

FAIR PRACTICE CODE

Systematix Finvest Private Ltd (hereinafter referred as “the Company”) is engaged in the business of loan against shares.

This Fair Practices Code, as adopted herein below, is in conformity with the Guidelines on Fair Practices Code for NBFCs as prescribed by the Reserve Bank of India vide its Circular bearing no. RBI/2011-12/470 DNBS.CC.PD.No. 266/03.10.01/2011-12 dated March 26, 2012, DNBS.CC.PD.No. 320/03.10.01/2012-13 dated February 19, 2013, RBI/2013-14/42 DNBS.CC.PD.No. 340/03.10.042/2013-14 dated July 01, 2013 and DNBR (PD) CC.No.047/03.10.119/2015-16 dated July 01, 2015 and updated on September 01, 2016. The Company is not engaged in the business of providing facilities for financing of vehicles; MFI's and or lending against gold jewellery and therefore the RBI guidelines to that extent do not apply to the company.

The Fair Practice Code

In pursuance of the directions issued by Reserve Bank of India for Non-Banking Financial Companies (NBFCs), the Company, has adopted the following code for fair practices while dealing with customers. The Fair Practice Code (FPC) covers the following areas:

1. Applications for loans and their processing
2. Approval - Loan appraisal and terms/conditions
3. Disbursement of loans, including changes in terms and conditions
4. General provisions
5. Responsibility of Board of Directors
6. Grievance Redressal Officer
7. Language and mode of communicating Fair Practices Code
8. Regulation of excessive interest charged by NBFCs
9. Complaints about excessive interest charged by NBFCs
10. Clarification regarding repossession of vehicles financed by NBFCs
11. Periodic Review – Fair Practice Code

The Company would adhere to the Fair Practices Code mentioned hereinbelow in its functioning as a Non Banking Finance Company.

Application for Loans and their Processing

- All communications with the borrower shall be in the English language. If borrower does not understand English, then we will provide the communication in a language as understood by the borrower.
- Loan application forms shall include necessary information such as key financiers which affects the interest of the borrower that will enable the borrower to make a meaningful decision. The loan application form shall also indicate the documents required to be submitted with the application form.
- The Company shall devise a system of giving acknowledgement for receipt of all loan applications. Further, generally, the time frame within which the loan application will be disposed

of would also be indicated in the acknowledgement.

Approval - Loan Appraisal and Terms/Conditions

- The Company shall convey in writing to the borrower by means of approval letter /sanction letter or otherwise in English language, the amount of loan approved/sanctioned - along with the terms and conditions, including annualized rate of interest and method of application thereof. If borrower does not understand English, then we will provide the communication in a language as understood by the borrower.
- The Company would keep the acceptance of these terms and conditions by the borrower on the Company's files.
- The Company shall furnish a copy of the loan agreement along with a copy each of enclosures, as applicable, to all the borrowers at the time of sanctions/disbursement of loans.
- Loan Agreement shall also mention in bold about the penal interest charged for late repayment.

Disbursement of Loans including Changes in Terms and Conditions

- The Company shall give notice to all its borrowers of any change in the terms and conditions - including disbursement schedule, interest rates, service charges, prepayment charges etc. . The Company shall also ensure that changes in interest rates and charges are affected only prospectively. A suitable provision in this regard shall be incorporated in the loan agreement.
- Decision to recall / accelerate payment or performance under the agreement shall also be in consonance with the loan agreement.
- The Company shall release all securities on repayment of its full dues or on realization of the outstanding amount of the loan of the client subject to any legitimate right or lien for any other claim the Company may have against its borrowers. 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.

General Provisions

- The Company shall refrain from interference in the affairs of the borrower except for the purposes provided for in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the borrower, has come to the notice of the Company).
- In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise - i.e., objection of the Company, if any - shall be conveyed to the borrower within 21 days from the date of receipt of any request. Such transfer shall be as per transparent contractual terms in consonance with law.
- In the matter of recovery of loans, the Company shall not resort to undue harassment – such as persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc. The Company shall ensure that the staff is adequately trained to deal with the customers in an appropriate manner.
- The Company shall not charge foreclosure charges / prepayment penalties on all floating rate term loans sanctioned to individual borrowers.

Responsibility of Board of Directors

The Board of Directors of the Company shall lay down the appropriate grievance redressal mechanism within the organization to resolve disputes arising in this regard, which would include having centralized team catering to the investor complaints, a dedicated email id for receipt of the complaints it would be ensured that all disputes arising out of the decisions of company's functionaries are heard and disposed under the supervision of the Principal officer or at such next higher level as determined by the Board of Directors. The Board of Directors shall also be provided for periodical review of the compliance of the Fair Practices Code and the functioning of the Grievances Redressal Mechanism at various levels of management. A consolidated report of such reviews shall also be submitted to the Board at regular intervals.

Grievance Redressal Officer

Client who wish to provide feedback or send in their complaint may use the followingg channe between 9.30 am to 6.00 pm, from Monday to Friday (except on national holidays).

The name and contact of the Grievance Redressal Officer is as follows:

Mr. Rajkumar Gupta
Tel No. : +91- 6619 8000
Mobile No:- 9321449393
Email id: las@systematixgroup.in

If the complaint/dispute is not redressed within a period of one month, the customer may appeal to

Officer- in -Charge
Regional Office
Department of Non Banking Supervision,
Reserve Bank of India, Mumbai Regional Office
3rd Floor, Near Maratha Mandir,
Byculla, Mumbai Central,
Mumbai - 400008
Tel. No.: 022-2308 4121 / 022-23028436
Fax No.: 022-23022011
Email: dnbsmro@rbi.org.in

Language and mode of communicating Fair Practices Code

Fair Practice Code shall be in the English language. If borrower does not understand English, then we will provide the communication in a language as understood by the borrower. The relevant information will be updated on website as and when there are any changes.

Regulation of Rate of Interest

The Board of Directors shall adopt an interest rate model for determining the rate of interest to be charged on loans and advances, processing and other charges taking into account relevant factors such as, cost of funds, margin and risk management system etc.

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 rate of interest is arrived at based on the weighted average cost of funds, administrative costs, risk premium and profit margin. The decision to give a loan and the interest rate applicable to each loan account is assessed on a case to case basis, based on multiple parameters such as, borrower's profile, repayment capacity, borrower's other financial commitments, past repayment track record if any, the security for the loan as represented by the underlying assets, loan to value ratio, tenure of the loan, geography (location) of the borrower. Such information is collated based on borrower inputs and credit bureau. The rates of interest are subject to change as the situation warrants and are subject to the discretion of the management on a case to case basis.

The rates of interest and the approach for gradation of risks shall also be made available on the web-site of the company. The information published in the website should be updated whenever there is a change in the rates of interest.

The Company shall intimate the borrower, the loan amount and annualized rate of interest at the time of sanction of the loan along with the tenure. The rate of interest shall be annualized rates so that the borrower is aware of the exact rates that would be charged to the account.

Periodic Review – Fair Practice Code

The Company shall also review and refine the Code, as may be required periodically based on its own experience and fresh guidelines, if any, to be issued by the RBI in this regard.