



QUICK CASHFLOW CAPITAL PRIVATE LIMITED

FAIR PRACTICES CODE

1. Introduction

M/s Quick Cashflow Capital Private Limited ('QCF' or the 'Company') is a non-deposit taking, base layer Non-Banking Financial Company registered with RBI.

This Fair Practices Code ("Code") has been prepared with the approval of the Board of Directors of the Company taking into account the regulations on Fair Practices Code for NBFCs given under Master Direction- Reserve Bank of India (Non-Banking Financial Company — Scale Based Regulation) Directions, 2023 dated October 19, 2023 (as may be amended from time to time) issued by the Reserve Bank of India ("RBI").

This sets minimum Fair Practice standards for the Company to follow while doing lending business. It provides information to customers ("Customers" or "Borrowers") and explains how the Company is expected to deal with them on a day to day basis.

This Code is applicable to all categories of products and services offered (currently offered or which may be introduced at a future date) by the Company.

2. Objectives of the Code

- 2.1. To provide the customers effective overview of practices followed by the Company in respect of financial facilities and services offered by the Company.
- 2.2. To promote good and fair practices by setting minimum standards in dealing with customers.
- 2.3. To increase transparency so that the customers can make an informed decision.
- 2.4. To promote a fair and cordial relationship between the customers and the Company.

3. Application of the Code

This code shall apply to all employees, agents, representatives and vendors of the company to represent it in the course of its business with respect to all products and services.

4. Commitment

Company shall adhere to this code to act fairly and reasonably in all dealings, on the ethical principle of integrity and transparency, to meet the standard practices prevalent in the finance industry.

5. Loan Application and Processing

- 5.1. All communications to the borrower shall be in the vernacular language or a language as understood by the Borrower.

- 5.2. Loan application forms 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 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.
- 5.3. The Company will provide its customers, the acknowledgement for receipt of loan application forms. Preferably, the time frame within which loan applications will be disposed of will also be indicated in the acknowledgement.

6. Loan Appraisal and Terms and Conditions

- 6.1. The Company shall convey in writing to the Customer in the vernacular language as understood by the Customer by means of sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions including annualised rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the customer on its record.
- 6.2. The Company shall mention the penalties charged for late repayment in bold in the loan agreement.
- 6.3. The Company shall furnish a copy of the loan agreement as understood by the Customer along with a copy each of all enclosures quoted in the loan agreement to all the Borrowers at the time of sanction / disbursement of loans.

7. Penal charges in Loan Accounts

- 7.1 The Company shall treat penalty, if charged, for non-compliance of material terms and conditions of loan contract by the Borrower as 'penal charges' and shall not levy 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.
- 7.2. The Company shall not introduce any additional component to the rate of interest and ensure compliance to these guidelines in both letter and spirit.
- 7.3. The Company shall formulate a Board approved policy on penal charges or similar charges on loans, by whatever name called.
- 7.4. The Company shall ensure that the quantum of 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.

- 7.5. The Company shall ensure that the penal charges in case of loans sanctioned to 'individual borrowers, for purposes other than business', shall not be higher than the penal charges to non-individual borrowers for similar non-compliance of material terms and conditions.
- 7.6. The quantum and reason for penal charges shall be clearly disclosed by the Company to the Customers in the loan agreement and/or most important terms & conditions/Key Fact Statement (KFS) as, in addition to being displayed on websites of the Company under Interest rates and Service Charges.
- 7.7. The Company shall communicate the penal charges to the Borrowers whenever reminders for non-compliance of material terms and conditions of loan are sent to Borrowers. Further, any instance of levy of penal charges and the reason therefor shall also be communicated.

8. Disbursement of Loan and Changes in Terms and Conditions

- 8.1. The Company shall give notice to its Customers in vernacular language or a language which is understood by the customers of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc.
- 8.2. The Company shall ensure that changes in interest rates and charges are effected only prospectively and shall include suitable condition in this regard in the loan agreement.
- 8.3. The Company shall ensure that any decision to accelerate or recall payment or performance by the customers shall be undertaken in a transparent manner according to the terms set out in the loan agreement.
- 8.4. The Company will release all securities on repayment of all dues or on realisation of the outstanding amount of loan subject to any legitimate right or lien for any other claim the Company may have against the customers. If such right of set off is to be exercised, the Customers will 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.

9. Responsible Lending Conduct — Release of movable/immovable property documents on repayment/ settlement of personal loans

- 9.1. Release of movable/immovable property documents
 - (i) The 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.

- (ii) The Company shall give the option to the borrower of collecting the original movable/immovable property documents either from the outlet/branch where the loan account was serviced or any other office of the Company where the documents are available, as per her/his preference.
- (iii) The timeline and place of return of original movable/immovable property documents shall be mentioned in the loan sanction letters issued to the Borrower.
- (iv) In order to address the contingent event of demise of the sole borrower or joint borrowers, the 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 the Company, when applicable along with other similar policies and procedures for customer information.

9.2. Compensation for delay in release of movable/immovable property documents

- (i) 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, the Company shall communicate to the borrower reasons for such delay.
- (ii) In case of unfortunate event/circumstances of loss or damage to original property documents, the Company will assist the borrower in obtaining duplicate/certified copies of the movable / immovable property documents. During the course of retrieval of the documents, the borrower and the property owners are requested to cooperate with the Company. The Company's shall not be held liable for loss or compensation arising from delay or non-cooperation by the of the Customer.

Period of obtaining the certified copies/duplicate copies from the government authorities/local bodies etc. will not be considered in reckoning the overall delay and the Company will not be held liable for any loss arising out of such delay.

- (iii) The compensation provided under these directions shall be without prejudice to the rights of a borrower to get any other compensation as per any applicable law.

10. General

- 10.1. The Company will refrain from interference in the affairs of the customers except for the purposes provided in the terms and conditions of the loan agreement (unless information, not earlier disclosed by the customers, has come to the notice of the Company).
- 10.2. In case of receipt of request from a customer for transfer of loan account, the consent or otherwise i.e. objection of the Company, will be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.

- 10.3. In the matter of recovery of loans, the Company will not resort to undue harassment such as persistently bothering the customers at odd hours, use of muscle power for recovery of loans, etc. To avoid rude behaviour from the staff of the Company, the Company will ensure that the staff are adequately trained to deal with the customers in an appropriate manner.
- 10.4. The company shall not charge foreclosure charges / pre-payment penalties on any floating rate term loan sanctioned for purposes other than business to individual borrowers with or without co-obligant(s).

11. Rate of Interest

- 11.1. The Company has laid down appropriate internal principles and procedures in determining interest rates and processing and other charges.
- 11.2. The Company has adopted an interest rate model taking into account relevant factors such as its cost of funds, margin and risk premium and this is used to determine the rate of interest to be charged for loans and advances from a customer. The maximum rate of interest shall be disclosed to the customers in the application form and the applicable rate of interest shall be communicated to the customers explicitly in the sanction letter.
- 11.3. The maximum rate of interest and the approach for gradation of risks shall also be made available on the website of the Company or published in the relevant newspapers. The information published in the website or otherwise published shall be updated by the Company whenever there is a change in the rates of interest.
- 11.4. The rate of interest will be annualised rate so that the customer is aware of the exact rates that would be charged to the account.
- 11.5. The Company shall, at the time of disbursal, ensure that the interest rate and other charges, if any, on loan and advances are in strict adherence to above referred internal principles and procedures.

12. Non-Discrimination

The Company will not discriminate its customers on the basis of their gender, race, religion or disability (physical/visual) in extending products and facilities including loan facilities. The Company's policy is to treat all the customers fairly. The company will offer assistance, information and services in a fair, equitable and consistent manner. The Company, at all its offices, shall render all possible assistance to persons with disability for availing of the various business facilities offered by the Company. The Company shall include a suitable module containing the rights of

persons with disabilities guaranteed to them by the law and international conventions, in all the training programmes conducted for its employees at all levels.

13. Collection of Dues

- 13.1. Whenever loans are given, the Company shall explain to the customer the repayment process by way of amount, tenure and periodicity of repayment.
- 13.2. If the customer does not repay in accordance with the agreed repayment schedule, the Company will undertake necessary steps for recovery of dues in accordance with applicable law and terms of loan agreement as executed with such customer. The process may involve reminding the customer by sending a notice or by making personal visits.
- 13.3. Company shall provide customers with all the information regarding dues and shall endeavour to give sufficient notice for payment of dues.
- 13.4. All assistance shall be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
- 13.5. During visits to customer's place for dues collection, decency and decorum shall be maintained.
- 13.6. In the matter of recovery of loans, the Company would not resort to undue harassment or use of force.
- 13.7. Company staff or any person authorized shall identify themselves through ID card or by any other medium while representing the company for collection of dues or / and security repossession.

14. Repossession of Hypothecated assets

- 14.1. The Company shall have a built in re-possession clause in the loan agreement, wherever applicable, with the customer which is legally enforceable. To ensure transparency, the terms and conditions of the loan agreement contains provisions regarding:
 - a) notice period before taking possession;
 - 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 customer for repayment of loan before the sale / auction of the assets;
 - e) the procedure for giving repossession to the customer; and
 - f) the procedure for sale / auction of the assets.

14.2. A copy of the terms and conditions would be made available to the customers. The company shall provide a copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement to the customers at the time of sanction / disbursement.

15. Grievance Redressal Mechanism

The Company has separately formulated Grievance Redressal Mechanism with the approval of the Board of Directors of the Company (as may be amended from time to time) and the same is available on the website of the Company at www.qfcapital.in

16. Confidentiality

The Company shall collect personal information that it believes to be relevant and required for conduct of its business. The Company shall treat all personal information of customers as private and confidential and shall not divulge any information to a third person unless required by any law or Government authorities including Regulators or Credit agencies or where the sharing of information is permitted by the customer. If Company avails services of any third party for providing support services, Company shall require that such third parties to handle customers' personal information with the same degree of confidentiality as adopted by the Company itself.

17. Advertising, Marketing and Sales

The Company shall ensure that all advertising and promotional material is clear and not misleading. Should the customers consent to receive, the Company may, from time to time, communicate to customers various features of the Company's products that are availed by them. Information about their other products or promotional offers in respect of products / services may be conveyed to customers, should the customers consent to receive them. In the event of receipt of any complaint from the customer that representative of the company has engaged in any improper conduct or acted in violation of this Code, appropriate steps shall be initiated to investigate and address the complaint.

18. Review

The Board of Directors of the Company shall provide for periodic review of the compliance of the Fair Practices Code and the functioning of the grievance redressal mechanism at various levels of management. A consolidated report of such reviews shall be submitted to the Board at regular intervals.

19. Publication

The latest Code shall be displayed at our offices and published on the website of the Company for the information of various stakeholders.