

Fair Practices Code

Vaibhav Vyapaar Private Limited

LoanFront

Website: www.loanfront.in

www.vaibhav-vyapaar.com

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V.1.1	02/04/2020	Compliance Department	Review of FPC	RBI Master Direction
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V.1.3	20/03/2024	Compliance Department	Revision of FPC	RBI latest Master Direction

Introduction

The Fair Practices Code will apply to any loan and/or service that Vaibhav Vyapaar Private Limited (“the Company” or “VVPL” or “LoanFront”) may provide, sanction, and/or disburse. Vaibhav Vyapaar Private Limited has adopted the Fair Practices Code (the “FPC”) pursuant to the Reserve Bank of India’s Master Direction - Non-Banking Financial Company - Non-Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 (updated as of November 22, 2019). The Fair Practices Code is aimed at providing loan applicants with an effective overview of practices that will be followed by the Company concerning the financial facilities and services offered. The Company is committed to ensuring that our services to our clients are ethical and dependable. The Company will update the FPC to conform to the standards prescribed by the RBI from time to time. The Company will abide by this FPC, following the spirit of the Code and its applicability to its business.

Objective of the Code

This code has been developed to:

1. Conduct the business in accordance with prevailing rules and regulations and corporate governance principles.
2. Enhance transparency to enable customers to have a better understanding of what they can reasonably expect from the services.
3. Ensure and sustain a fair and cordial relationship between customers and the Company.
4. Create and maintain adequate mechanisms for the redressal of customer grievances.

Key Commitments

1. Act fairly and reasonably in all dealings with customers by:
 - a. Adhering to the commitments and standards outlined in this Code for the products and services offered by the Company, as well as in the procedures and practices followed by its staff/employees.
 - b. Ensuring that the Company's products and services comply with the relevant laws and regulations enforced in India.
 - c. Conducting all interactions with customers based on ethical principles of integrity and transparency.
2. Assist customers in understanding how the Company's products work by explaining their financial implications.
3. Address issues promptly and empathetically by:
 - a. Rectifying mistakes swiftly.
 - b. Handling customer grievances with urgency.
 - c. Providing guidance to customers on how to escalate their complaint further if they remain unsatisfied with the resolution.
4. Promote awareness of this Code by prominently displaying it on the Company's website and making copies available to customers upon request.

Advertising, Marketing, and Sales:

1. We shall ensure that all advertising and promotional material is clear and not misleading.
2. While advertising in any media and/or sending promotional literature that draws attention to a service or product and includes a reference to an interest rate, we shall also indicate whether other fees and charges, if any, will apply and that full details of the relevant terms and conditions are available on request.
3. We shall provide information on interest rates, and charges through our website/mobile application/any other suitable mode at the discretion of the Company.
4. If we avail of the services of third parties (duly authorized by the Company) for providing support services to the customers, we shall ensure that such authorized third parties handle Customer personal information (if any available to such third parties) with the same degree of confidentiality and security as the Company would do.
5. We may, from time to time, communicate various features of our products availed by customers. Information about our other products or promotional offers in respect of products/services may be conveyed to customers only if they have given their consent to receive such information/service either by mail, phone, or by registering for the same on the website or through the application form or any other form of written communication.
6. We prescribe a code of conduct for the Direct Selling Agencies (DSAs)/Direct Selling Teams (DSTs)/Tele-callers whose services are availed to market products/services which, amongst other matters, require them to identify themselves when they approach customers for selling products personally or through phone.
7. In the event of receipt of any complaint from the customer that our representative or DSA has engaged in any improper conduct or acted in violation of this Code, appropriate steps shall be initiated to investigate and to appropriately close the complaint.

Loan Application Processing

1. The company shall make all communications to the borrower in the English language. The company may also provide the borrower an option to choose a language as understood by the borrower. The borrower may intimate the company about its preferred language at the time of the loan application.
2. The company shall provide all necessary information to the borrowers required in relation to the services offered by the company so that the borrower can make a meaningful comparison with the terms and conditions offered by other NBFCs and can make an informed decision.
3. The loan application form shall indicate the documents required to be submitted along with the application form.
4. The Company shall give an acknowledgment of receipt for all loan applications digitally, with no discrimination based on caste, creed, or religion. The Company shall endeavor to provide the timeframe within which loan applications shall be processed.

Disbursement of Loans and Changes In Terms And Conditions

1. The Company shall give notice to the borrower in the English language or a language chosen by the borrower of any change in the terms and conditions including the disbursement schedule, interest rates, service charges, prepayment charges, etc. The

changes shall only be made if the loan agreement executed between the company and the borrower permits such changes. Further, the said changes shall be effective only prospectively.

2. The company shall take any decision to recall/accelerate payment or performance under the agreement only if the same is in consonance with the loan agreement.
3. The Company shall release all securities on repayment of all dues or on realization of the outstanding amount of the loan subject to any legitimate right or lien for any other claim they 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 until the relevant claim is settled/paid.

Interest Rate

1. The company has laid down appropriate internal guidelines for determining interest rates, processing fees, and other charges, taking into account relevant factors such as the cost of funds, margin, and risk premium.
2. The company would intimate the rate of interest to be charged from the borrower at the time of application/sanctioning of the loan.
3. The rate of interest and the approach for the gradation of risks are also available on the company's website. In case of any change in interest rates by the company, the same shall be updated on the company's website.
4. The rate of interest would be an annualized rate so that the borrower is aware of the exact rates that would be charged to the account.
5. The Company would ensure that it will not unduly charge excessive interest rates to its borrowers. The interest rate for its customers/borrowers would be arrived at taking into account broad parameters such as the risk profile of the customers/borrowers, interest rate trends prevailing in the money market, cost of borrowings, primary and collateral security offered by customers/borrowers, structure of the deal, interest rate charged by competitors, and the historical credit track record of the customers/borrowers.

Information

1. The Company is committed to assisting customers in selecting products and services that align with their needs. Clear information detailing the key features of the Company's services and products of interest will be provided to customers.
2. Customers will be informed about the documentary information required by the Company to establish their true identity and address, along with other documents necessary to comply with legal and regulatory "Know Your Customer" requirements.
3. Information regarding interest rates, common fees, and charges will be disseminated through
 - a. Telephones or help lines.
 - b. Designated staff/help desk at the Company's office.
 - c. Publication on the Company's website.

General

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1. The company shall refrain from interfering in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless information not earlier disclosed by the borrower has been noticed).
2. In the matter of loan recovery, the company shall not resort to undue harassment, such as persistently bothering the borrowers at odd hours or using muscle power for loan recovery, etc. The company shall ensure that its employees/staff are adequately trained to deal with customers in an appropriate manner.

Grievance Redressal Mechanism

In case of any complaint/grievance, the borrowers may contact the following Principal Nodal Grievance Redressal Officer of the company:

Name- Mr. Satya Mallidi

Designation- Grievance Redressal Officer

Telephone No. -6366828598

E-mail id- satya@vaibhav-vyapaar.com

The above information shall be prominently displayed at the branches and is also available at the company's website.

If the complaint/dispute is not redressed within a period of one month, the customer may appeal to The Officer-in-Charge, Reserve Bank of India, Department of Non-Banking Supervision, at 15, Netaji Subhas Road, Kolkata- 700 001.

Email to cms.odtkolkata@rbi.org.in, STD Code: 033 Telephone No : 22304982

The Board of Directors shall review the redressal of grievances at regular intervals. A consolidated report of the grievances shall also be made available to the Board of Directors by the management at regular intervals.

Ombudsman Scheme:

In order to establish a system for the redressal of customer complaints, the Reserve Bank of India (RBI) has launched an "Integrated Ombudsman Scheme, 2021" (hereinafter referred to as "the Integrated Scheme") for resolving customer grievances related to services provided by entities regulated by the Reserve Bank of India in an expeditious and cost-effective manner. The Scheme adopts a 'One Nation One Ombudsman' approach by making the RBI Ombudsman mechanism jurisdiction-neutral. "Vaibhav Vyapaar Private Limited," being a Non-Banking Financial Company, has adopted the Integrated Scheme launched by the RBI. The Integrated Scheme provides for powers and functions, procedures for the redressal of grievances, and jurisdiction of the Ombudsman. In accordance with paragraph 18 of the Scheme, the Company intends to ensure that our customers are aware of the purpose of the Scheme and the remedies available under it. The Integrated Scheme can be accessed here. Copies of the Scheme are also available with Mr. Satya Mallidi, the designated Principal Nodal Officer of Vaibhav Vyapaar Private Limited under the Scheme. While the Company places immense importance on customer satisfaction and has established a grievance redressal committee to address the grievances and complaints of our customers, any customer not satisfied with our responses may contact the Ombudsman online through the portal (<https://cms.rbi.org.in>) or submit through electronic or

physical mode to the Centralized Receipt and Processing Center 4th Floor, Sector 17, Chandigarh – 160017. Contact Center with a toll-free number – 14448 (9:30 am to 5:00 pm).

The Grievance and Redressal Policy is available on the Company's website at the following page: <https://www.vaibhav-vyapaar.com/grievance-redressal-policy.html>.

Privacy and Confidentiality:

1. Maintain the utmost standards of privacy and confidentiality concerning our customers' personal information. We strictly limit the disclosure of information or data to the following cases only
 - a. Legal Obligations: We may disclose customer information if required by law.
 - b. Public Duty: In cases where there is a public duty to reveal information, we will do so.
 - c. Customer Rights: Customers will be informed about their rights under existing laws to access their personal records held by us.
 - d. Protection of Interests: If necessary to prevent fraud or protect our interests, we may share information. However, this should not be construed as permission to use customer information, including their name and address, for marketing purposes, either within our group of companies or to external entities.
 - e. References: Before providing any reference about a customer, we will obtain written consent from them.
 - f. Customer Consent: We will only disclose customer information with their explicit permission or at their request.
 - g. Marketing: We will not use customer personal information for marketing purposes unless expressly authorized by the customer.
2. Make Privacy Policy Available Company's website at the following page. <https://www.vaibhav-vyapaar.com/privacy-policy.html>

Responsibility of Board of Directors:

1. Oversee the implementation of the FPC, reviewing its effectiveness, and ensuring compliance with regulatory requirements.
2. Allocate resources and support to maintain adherence to the FPC and uphold customer trust and satisfaction.
3. Review the Fair Practice Code at least annually

Compliance with the FPC

An annual review of compliance with the Fair Practice Code would be conducted. A consolidated report of such a review would be submitted to the Board of Directors every year. Maintain physical copies of policies at all office premises for customer reference, in addition to availability on the Company's website at the following page: <http://vaibhav-vyapaar.com/fair-practices-code/>