

POLICY

FAIR PRACTICE CODE



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This Fair Practice Code is aimed to provide to all the stake holders, especially customers effective overview of practices followed by the company in respect of the financial facilities and services offered by the company to its customers. Octal Finance Pvt Ltd is committed to conduct its operations in transparent, ethical, and customer-centric manner. One of the key principles of fair practice is transparency. This code outlines our commitment to fair business practices and customer protection This Fair Practice Code has been drafted and implemented in compliance with the guidelines issued by Reserve Bank of India in terms of “Master Direction – Non- Banking Financial Company – Systemically Important Non –Deposit taking company and Deposit taking company (Reserve Bank) Directions, 2016. We strive to ensure the well-being and satisfaction of our customers while adhering to all regulatory guidelines. By following these fair practice guidelines, Octal finance Pvt Ltd can build trust with their customers and contribute to a fair and equitable financial

The objectives of the Fair Practice Code are as under.

- i)** Adopt and promote the best and polite practices in dealings with customers.
- ii)** Set challenging benchmarks and strives to achieve high operating standards for ensuring customer satisfaction.
- iii)** Follow transparent, fair, ethical and legally tenable practices while conducting business.
- iv)** Provide all necessary information and inputs to customers / prospective customers and promote a mutually beneficial long term relationship.
- v)** Facilitate a continuously growing base of satisfied customers while scrupulously avoiding acquisition of customers having doubtful credentials or criminal background.



Guidelines on Fair Practices Code

(A) Applications for Loans and their Processing

1. All communication to the borrower shall be in the vernacular language or a language as understood by the borrower
2. Loan application forms issued by the Company shall include necessary information, which affects the interest of the borrower so that he/she can do a meaningful comparison with the terms and conditions offered by other NBFCs and an informed decision can be taken by the borrower. The loan application will indicate the documents required to be submitted with application form.
3. The rate of interest and the approach for gradation of risk and rationale for charging different rate of interest to different categories of borrowers shall be disclosed to the borrowers in the application form and communicated to him in the sanction letter. Further the information shall also be made available in the web site of the company.
4. If any additional details/ documents are required, the same shall be intimated to the borrowers immediately. The application form will clearly state the information to be provided by the customer to fulfil the KYC norms and to comply with legal and regulatory requirements

(B) Loan Appraisal and Terms & Conditions

The NBFCs should convey in writing to the borrower in the vernacular language as understood by the borrower 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 borrower on its record. It is advised to furnish a copy of the loan agreement as understood by the borrower 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.

(B) Disbursement of loans including changes in terms and conditions

All disbursement should be done through Net Banking system. No cash loans are allowed except for gold loan. The company should give notice to the borrower in the vernacular language or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. Company should also ensure that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard should be incorporated in the loan payment or performance under the loan agreement shall be inconsonance with the loan agreement. The Company charges interest at flat/diminishing rate from customer to customer. The Company shall ensure that the penal amount charged for the late payment is in "bold" fonts in the agreement. Any decision to recall/accelerateAll documents pertaining to the loan would be released on receipt of full and final payment of the loans, subject to any legitimate right or lien, and set-off for any other claim that OCTAL FINANCE PVT LTD may have against the 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 OCTAL FINANCE PVT LTD is entitled to retain the securities until the relevant claim is settled / paid. agreement.



Guidelines on Fair Practices Code

(D) Responsibility of Board of Directors

The Board of Directors of company should also lay down the appropriate grievance redressal mechanism within the organization. Such a mechanism should ensure that all disputes arising out of the decisions of lending institutions' functionaries are heard and disposed of at least at the next higher level. The Board of Directors should also provide for periodical review of the compliance of the Fair Practice Code and the functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such reviews may be submitted to the Board at regular intervals, as may be prescribed by it.

(E) Interest Charged

The Company shall adopt 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 and 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

To ensure that the Customers are not charged excessive interest rate and charges on loans and advances by the Company, the Board of the Company has adopted a Policy for determining Interest Rates, Processing and Other Charges "Interest Rate Policy" and the same has been put up on Company's web-site. The company charges interest to customers either at a flat rate or a diminishing rate, depending on the customer. The rate of interest should be transparent rate so that the borrower is aware of the exact rates that would be charged to the account.

SURRENDER AND POSSESSION OF SECURED ASSETS

The Company has included the repossession and surrender clause in the loan agreement with the borrower that would be legally enforceable. To ensure transparency, the terms and conditions of the contract/loan agreement will include provisions regarding:

1. Notice period before taking possession;
2. Circumstances under which the notice period can be waived;
3. The procedure for taking possession of the security;
4. A provision regarding final chance to be given to the borrower for repayment of loan before the sale / auction of the asset.
5. The procedure for giving repossession to the borrower and
6. The procedure for sale / auction of the property.



(F) Marketing & Promotion

The Company shall not knowingly promote any product with an ulterior or selfish motive or contrary to the customer's request or expectation as disclosed by the customer. The Company will ensure that its personnel involved in marketing and operations are given appropriate training and guidance to prevent the sale of its products by misrepresenting them to customers or prospects. The Company will not profit by charging high interest rates on loans or taking undue advantage of adverse market conditions. The interest rate will be based on variables such as cost of capital, operating costs, reasonable returns, and the risk premium. The company will also have differential interest rates for different programs, stages, and products. Risk insurance premiums may also vary depending on the customer's profile. Interest rates will comply with the Company's interest rate policy and legal instructions from time to time. Overall, it should also be consistent with industry practices and standards. Complete and updated information about different loan products, programs, percentage interest rates per year, fees and penal amount for overdue will be displayed. Full or selected information will also be provided through media channels, posters, brochures, announcements, displays, etc. from time to time as decided by the Company's leadership.

(G) Policy on Customer Service & Grievance Redressal

Customer grievance redressal is an essential aspect of any financial institution. The Company have a robust grievance redressal mechanism in place to ensure that their customers are satisfied and their trust is maintained. The company has a customer-centric approach and is committed to providing excellent service. A well-designed grievance redressal mechanism can help the company to address customer complaints in a timely and efficient manner, which can go a long way in building customer loyalty. It is essential to maintain transparency throughout the process and keep the customer informed at every stage. Any feedback received should be used to improve the grievance redressal mechanism further. The company has a robust grievance redressal mechanism in place.

If customers have any problems or want to make a complaint, they can contact us at any time from any of the following: octalcustomer.redressal@gmail.com and on +91 87146 81732

If the customer is not satisfied with the solution received or does not receive a response from us within 45 days,

He can then send his complaint to the regulator at the address below:

**Assistant General Manager
Reserve Bank of India
Department of Supervision,(DNBS)
15, Netaji Subhas Rd, Fairley Place, B.B.D. Bagh,
Kolkata, West Bengal 700001**



MISCELLANEOUS

The Company will display the normal opening hours of the respective branches, a list of public holidays, and announce changes, if any, by display on the branch premises. Customers' personal information will not be shared with individuals, agencies, or third parties not authorized by the Company. However, the Company shall respect and comply with any legal or regulatory requirements in this regard that require the Company to communicate this information even without notice to the customer. This policy on Fair practices and Customer grievance redressal shall be effective from the date of approval of the policy or such other date as may be specified by the board. The management may issue internal guidelines for the effective implementation of this policy. Fair Practice code and customer grievance redressal mechanism is fundamental to the company and therefore the compliance of the policy shall be reviewed by the auditors of the company periodically

