

# Dowell Fiscal Services Private Limited

## Department: Compliance

**Versions:** DFSPL/ FY-2024-25/ OCT /FPC Policy/ VERSION:2.0

Effective Date: 01/04/2024

### Disclaimer:

The information contained in this document is confidential and intended solely for the company, its employees and authorized representatives/ users of DOWELL FISCAL SERVICES PRIVATE LIMITED. Access to this document by anyone else is unauthorized. Any use, distribution, printing, dissemination, copying, disclosure or other use of this document by any other person is strictly prohibited and may be illegal.

## **Dowell Fiscal Services Pvt Ltd: Fair Practice Code**

### **INTRODUCTION**

Dowell Fiscal Services Pvt Ltd (the “Company”) has adopted this Fair Practices Code (“Code”) to provide to the customers’ effective overview of practices in terms of the Reserve Bank of India (“RBI”) Master Direction DNBR. PD. 008/03.10.119/2016-17 and subsequently updated directions RBI/DoR/2023-24/105 DoR.FIN.REC.No.45/03.10.119/2023-24 . 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.

This code will enable employees to provide better customer service and maintain transparency in business dealings with its customers.

This code shall apply to all employees of the company and other persons authorized to represent it in the course of its business with respect to all products and services.

The Code would be made available on the web site of the Company in English and vernacular languages. The Code will be displayed by the Company in all its branch office premises in English and vernacular languages.

#### **1. Our Key Commitments and Declarations**

We shall act efficiently, fairly and diligently while dealing with all our customers by:

- Meeting the commitments and standards in this Code for the financial products and services, we offer, and the procedures and practices our staff follow;
- Ensuring that all the financial services comply with all the 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 to the financial transactions.

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

- Giving verbal and written information/communication about the financial schemes in Hindi and/or English and/or local vernacular language or a language 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 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 have inadvertently been levied.
- Being accountable & taking corrective action in case of inappropriate staff behaviour

## **2. -Discrimination Policy**

The Company shall not discriminate amongst its prospective/existing customers on the basis of age, race, caste, gender, marital status, religion or disability.

## **3. Applications for loans and their processing:**

- a) Loan application forms issued by the Company shall include necessary information which affects the interest of the borrower to enable the borrower to take an informed decision. The loan application form shall indicate the documents required to be submitted along with the loan application form.
- b) The Company shall issue an acknowledgement receipt for all loan applications. Loan applications shall be disposed of within twenty-one (21) days, or such extended time as may be mutually agreed between the borrower and the Company from the date of receipt of the application form completed in all respects and the same shall be stated on the acknowledgement issued.
- c) If any additional details / documents are required, the same shall be intimated to the borrowers immediately.
- d) All communications to the applicant or borrower shall be in the language as understood by the applicant or borrower.

## **4. 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 by means of a written sanction letter, the amount of the loan sanctioned or otherwise. The said letter shall contain the terms and conditions including the annualized rate of interest and the method of application thereof and keep the acceptance of these terms & conditions by the borrower on its record.
- c) The Company shall obtain an acceptance from the borrower on the said sanction letter with the borrowers' signature under the caption "I/WE ACCEPT ALL THE TERMS AND CONDITIONS WHICH

HAVE BEEN READ AND UNDERSTOOD BY ME/US". The Company shall maintain a record of such acceptance.

- d) The Company shall invariably be bound to furnish a copy of the loan agreement along with a copy of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction/disbursement of loans. The Company shall ensure that the loan agreement and all enclosures furnished to all borrowers contain the terms and conditions and the rate of interest in the form of a Term Sheet, which shall be annexed to the loan agreement.
- e) The Company shall mention the late repayment charged in bold in the loan agreement.

**5. Disbursement of loans including changes in terms and conditions:**

- a) The Company has adopted interest rate model and has framed appropriate internal principles and procedures for determining and ensuring that the interest rates, processing and other charges are not excessive. The Company shall, at the time of disbursal, ensure that the interest rate, processing and other charges on loan and advances are in strict adherence to above referred internal principles and procedures. Interest rate model has been made available on the website of the Company
- b) The disbursement will be done immediately upon compliance of all the terms and conditions of the sanction letter by the borrower & immediately after booking.
- c) The Company shall give a notice to the borrower in case 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 rate & charges are affected only prospectively.

**6. Post Disbursal Supervision:**

- a) Any decision to recall/accelerate payment or performance shall be in consonance with the loan agreement. s
- 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 or paid.
- c) The Company shall adhere to guidelines issued by RBI as regards to repossession of secured assets. To ensure transparency, the terms and conditions of the contract/loan agreement shall also contain provisions regarding:
  - i. notice period before taking possession;
  - ii. circumstances under which the notice period can be waived;
  - iii. the procedure for taking possession of the security;

- iv. a provision regarding final chance to be given to the borrower for repayment of loan before the sale / auction of the property;
- v. the procedure for giving repossession to the borrower; and
- vi. The procedure for sale / auction of the property.

## **7. General**

- a) The Company shall not interfere in the affairs of the borrower except for the purposes provided in the loan agreement 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 like bothering the borrowers at odd hours, use of muscle power for recovery of loans etc.
- c) The Company will call delinquent customers between 0700 hrs to 2100 hrs 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 with 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.
- e) The Company shall ensure that the entire process of enforcing its security, valuation and realization thereof be fair and transparent.
- f) 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 twenty-one (21) days from the date of receipt of such request. Such transfer shall be as per transparent contractual terms in consonance with law.
- g) The company shall ensure that the staffs are adequately trained to deal with the customers in an appropriate manner.

## **8. Penal charges in loan accounts**

- a) Penalty, if charged, for non-compliance of material terms and conditions of loan contract by the borrower shall be treated as 'penal charges' and shall not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances. There shall be no capitalisation of penal charges i.e., no further interest computed on such charges. However, this will not affect the normal procedures for compounding of interest in the loan account.
- b) The Penal Charges shall be reasonable and commensurate with the non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan/product category/customer category and should be as per a Board approved policy
- c) The quantum and reason for penal charges shall be clearly disclosed by the company to the customers in the loan agreement and most important terms & conditions and also displayed on websites of the company

d) Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefor shall also be communicated.

**9. Responsible Lending Conduct – Release of movable/immovable property documents on payment/Settlement of the loan**

a) Company shall release all the original movable / immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/settlement of the loan account.

b) The borrower shall be given the option of collecting the original movable/ immovable property documents either from the company branch where the loan account was serviced or any other office of the Company where the documents are available, as per her/his preference.

d) The timeline and place of return of original movable/immovable property documents shall be mentioned in the loan sanction letters issued by the company

e) In order to address the contingent event of demise of the sole borrower or joint borrowers, Company shall have a well laid out procedure for return of original movable/immovable property documents to the legal heirs. Such procedure shall be displayed on the website of Company along with other similar policies and procedures for customer information.

f) In case of delay in releasing of original movable/immovable property documents or failing to file charge satisfaction form with relevant registry beyond 30 days after full repayment/ settlement of loan, Company shall communicate to the borrower reasons for such delay. In case where the delay is attributable to the Company, it shall compensate the borrower at the rate of Rs 5,000 for each day of delay.

g) In case of loss/damage to original movable/immovable property documents, either in part or in full, Company shall assist the borrower in obtaining duplicate/certified copies of the movable/immovable property documents and shall bear the associated costs, in addition to paying compensation as indicated at clause (f) above. However, in such cases, an additional time of 30 days will be available to the Company to complete this procedure and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).

**10. Reset of floating interest rate on Equated Monthly Instalments (EMI) based personal loans**

Currently the company is only offering Fixed Loan Rates. In the event company starts offering Floating Interest rate to its borrowers the following will apply::

a) At the time of sanction, Company shall clearly communicate to the borrowers about the possible impact of change in benchmark interest rate on the loan leading to changes in EMI and/or tenor or both. Subsequently, any increase in the EMI/ tenor or both on account of the above shall be communicated to the borrower immediately through appropriate channels.

b) At the time of reset of interest rates, Company shall provide the option to the borrowers to switch over to a fixed rate as per their Board approved policy.

c) The borrowers shall also be given the choice to opt for (i) enhancement in EMI or elongation of tenor or for a combination of both options; and, (ii) to prepay, either in part or in full, at any point during the tenor of the loan. Levy of foreclosure charges/ pre-payment penalty shall be subject to extant instructions.

(d) All applicable charges for switching of loans from floating to fixed rate and any other service charges/ administrative costs incidental to the exercise of the above options will be disclosed in the sanction letter and also at the time of revision of such charges.

(e) Company shall share/ make accessible to the borrowers, through appropriate channels, a statement at the end of each quarter which shall at the minimum, enumerate the principal and interest recovered till date, EMI amount, number of EMIs left and annualized rate of interest/Annual Percentage Rate (APR) for the entire tenor of the loan.

#### **11. Complaint Redressal Mechanism**

a) The company shall establish a complaint redressal mechanism for customers. All complaints pertaining to the company & its outsourced agencies would be registered in a CRM for follow up, tracking and resolution. Complaints raised in the CRM would be forwarded to appropriate departments for response / resolution within defined turnaround time.

b) The company shall ensure necessary escalation & reporting of all complaints resolved & pending on a regular basis to the respective Heads of the departments & the senior management.

c) The details of the Grievance Redressal Officer (including name, address, contact number, email ID, etc) shall be prominently displayed at the branches and also posted on the website.

d) In case the complaint is not redressed within a period of one month or the customer is not satisfied with the reason of delay conveyed to him / her, then he /she may file complaint with NBFC Ombudsman either through the complaint lodging portal of the Ombudsman at <https://cms.rbi.org.in> or at the following address:

The NBFC Ombudsman, c/o Reserve Bank of India

4th Floor, Reserve Bank of India, Sector -17,

Central Vista, Chandigarh – 160017

E-mail: [crpc@rbi.org.in](mailto:crpc@rbi.org.in)

#### **12. Periodic Review**

a) The Company shall request the customer to provide feedback on the services rendered. This can be done through direct contact by staff, or via email , on its website, letters to Head Office or through specific customer satisfaction surveys that may be conducted from time to time.

b) A periodical review of the Code and the functioning of the grievance's 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.

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

Mumbai...