

SRIKARA FINANCE & INVESTMENTS PRIVATE LIMITED

CIN : U85110KA1992PTC012898

FAIR PRACTICES CODE

1. PREAMBLE:

Srikara Finance & Investments private Limited is Non Banking Financial Company (NBFC) and obtained Certificate of Registration from Reserve Bank of India (RBI) and incorporated under the Companies Act vide Corporate Identification Number (CIN) U85110KA1992PTC012898 (hereinafter referred to as "the Company"). Registered Office of the Company is situated at N 507, 5th Floor, North Block, Rear Wing, Manipal Centre, 47, Dickenson Road, Bangalore - 560 042 and its Telephone numbers and E mail ID are +91-80-25580665, 41156417 and srikara.nbfc@gmail.com. The company does not have any branch or Subsidiary.

The Company's main objects are Financing and Investments. The Company shall finance/lend to all eligible qualified applicants, without discrimination on the basis of race, caste, colour, religion, gender, marital status, age or handicap directly and also by availing services of Lending Service Providers and using their Digital Lending Platform (LSP/DLP), for providing lending services who have their own digital platform and who will identify the potential qualifying borrowers desirous of requiring loans by getting loan applications under the name of the company and process them and will recommend to the company for consideration of extending loans to them. However, the Company shall take final decision by scrutinizing the application with respect to its Fair Practices Code (FPC). The Company's fair lending practices shall apply across all aspects of its operations including its own marketing, loan origination, processing, and servicing and collection activities.

RBI has issued guidelines on Fair Practices Code (FPC) for Non-Banking Financial Companies, setting standards for fair business and corporate practices while dealing with their customers vide Master Direction DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016 (Updated till 29.12.2022) The Company shall adopt all the applicable guidelines for FPC prescribed by RBI from time to time and shall make appropriate modifications if any necessary to this FPC to conform to the standards so prescribed.

The Company's Board of Directors are responsible for implementing the Fair Practices Code hereinafter detailed and also to ensure that its operations reflect its strong commitment to all the stakeholders for offering in a fair and equitable manner, the various financial services and products including lending

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. This FPC 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.

The company, at present, does demand for loans any security or collateral security nor it extends loans on Gold or Vehicles (Gold Loan/Vehicle Loan). It extends loans to individuals, corporate bodies and other entities and entertains bills discounting.

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2. Objective of the Fair Practice Code

This FPC has been made 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 from the services.
- Encourage market forces to achieve higher operating standards;
- Promote a fair and cordial relationship between the customers and the Company.

3. Key Commitments and Declarations

The Company shall act efficiently, fairly and diligently in dealings with all the customers by:

- Meeting the commitments and standards in this Fair Practices Code for the financial products and services offered and the procedures and practices;
- 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.

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

- Giving verbal information about its financial products in the languages of Hindi, Kannada, English or other languages as may be understood by the borrower.
- Ensuring that the advertising & promotional literature is clear and is not misleading;
- Explaining financial implications of the transactions;
- Helping the customer to choose the financial products.

The company shall deal quickly and proactively with things that go wrong, by:

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

4. Non-Discrimination Policy

The company will not discriminate between the customers on the basis of race, caste, colour, religion, gender, marital status, age or handicap

5. Applications for loans and their processing:

- a) All communications to the borrowers shall be made in Kannada, English, vernacular or a language as may be understood by the borrower.
- b) Loan application forms of 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 and Financiers can be made and informed decision can be taken by the borrower. The loan application form shall indicate the documents required to be submitted with the application form.

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- c) The Company shall issue an acknowledgement receipt for the loan applications. Subject to receipt of all the requisite documentation and information, loan applications shall be disposed of within 90 days, from the date of receipt of the application form which is complete in all respects. If any additional details/ documents are required, the same shall be intimated to the borrowers immediately. In any case, the Customer will be kept informed with regards to the status of the application from time to time. The Customer can also seek assistance from Company contacting through its phone number and e mail ID for update on the status of application.

6. 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 shall be informed by means of a written sanction letter in Kannada or English or vernacular or a language as may be understood by the borrower, of the amount of 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.
- 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, preferably in the vernacular or a language as may be understood by the borrower, 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 its enclosures furnished to borrowers contains all the terms and conditions and the rate of interest. Further, the Company shall mention the penal interest charged for late payment in bold in the loan agreement. It shall also contain the provisions referred to in clauses (e) and (f) hereunder..
- e) The Company shall have a built-in repossession clause in the contract/loan agreement so as to have legal enforceability.
- f) The terms and conditions of the loan agreement of the Company shall also contain the following provisions:
- Notice period before taking action
 - Circumstances under which the notice period can be waived
 - Procedure for taking possession of the security, if any.
 - Provision regarding final chance to be given to the borrower for repayment of loan before initiating proceedings.
 - Procedure for giving repossession, if any, to the borrower and
 - Procedure for sale/ auction of the security if any.

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

- a) The Company has framed 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 disbursement, 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 or a language as may be 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 agreement.

8. Post Disbursal Supervision:

- a) Any decision to recall/accelerate payment or performance under the loan agreement shall be in consonance with the Loan Agreement.
- b) Securities, if any, 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, if any, till the relevant claim is settled/ paid.

9. 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 or its Agents, if any, shall not resort to undue harassment viz., persistently bothering the borrowers at odd hours, use muscle power for recovery of loans and also shall not resort to intimidation 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. The Company shall ensure that its staff is adequately trained not to have rude behaviour with customers and to deal with them cordially and in an appropriate manner.
- c) The Company will call delinquent customers between 0800 hrs to 1900 hrs unless special circumstances of the borrower's business require to call them otherwise outside the hours mentioned.

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- d) The Company may arrange for enforcing security, if any, 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 security.
- e) The Company shall ensure that the entire process of enforcing the security, if any, valuation and realization thereof be fair and transparent.
- f) In case of receipt of a request from the borrower for transfer of the borrowing 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.
- g) As a measure of customer protection and also in order to bring in uniformity with regard to prepayment of various loans by borrowers of banks and NBFCs, the company shall not charge foreclosure charges/ pre-payment penalties on any floating rate term loan, if any, sanctioned for purposes other than business to individual borrowers, with or without co-obligant.

10. Complaint Redressal Mechanism

It is constant endeavor of the company to put the customers interest first and to provide with financial solutions that are right for the customers. The grievances of the customers will be redressed in the following manner:

- a) The customer can register grievances through email ID of the company and/or its phone number of the Registered office/website/DLP of SLP
- b) After examining the matter, the Company will endeavor to send the customer its response expeditiously and intimate the customer how to escalate the complaint to higher level, if not satisfied with the response. The Company has set up product wise turn around time ("TAT") for resolution of customer grievances and shall ensure to resolve the grievances within such defined TATs.
- c) The customer has to confirm whether the grievance has been resolved to the satisfaction or not. The grievance will be deemed to be closed, if the customer does not respond via phone or email.
- d) At Registered Office of the Company, the following information shall prominently displayed about Grievance Redressing Officer who can be approached by the public for resolution of complaints against the Company:

Mr. Suresh Kumar T S, Director,
Srikara Finance & Investments Private Limited, N – 507, 5th floor , North block, Rear Wing,
Manipal Centre, Dickenson road , Bangalore – 560042.
Phone: 080-25321027, 25321028
Email ID: grievance.srikara@gmail.com

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If the grievance is not redressed within a period of one month the customer may appeal to:

Officer-in-Charge,

Department of Supervision (NBFC), Reserve Bank of India,

Regional Office, 10/3/08, Nrupathunga Road, Bangalore -560001

Phone: 080 221803282, 22277770, Fax 080 22232199

E mail : dosbengaluru@rbi.org.in

- e) The Company shall also request the customer to provide feedback on the services rendered. This can be done through direct contact or through specific customer satisfaction surveys that may be conducted from time to time.
- f) A periodical review of Compliance of the Fair Practices Code and the functioning of the Grievances Redressal Mechanism shall be undertaken by the Company and a consolidated report of such reviews shall be submitted to the Board of Directors of the Company, as may be prescribed by the Board.
- g) The company is not covered under the Reserve Bank – Integrated Ombudsman Scheme, 2021
- h) The company is not lending against collateral of Vehicles and Gold Jewelleries.

11. Language and mode of communicating Fair Practice Code

Fair Practices Code shall be in English (as almost all borrowers understand this language) or in vernacular or a language as may be understood by the borrower, based on the guidelines issued by RBI and shall be put in place by the company having customer interface with the approval of the Board, enhancing the scope of the guidelines but in no way sacrificing the spirit underlying the guidelines. The same shall be place at Registered office and put up on the website/DLP of SLP for the information of various stakeholders.

12. Regulation of excessive interest charged by the company

The Board has adopted an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium 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 borrowers shall be disclosed to the borrower or customer 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/DLP of SLP and this information shall be updated whenever there is a change in the rates of interest. The rate of interest shall be annualised rate so that the borrower is aware of the exact rates that would be charged to the account.

13. Company not to charge excessive interest

The Company shall charge interest conforming to normal financial practice. The Board of Directors have laid out appropriate internal principles and procedures in determining interest rates and processing and other charges, by keeping in view RBI guidelines for Fair Practices Code about transparency in respect of terms and conditions of the loans.

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