency;
 - iv. The Company will promote good and fair practices by setting minimum standards to be followed while doing lending business and while dealing with borrowers;
 - v. The Company will promote a fair and cordial relationship between borrowers and the company;
 - vi. To foster confidence in financial services system.
- b. The Company will assist its borrowers/borrower in understanding as to what the broad features of its financial products and services are and what are the benefits and risks involved in availing the same by:
 - i. Providing information about the products and services in simple manner;
 - ii. Explaining the financial implications of using the products and services.
- c. The Company will make every attempt to ensure that its borrowers would have trouble-free experience in dealing with it. However, in case of error of commission and/or omissions, it shall:
 - i. deal with the errors promptly and effectively;
 - ii. Deal with the Grievances redressal in a quick and efficient manner and to the satisfaction of the borrowers.
 - iii. Promptly handle Complaints.
 - iv. Have Escalation process, in the event of dissatisfaction of the borrower in handling his complaint(s);

3. APPLICABILITY OF FAIR PRACTICE CODE

The FPC will be applicable to the following broad areas:

- i.** Loan applications and processing thereof
- ii.** Loan appraisal and terms/conditions
- iii.** Disbursement of loans including changes, if any, in terms and conditions
- iv.** Guarantors
- v.** Post disbursement supervision/monitoring
- vi.** Collection of Dues
- vii.** Other general provisions

i. Loan applications and processing thereof

- a.** Loan Application Forms will be made available to the prospective borrowers.
- b.** Loan documentation will, inter alia, include the broad features and the terms and conditions governing the loan. The said form shall also specify the documents required to be submitted by the borrowers.
- c.** The Company may also list out the additional information required from the borrowers and their family members in order to enable the Company to create the database.
- d.** Loan Application Form shall provide for giving an acknowledgement to the borrowers acknowledging receipt of the same.
- e.** All the loan applications shall be disposed of within a period of 90 days from the date of receipt of duly completed Loan Application Forms together with the requisite documents and subject to receipt of all documents complying with prevailing rules and regulations by the borrower.
- f.** All communication with the borrowers shall be in the language as understood and confirmed by borrowers.
- g.** At the time of sourcing a loan product, we shall provide information about the interest rates applicable, as also the fees/charges, if any, payable for processing, pre-payment options and charges, if any, and any other matter 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 informed decision can be taken by the borrower.

ii. Loan appraisal and terms/conditions

- a.** The Company shall consider all the loan applications keeping in mind the risk-based assessment procedures adopted by it.
- b.** The Company, before sanctioning the loan, would assess the ability of the borrowers to repay the loan.
- c.** The grant of the loan shall be communicated to the borrowers in writing through a Sanction Letter. The borrowers shall give their acknowledgement in writing in token of their acceptance of terms and conditions governing the loan. The Sanction Letter shall contain the broad terms and conditions governing the loan including the annualized rate of interest, repayment terms, Borrower, Co-borrower or Guarantor details, security or purpose of use of fund, pre-payment charges etc thereof.
- d.** The penal interest charged for late repayment shall be mentioned in bold in the loan agreement
- e.** A copy of the loan documents including loan agreement and annexures thereof shall be made available to the borrower.
- f.** The default interest rate will be mentioned in bold in the loan agreement.

iii. Disbursement of loans including changes in terms and conditions

- a. Disbursement of amount of loans sanctioned may be made available to the borrowers on demand subject to completion of all formalities including execution of loan documents.
- b. Any change in the terms and conditions, disbursement schedule, interest rate, service charges, prepayment charges, etc. shall be notified to the borrowers in writing.
- c. Change in the interest rates and service charges shall be made applicable prospectively. The loan agreement shall contain a specific clause in this regard.
- d. In case of receipt of request from the borrower for transfer of borrower account to other NBFC, Bank or Financial Institution, the consent or otherwise i.e. objection of the company, if any, shall be conveyed within 21 days from the date of receipt of request. Such transfer shall be in accordance with the contractual terms entered into with the borrower and in accordance with the statutes, rules, regulations and guidelines as may be applicable from time to time.

iv. Guarantors

When an individual person intends to be a guarantor for a loan, he/she shall be informed about:

- a. His/her liability as guarantor.
- b. The amount of liability he/she will be committing himself /herself to the Company as guarantor.
- c. Circumstances in which the Company may call him/her to pay up his/her liability
- d. Whether his/her liabilities as a guarantor are limited to a specific quantum or unlimited; and
- e. Time and circumstances in which his/her liabilities as a guarantor will be discharged as also the manner in which the company will notify him/her about this; the Company shall keep him/her informed of any material adverse changes in the financial position of the borrower for whom he/she stands as a guarantor.

v. Post Disbursement Supervision

- a. The decision, if any, of the Company to recall/accelerate payment or performance of loan shall be in accordance with the terms and conditions of the Loan Agreement.
- b. The Company recall the loan or asking for accelerating the payment or performance subject to the terms and conditions contained in the Loan Agreement and other related documents.
- c. The collaterals lying with the Company may be released on receipt of full and final repayment of loans subject of course to any legitimate right or lien and set off for any other claim that the Company might have against the borrowers.

However, in cases where the borrower has availed facility allowing him to borrow/draw monies within the overall amount sanctioned as and when needed by him, the collateral may be retained by the Company for operational convenience and to protect its interest from potential default by the borrowers.

vi. Collection of Dues

- a. At the time of sanction/disbursement of loans, the Company shall explain to the borrower the repayment process by mentioning amount, tenure and periodicity of repayment in the Welcome Letter/ Sanction Letter/ Loan Agreement/ Most Important Document, etc.

- b. However, if the borrower does not adhere to the agreed terms of repayment or does not clear his/ her dues with the Company, a defined process in accordance with the laws of the land shall be followed for recovery of dues.
- c. The process of recovery of dues involves reminding the borrower by sending notice or by making call/ emails or one to one meeting/visits or other methods as mentioned above.
- d. The Company's collection policy/ process shall be built on courtesy, fair treatment and persuasion. The Company believes in fostering borrower confidence and long-term relationship. Staff or any person authorized to represent the Company in collection of dues or/ and security repossession shall identify himself / herself and, upon request, display his/ her identity card issued by the Company or under authority of the Company.
- e. All the members of the staff or any person authorized to represent the Company in collection and / or security repossession shall follow the guidelines set out below:

 - a. Borrower would be contacted ordinarily at the place of his/ her choice and in the absence of any specified place, at the place of his/ her business/ occupation and if unavailable, at his/ her residence as per the KYC.
 - b. Identity and authority to represent the Company shall be made known to the borrower at the first instance.
 - c. Borrower's privacy should be respected.
 - d. Interaction with the borrower shall be in a civil manner.
 - e. Company's representatives shall contact the borrowers reasonable time unless the special circumstances of the borrower's business or occupation require otherwise.
 - f. Borrower's request to avoid calls at a particular time or at a particular place shall be honored, as far as possible.
 - g. All assistance should be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
 - h. During visits to borrower's place for dues collection, decency and decorum shall be maintained.
 - i. Inappropriate occasions such as bereavement in the family or such other calamitous occasions should be avoided for making calls / visits to collect dues.
- f. The Company shall ensure that its staff is adequately trained to deal with the borrowers in an appropriate manner.
- g. The Company shall ensure that the following terms and conditions are mentioned in the Contract/loan agreement with the borrower:

 - a. Notice period before taking possession or invocation of security
 - b. Circumstances under which the notice period can be waived;
 - c. The procedure for taking possession of the security;
 - d. A provision regarding final chance to be given to the borrower for repayment of loan before the sale / auction of the Security;
 - e. The procedure for giving repossession to the borrower; and
 - f. The procedure for sale / auction of the Security

vii Other General Provisions:

- a.** The Company shall refrain from interfering in the affairs of the borrowers except as provided in the terms and conditions governing the loan as contained in the loan documents (unless new information, not earlier disclosed by the borrower, has come to its notice).
- b.** The Company shall not discriminate on the grounds of gender, caste or religion in its lending policy and activities.
- c.** In the case of recovery of loans, the Company shall resort to the usual measures, which are legally and legitimately available to it and as per laid down guidelines and extent provisions and shall operate within the legal framework.
- d.** The Company shall provide the terms and conditions in respect of its lending activities or services whenever the borrower requests for the same.
- e.** On request from borrower for closure of his loan account, the request will be executed within 21 days from receipt thereof subject to clearance of pending dues and completion of all the formalities as prescribed by the Company. In case the request cannot be executed in the time frame stated above due to any reason, the same may be communicated to the borrower.
- f.** As a measure of customer protection and also in order to bring in uniformity with regard to prepayment of various loans by borrowers. The Company shall not charge foreclosure charges/pre-payment penalties on all floating rate term loans sanctioned to individual borrowers, with immediate effect as per Sanction letter at its discretion.

4. CONFIDENTIALITY

- a.** Unless authorized by the borrower, the Company will treat all his personal information as private and confidential.
- b.** The Company may not reveal transaction details of the borrowers to any other persons except under following circumstances:
 - i.** If the Company is required to provide the information to any statutory or regulatory body or bodies;
 - ii.** If arising out of a duty to the public to reveal the information;
 - iii.** If it is in the interest of the borrowers to provide such information (e.g. fraud prevention);
 - iv.** If the borrower has authorized the Company to provide such information to its group / associate / entities or companies or any such person/ entity as specifically agreed upon;

5. COMPLAINTS

In case of any complaint/grievances of the borrowers, the same shall be intimated by them in writing to the Grievance Redressal Officer. The Grievance Redressal Officer shall immediately make all efforts to redress the grievances. The concerned employees shall guide the borrowers who wish to lodge a complaint.

6. GRIEVANCE REDRESSAL MECHANISM

The Company has provided for two tier Grievance Redressal Mechanism to resolve any of its borrower's query / grievance.

Level 1:

The borrower may register his/her query/ complaint to the Company which shall be addressed to the Grievance Redressal in connection with any matter pertaining to business practices, Outsourcing services, lending decisions, credit management, recovery and complaints relating to updation/alteration of credit information. The details of the Grievance Redressal Officer are given as follows:

Name of the Grievance Redressal Officer:	Ms. Pinki Jha
Address:	#101 , First Floor, Vipul Agora Mall, MG Road, Gurugram Haryana-122001, India
Tel:	011-41054262/0124-4006603
E-mail ID:	grievanceredressal@oxyzo.in

Level 2:

If the complaint / dispute is not redressed within a period of one month from date of its receipt, the borrower may appeal to: Deputy General Manager, Department of Non-Banking Supervision, Reserve Bank of India, Sansad Marg, New Delhi 110001.

7. GRIEVANCE REDRESSAL MECHANISM

The Board of Directors shall also lay down the appropriate grievance redressal mechanism. Such a mechanism shall ensure that all disputes arising out of the decisions of lending institutions' functionaries are heard and disposed of at least at the next higher level. The Board of Directors shall also provide for periodical review of the compliance of the Fair Practices Code and the functioning of the grievance's redressal mechanism at various levels of management. A consolidated report of such reviews shall be submitted to the Board at regular intervals, say on year basis or as case may be required.

8. REGULATION OF EXCESSIVE INTEREST RATES CHARGED

- OXYZO will disclose to the borrower the risk and rationale for charging different rate of interest to different categories of borrowers in the application form and explicitly communicated in the sanction letter.
- The rates of interest and approach for gradation of risk shall also be made available on the website of OXYZO.
- The rate of interest being charged by OXYZO shall be annualized rate to make the customer aware of the exact rates that would be charged to the account.

9. COMPLAINTS ABOUT EXCESSIVE INTEREST RATES CHARGED

Board of OXYZO shall lay out an interest rate policy mentioning internal principles and procedures in determining interest rates, processing charges and other charges.

10. FORCE MAJEURE

The various commitments outlined and made by the Company shall be applicable under the normal operating environment. In the event of any Force Majeure circumstances, the Company may not be able to fulfill the objectives under the FPC to the entire satisfaction of the borrowers, the stakeholders and the public in general.

In order to enhance the value and relevance to the borrowers, this code shall be under review from time to time.
