

WORTGAGE FINANCE PRIVATE LIMITED

Fair Practices Code

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Important definitions

1. **Company:** Shall mean the organization 'Wortgage Finance Private Limited' ("**Wortgage Finance**") for which this Fair Practice Code has been framed.
2. **Board:** Shall mean the Board of directors of WORTGAGE FINANCE.
3. **Code:** Shall mean this Fair Practice Code, as amended from time to time.
4. **Borrower/Customer:** Shall mean any existing or prospective borrowers/customers of WORTGAGE FINANCE.

Purpose

This has reference to RBI Circular No. RBI/2015-16/16 DNBR (PD) CC.No.054/03.10.119/2015-16 13 dated 01st July 2015, wherein the Reserve Bank of India (RBI) has revised the guidelines on Fair Practices Code for NBFCs ('**Guidelines**') to implement the same. The said Guidelines have been incorporated as a part of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 (updated as on February 22, 2019) ('**RBI Master Directions**').

The Fair Practices Code, as mentioned herein below, is in conformity with these Guidelines on Fair Practices Code for NBFCs as contained in the aforesaid RBI Master Directions. The Code sets minimum fair practice standards for the Company to follow when dealing with Customers. It provides information to Customers and explains how the Company is expected to deal with them on a day-to-day basis.

This Code applies to all Customers including those with any complaints / enquiries as posted on social media / any other media and the Company encourages all customers to reach out to the below platforms as required.

Objective

The Code has been developed with an objective of:

- Ensuring fair practices while dealing with Customers so as to promote a fair and cordial relationship with them;
- Greater transparency enabling Customers in having a better understanding of the product and taking informed decisions;
- Building Customer confidence in the Company;
- Follow good, fair and transparent business practices by setting reasonable standards in dealing with Customers;
- Encourage market forces, through fair competition, to achieve higher operating standards;

- Recovery and enforcement, where necessary, is conducted following due process of law.
- To strengthen mechanisms for redressal of borrower grievances;

Commitment

- WORTGAGE FINANCE shall at all times do its best to act fairly, reasonably and meet the standard practices prevalent in the industry.
- WORTGAGE FINANCE shall abide by all the relevant laws, regulations and meet the ethical principles of integrity and transparency during its interaction with Borrowers.
- While interacting with customers, the Company shall take all steps as may be required to provide clear information either in English or Hindi or the appropriate vernacular language regarding:
 - i. its various products and services;
 - ii. the terms and conditions, the interest rates/service charges;
 - iii. benefits available to customers and the implications, if any;
 - iv. contact persons for addressing the queries, if any;
- The Code will be made available on its website.
- WORTGAGE FINANCE shall treat the information relating to Borrowers as strictly confidential and shall not share any information, unless required under law or waived or permitted by the Borrower.
- WORTGAGE FINANCE shall take necessary steps to inform its Borrowers of their right to information regarding their account and the facilities available to them.
- WORTGAGE FINANCE shall inform its Borrowers of all financial information such as rates of interest, charges, method of calculation etc. prior to entering into any transaction.

Applications for Loans and their processing

- WORTGAGE FINANCE offers various loan products to individual customers through its platform.
- WORTGAGE FINANCE in the normal course of business shall endeavor at all times to guide its Borrowers about the process and procedure to be followed for availing a loan. Wortgage Finance shall explain to the Borrowers the contents of various loan documents in the vernacular language and further ensure that the Borrower understands the terms and conditions governing the loan facility.
- The 'Loan Application Form / appropriate documents' of WORTGAGE FINANCE will include all information that is required to be submitted by the Borrower and contain detailed information relating to the terms and conditions governing the loan facility and

other relevant information affecting the interest of the Borrowers. Necessary information will be provided by WORTGAGE FINANCE to facilitate the Borrower in making a meaningful comparison with similar terms and conditions offered by other Non-Banking Finance Companies (NBFCs) and taking an informed decision based on the aforesaid comparison.

- The 'Loan Application Form/ appropriate documents' of WORTGAGE FINANCE may also indicate the list of documents required to be submitted by the Borrowers along with the Loan application Form.
- Each Loan Application Form submitted by the Borrower shall be considered independently on merit, upon scrutiny of all the information, documents required for verifying the title of the property, identity of the person, entity and security to be offered, including guarantees, if any.
- WORTGAGE FINANCE shall carry out Borrower's due diligence to ascertain the credit worthiness of Borrower which will be an important parameter in taking decision of the application before sanctioning or rejection of any Loan Application Form.
- WORTGAGE FINANCE has a mechanism of giving an acknowledgement for receipt of Loan Application Form to its Borrower for availing loans. WORTGAGE FINANCE would inform the Borrower about its decision within reasonable period of time from the date of receipt of all the required information in full.

Loan appraisal and terms/conditions

- WORTGAGE FINANCE shall convey in writing to the Borrower by way of a sanction letter or otherwise, the amount of limit sanctioned along with all the terms and conditions including the annualized rate of discount/ interest applicable, equated monthly instalments ("EMI") date, monthly EMI amount and structure, dates of interest payments due, loan tenure, or such other information which affects the interest of the borrower and method of application thereof and keep the acceptance of these terms and conditions or the sanction letter by the Borrower in WORTGAGE FINANCE's record. Wortgage Finance shall provide the acknowledgement receipt of the loan application form with the time frame within which loan applications will be disposed of.
- Wortgage Finance shall convey or explain to the Borrower the above details in the vernacular language and preserve any call recordings for office records. Wortgage Finance shall also collect the vernacular declaration regarding the acceptance of the terms and conditions by the Borrower in his/her/their language.
- Any clause relating to penal interest charged for late repayment will be specified in bold in the loan agreement.
- WORTGAGE FINANCE shall furnish a copy of the loan agreement as understood by the borrower along with a copy of each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction/disbursement of loan.

Disbursement of loans (including changes in terms and conditions)

- Wortgage Finance would frame internal guidelines and procedures for determining and ensuring that the interest rates and processing and other charges levied on the Borrowers are not excessive. The disbursement will be initiated upon compliance with all the terms and conditions of sanction of loan by the Borrowers. Through its published website or as appropriate, if specific to a Customer, WORTGAGE FINANCE will give notice to its Borrower(s), in the vernacular language or a language as understood by the Borrowers, of any change in the terms and conditions of the loan facility, including but not limited to disbursement schedule, interest rates, service charges, prepayment charges, etc. Proper mention will be made in the loan agreement as and when required. WORTGAGE FINANCE will also ensure that changes in discount/ interest rates and charges are affected only prospectively other than under circumstances arising from regulatory instructions.
- WORTGAGE FINANCE's decision to recall/ accelerate payment or performance under an agreement will be in consonance with the respective loan agreement.

Release of Securities and Collection of dues

- WORTGAGE FINANCE shall provide the Customers with all the information regarding their dues and provide reasonable time for payment of the same.
- WORTGAGE FINANCE shall release all securities 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 Wortgage Finance 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 WORTGAGE FINANCE is entitled to retain the securities till the relevant claim is settled/ paid.

- If any recovery proceedings need to be initiated, these shall be conducted in accordance with the rights provided under the loan agreement and in accordance with legally accepted norms. WORTGAGE FINANCE shall while protecting its interest adopt reasonable and lawful measures to recover its dues from defaulting Borrowers, including the use of persuasive methods for the purpose of collection of its dues. Wortgage Finance shall not resort to coercive measures (like persistently bothering at odd hours, use of muscle power, rude behaviour or harassment from any of the staff of the Company) for recovery of loan.
- WORTGAGE FINANCE shall ensure that the staff is adequately trained to deal with the Customers in an appropriate manner.
- Wortgage Finance may arrange to enforce security provided by delinquent customers/borrowers. In all such instances, Wortgage Finance would ensure that the entire process of enforcing its security, valuation and realization thereof is fair and transparent.

Other guidelines

- WORTGAGE FINANCE will refrain from interference in the affairs of its Borrower except for the purposes provided in the terms and conditions of the respective loan agreement (unless new information, not earlier disclosed by the Borrower, which may come to the notice of WORTGAGE FINANCE).
- In case of receipt of request from the Borrower for transfer of loan account of the Borrower, the consent or otherwise i.e., objection of WORTGAGE FINANCE, if any, is generally conveyed to such Borrower within 21 days from the date of receipt of the Borrower's request. Acceptance or refusal thereof shall be in accordance with terms of the agreement. Such transfer will be as per transparent contractual terms in consonance with all the applicable laws.
- WORTGAGE FINANCE does not charge any foreclosure charges/ pre-payment penalties on floating rate term loans, if sanctioned to individual Borrowers.
- Cooling off/look-up period means the time window which shall be given to Borrowers for exiting digital loans, in case a Borrower decides not to continue with the loan. The cooling off/look up shall be three days for loans having tenor of seven days or more and one day for loans having tenor of less than seven days. For Borrowers continuing with the loan even after look-up period, pre-payment shall continue to be allowed as per applicable laws and/or RBI guidelines. Wortgage Finance will give option to borrower to exit digital loan by paying principal and proportionate annual percentage rate ("**APR**") without any penalty during cooling off/look up period.

Grievance Redressal Mechanism

In the present competitive scenario, excellent customer service is an important tool for sustained business growth. Customer complaints are part of the business life in any corporate entity.

At WORTGAGE FINANCE, Customer service and satisfaction are the prime focus. Wortgage Finance believes that providing prompt and efficient service is essential not only to attract new Customers, but also to retain existing ones. WORTGAGE FINANCE has come up with a lot of initiatives that are oriented towards providing a better Customer experience and an efficient grievance redressal mechanism with a view to providing enhanced experience to our Customers.

In order to make WORTGAGE FINANCE's redressal mechanism more meaningful and effective, a structured system has been built. This system would ensure that the redressal sought is just and fair and is within the given frame- work of rules and regulation.

Purpose/Key Commitments

WORTGAGE FINANCE's key commitments towards its Customers are:

- To ensure fair treatment of all Customers;
- To resolve grievances and complaints in a timely manner;
- To take time to fully understand the Customers' questions and to respond in the most helpful way possible;
- To educate Customers about the redressal mechanism and the designated officials to be contacted for resolving issues/ complaints.

Importantly, WORTGAGE FINANCE takes the privacy and dignity of our Customers very seriously, and treats its Customers fairly and in a courteous manner at all times.

Machinery to handle Customer complaints/ grievances

Customers who wish to provide feedback or send in their complaint may use the following channels **between 10:00 am and 7:00 pm, on Monday to Saturday (except on national holidays).**

1) Internal Machinery to handle the customer complaints

- i) Call our Customer Service Helpline on 08046972336 (10:00 am to 7:00 pm – Monday to Saturday, except on national holidays)
- ii) Email us at grievances@wortgagefinance.com
- iii) Write to us at the mentioned address:
Wortgage Finance Private Limited
2nd Floor, No. 251, 17th Cross, 5th Main Road, HSR Layout Sector 6,
Bangalore, Karnataka - 560102

2) In case the complaint is not resolved within the given time or if he/she is not satisfied with the solution provided by WORTGAGE FINANCE, the customer can approach the **Nodal Officer** and **Grievance Redressal Officer**:

Name	Mr Raja Mohammed
Designation	Nodal Officer and Grievance Redressal Officer
Contact Number	+91-8065185500 – 10.30 am to 6.00 pm Monday to Friday except National Holidays
Email ID	nodalofficer@wortgagefinance.com

The Grievance redressal Officer will be available during office hours to receive the grievance of all customers. In the event of the Grievance redressal Officer not being available the head of customer support team shall attend the customer.

After examining the grievance, the Grievance redressal Officer will send the final response within 30 working days of the receipt of the complaint/ grievance. During this time, Customers can write into us to check on the status of their grievance, and we will endeavour to respond to them as quickly as possible.

If the complaint/dispute is not redressed within a period of one month, the customer may appeal to Officer-in- Charge of the Regional Office of Department of Non-Banking Supervision of RBI under whose jurisdiction the Registered Office of the WORTGAGE FINANCE falls. The details of DNBS is as given below:

RBI Ombudsman – NBFC Reserve Bank of India, Martha's Heart Centre, 10/3/8, Nrupathunga Road, Opp St, Bengaluru, Karnataka 560001

1. Mandatory display requirements

WORTGAGE FINANCE has the following in all its branches:

- Appropriate arrangement for receiving complaints and suggestions.
- Display of the name, address and contact number of the Complaint Redressal Officer

The process of the grievance redressal unit will ensure closure of all complaints to the Customers' satisfaction.

They will ensure that the complaint is escalated to the appropriate levels in case it is not possible to resolve at his/her level. Whilst the ultimate endeavor is to ensure we reach a situation where our Customers don't have to complain to senior management to get an effective redressal, we have put in a robust mechanism to handle these complaints, review them from a point of view of understanding reasons for the complaint and for the escalation and working on prevention of recurrence thereof.

2. Time frame

To register complaints, the Customers may use any of the channels mentioned above (refer point (a) on Internal Machinery to handle the customer complaints). If the complaint has been received in writing, WORTGAGE FINANCE will endeavor to send an acknowledgement / response within a week. Once the matter is examined, WORTGAGE FINANCE endeavors to either send a final response to the Customer or an intimation seeking more time within one month upon receipt of complaint.

Complaints that are received at our end will be seen in the right perspective and would be analyzed from all possible angles. The communication of WORTGAGE FINANCE's stand on any issue will be provided to the customers. Complaints that require some time for examination of issues involved will be acknowledged promptly.

Certain types of cases might need additional time due to the nature of the activities involved, for e.g., retrieval of documents. WORTGAGE FINANCE will inform the customers of such delay and provide expected timelines for resolution of the complaint.

The aforesaid Code will be reviewed periodically /revised as and when there are any new changes incorporated by WORTGAGE FINANCE in handling complaints / grievances of the customer which includes introduction of new grievance channels, if any.

Regulation of Excessive Interest charged

The Company has laid down appropriate internal principles and procedures in determining interest rates and processing and other charges keeping in view the transparency in respect of terms and conditions of the loans guidelines indicated in this Code. The risk and rationale for charging different rates of interest to different categories of Borrowers shall be disclosed to the borrowers while making the application and or while issuing the sanctioned letter. The rate of interest to be charged depends much upon the gradation of the risk of Borrower and would be arrived at taking into account the 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 (if any) offered by Customers/Borrowers, structure of the deal, interest rate charged by competitors., the financial strength, business, regulatory environment affecting the business, competition, past history of the Borrower etc. The rate of interest and total interest amount to be charged over complete tenure of loan should be annualized rates and will be communicated so that the Borrower is aware of the exact interest liability that would be charged to the Borrower. It shall also be made available on the website of WORTGAGE FINANCE or published in the relevant newspapers. The said information published on the website or otherwise shall be updated whenever there is a change in the rates of interest.

Role of the Board

The Board shall adopt an interest rate model taking into account relevant factors such as, cost of funds, margin and risk premium, etc. and determine the rate of interest to be charged for loans and advances.

Further, the Board or the committee thereof of Wortgage Finance shall lay down appropriate grievance redressal mechanism within the organization. Such a mechanism should ensure that

all disputes arising out of the decisions of Mortgage Finance's functionaries are heard and disposed of at least at the next higher level.

The Board shall conduct annual review of the compliance of the Fair Practice Code and the functioning of the grievance redressal mechanism at various levels of management. The Grievance redressal Officer shall review the compliance of this Code every six months and a consolidated report of such review may be submitted to the Board.