

FAIR PRACTICES CODE & GRIEVANCE REDRESSAL

Nuvama Wealth Finance Limited

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1. Scope

Nuvama Wealth Finance Limited (Formerly known as Edelweiss Finance & Investments Limited) (the Company/ NWFL), in pursuance of the Directions issued by Reserve Bank of India for Non-Banking Financial Companies (NBFCs), has adopted the following Code for fair practices while dealing with customers.

The Fair Practice Code (FPC) is intended to cover the following areas:

- Applications for loans and their processing
- Loan appraisal and terms/conditions
- Disbursement of loans, including changes in terms and conditions
- General provisions and
- Grievance redressal mechanism

2. Applications for loans and their processing

- (a) All relevant information pertaining to the loan/loan facility will be made available in the relevant loan application form(s) or through other modes (term sheet, teasers, etc.) The loan application form will also indicate the documents required to be submitted together with the duly completed application form.
- (b) The borrower will receive all the correspondences, loan documents, recall notices etc., relating to his/her loan in vernacular language or a language preferred by the borrower along with loan application form.
- (c) Receipt of completed applications forms will be duly acknowledged by the Company.
- (d) The acknowledgement would also indicate the approximate timeframe within which the applicant should contact the Company at its office to ascertain the status of the loan application.

3. Loan appraisal and terms/conditions

- (a) Loan applications shall be assessed in accordance with the Company's credit appraisal process. The borrower shall be informed in its vernacular language or language as opted/preferred by the customer about the outcome of the credit appraisal (approval/rejection).
- (b) The penal interest, if any, to be charged by the Company for late repayment, etc. shall be mentioned in bold in the loan agreement, sanction letter, etc. An acceptance of such terms and conditions shall be retained by the Company.
- (c) The Company shall enter into an agreement indicating the amount of loan sanctioned, annualized rate of interest applicable along with the terms and conditions with the borrower. A copy of the said agreement along with schedule(s) and annexure(s) to the agreement will be provided to the borrower in the language as understood by the borrower at the time of sanction / disbursement of loans.

4. Disbursement of loans, including changes in terms and conditions

- (a) Any changes to the terms and conditions, including disbursement schedule, interest rates, service charges, prepayment charges, etc., shall be informed to the borrowers in case of account specific changes.
- (b) Changes in the interest rates and charges shall be effective prospectively. A suitable condition to this effect will be inserted in the loan agreement.
- (c) Decision to recall / accelerate payment or performance under the agreement shall be in accordance

with the terms and conditions of the loan documents executed by the borrower with the Company.

- (d) All securities pertaining to the loan would be released on receipt of full and final payment of the loans, subject to any legitimate or contractual right or lien or right to set-off which the Company or any other person may have under the loan documents 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 the right to retain or setoff the securities/sale proceeds from the securities or right to transfer the securities or sale proceeds is exercised by the Company. In the event of full and final payment of the loans along with other dues, if any, "No outstanding dues" certificate shall be issued by the Company within 1 month from the date of receipt of request from the borrower / customer.
- (e) All notices, correspondence in respect of the loan will be made in the language opted by the borrower in the loan application form.

5. Loans sourced over Digital Lending Platforms

Wherever the Company engage or does outsourcing of digital lending platforms through Lending Service Provider (LSP) inter alia to source borrowers, to recover dues etc, the Company shall follow the following broad instructions:

- (a) A standardized Key Fact Statement (KFS) shall be provided to the borrower before executing the loan document which shall also include Annual Percentage Rate (APR).
- (b) Digital lending platforms engaged as LSP shall disclose the name of the lender, its product features, loan limit and cost, etc. so that the borrowers are aware of.
- (c) To disclose the names of digital lending platforms engaged as LSP on the website of the Company.
- (d) Any fees, charges, etc., payable to LSP shall be paid directly by the Company and not by the borrower.
- (e) A copy of the digitally signed documents on the letter head of the Company viz., KFS, summary of loan product, sanction letter, terms and conditions, account statements, privacy policies of the LSP or Digital Lending App with respect to borrowers' data, etc. shall automatically flow to the borrowers on their registered and verified email/ SMS upon execution of the loan contract/ transactions.
- (f) The Company and LSP should have nodal grievance redressal officer to deal with FinTech/ digital lending related complaints which shall be prominently indicated on the website of the Company, LSP and on Digital Lending Apps respectively.
- (g) Any other provisions as defined under the guidelines on Digital Lending issued by the RBI, as amended from time to time.

6. Applicant with Disability (ies)

The Company shall not discriminate in extending products and facilities including loan facilities to the physically / visually challenged applicants on the grounds of disability. They shall be treated at par with the other applicants and their application shall be dealt on merit as per the credit process and policy of the Company. All possible assistance will be provided to the applicants with the disability (ies) to enable them to understand, select and avail appropriate product or loan facility.

7. General provisions

- (a) The Company shall refrain from interference in the affairs of the borrower, except for the purposes and as provided in the terms and conditions of the loan documents or unless new information, not earlier disclosed by the borrower, has come to the notice of the Company.
- (b) In case of receipt of request from the borrower for transfer of loan account, the consent or otherwise, i.e., objection of the Company, if any, shall be conveyed within 21 days from the date of receipt of request.

- (c) In the matter of recovery of loans, the Company shall not resort to undue harassment viz persistently bothering the borrower at odd hours, use of muscle power for recovery of loans and would operate within the legal framework. The Company will ensure that all its employees are adequately trained to deal with the borrowers in an appropriate manner.
- (d) 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).

8. Release of movable / immovable property documents

- (a) In case the Company accepts any movable / immovable property as a security, the Company shall release all the original documents pertaining to such security and remove charges registered with any registry within a period of 30 days after full repayment/ settlement of the loan account.
- (b) The borrower will be given the option of collecting the original movable / immovable property documents either from the branch where the loan account was serviced or any other office of the Company where the documents are available, as per her / his preference.
- (c) The timeline and place of return of original movable / immovable property documents will be mentioned in the loan sanction letters.
- (d) In the event of demise of the sole borrower or joint borrowers, the Company will have a well laid out procedure for return of original movable /immovable property documents to the legal heirs which will also be displayed on the website of the Company.
- (e) In case, there is delay in releasing of original movable / immovable property documents or failure in filing the charge satisfaction form with relevant registry beyond 30 days after full repayment/ settlement of loan, the Company will communicate to the borrower reasons for such delay.
- (f) In case where the delay is attributable to the Company, it will compensate the borrower at the rate of ₹5,000/- for each day of delay.
- (g) In case of loss/damage to original movable / immovable property documents, either in part or in full, the Company will assist the borrower in obtaining duplicate/certified copies of the movable / immovable property documents and will bear the associated costs, in addition to paying compensation as indicated at point (f) above. However, in such cases, an additional time of 30 days will be available to the Company to complete this procedure and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).
- (h) The compensation provided as stated above will be without prejudice to the rights of a borrower to get any other compensation as per any applicable law.

9. Interest Charges:

- a) The Board of Directors has adopted an interest rate model for determining the rate of interest to be charged on loans and advances, processing, and other charges considering relevant factors such as, cost of funds, margin, and risk premium, 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 agreed interest shall be communicated explicitly in the sanction letter.

- b) The rates of interest and the approach for gradation of risks shall also be made available on the website of the company. The information published on the website or otherwise published will be updated, whenever there is a change in the rates of interest.
- c) The rate of interest would be annualized rates so that the borrower is aware of the exact rates that would be charged to the account.

10. Penal Charges

- a) Any penalty, if charged, for non-compliance of material terms and conditions of loan contract by the borrower will be treated as 'penal charges' and will not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances.
- b) 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.
- c) The Company will not introduce any additional component to the rate of interest and ensure compliance to these guidelines in both letter and spirit.
- d) The quantum of penal charges would 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.
- e) The penal charges in case of loans sanctioned to 'individual borrowers, for purposes other than business', will not be higher than the penal charges applicable to non-individual borrowers for similar non-compliance of material terms and conditions.
- f) The quantum and reason for penal charges shall be clearly disclosed by the Company to the customers in the loan agreement and most important terms & conditions / Key Fact Statement (KFS) as applicable, in addition to being displayed on the Company's website under Interest rates and Service Charges.
- g) The reminders sent to borrowers for non-compliance of material terms and conditions of loan will also include the applicable penal charges.
- h) Any instance of levy of penal charges and the reason therefore will also be communicated to the borrower.

11. Grievance Redressal

The implementation of the Fair Practice Code shall be the responsibility of the Company. The Company shall make every effort to ensure that its dealing with borrowers / customers is smooth and hassle free. Any complaint brought to the notice of the Company by a borrower / customer will be handled expeditiously.

All disputes / complaints arising out of the decisions of the Company's functionaries including issues relating to services provided by the outsourced agency and complaints relating to updation/alteration of credit information of customers on CICs, complaints pertaining to digital lending or likewise would be heard and disposed of after it is brought to their notice.

A consolidated report of periodical review with compliance with the Fair Practices Code and functioning of the grievance redressal mechanism at various levels of management would be submitted to the Board of Directors (Committee thereof) at regular intervals.

The contact details of the Grievance Redressal Officer (“GRO”) and the local office of RBI (which can be approached if the complaint / dispute is not resolved within a period of one month) will be displayed at all the branches / places where the Company conducts its business.

12. Grievance Redressal Mechanism

The Company has provided following Grievance Redressal Mechanism to resolve any of its Customer Query / Grievance / Complaints:

LEVEL – 1	<p>a. The borrowers can directly approach the Branch Manager / Relationship Manager and enter his/her complaint/grievance in the compliant register maintained at the branch.</p> <p>b. The concerned Employee / Relationship Manager / Branch Official shall guide the borrowers who wish to lodge a complaint and shall endeavor to provide the borrower / applicant with the resolution / response to the queries / complaints / grievance with marking copy of the mail to Grievance Redressal officer at nwfl.grievancecell@nuvama.com</p>
LEVEL – 2	<p>If the query remains unresolved at Level 1, the borrower / customer can approach Grievance Redressal Officer at the following address: - Mr. Venkatesh Gade 4th Floor, Plot No 5, M B Towers Road No 2, Banjara Hills Tel No. +91 (40) 4115 1636 Ext.40036 Email id: nwfl.grievancecell@nuvama.com</p> <p>The Grievance Redressal Officer shall endeavor to provide the borrower / applicant with the resolution / response to the queries / complaints / grievances received from them within a period of minimum 15 days and maximum 30 days from the day of the receipt of the of the complaint / grievances.</p>
LEVEL – 3	<p>If the Complaint / Grievances is not resolved within a period of one month, the borrower / customer / applicant may appeal to:</p> <p>The Officer – in – Charge Department of Supervision Reserve Bank of India 3rd Floor, Near Maratha Mandir, Byculla, Mumbai Central, Mumbai - 400008; Tel: +91 22-23084121/ 23028436 Fax: +91 22-23022011 Email id - dnbsmro@rbi.org.in</p>

13.Ombudsman Scheme

The RBI vide its Notification Ref. CEPD.PRD. No.S873/13.01.001/2021-22 dated November 12, 2021 has issued Integrated Ombudsman Scheme, 2021 which shall be applicable to the Company with immediate effect. Thus, the Company has adopted the new Integrated Ombudsman Scheme and the following will be available to the customers on the website of the Company as well as at all branches.

- Integrated Ombudsman Scheme, 2021
- Salient Features of the Scheme
- Form of Complaint
- Details of Principal Nodal Officer and Nodal Officer

Points to be ensure along with redressal procedure thereof:

- a. Appointment of Principal Nodal Officer and Nodal Officers under the Ombudsman scheme who will be responsible for representing the company and furnishing information to the Ombudsman in respect of complaints filed against the Company.
- b. The name and contact details of Principal Nodal Officer & Nodal Officer along with the details of the complaint lodging portal of the Ombudsman (<https://cms.rbi.org.in>).and details of RBI Ombudsman who can be approached by the customer shall also be displayed outside the branches / places where the business of the Company is transacted for the benefit of the customers and on the website of the Company.
- c. The Company shall prominently display the salient features of the Scheme and a copy of the Scheme at all branches and on the website of the Company.
- d. In case any complaint / grievance received by the Concerned Employee / Relationship Manager / Branch Official, the same shall be reported by him / her at the earliest from the receipt of the Complaint to the Grievance Redressal Officer / Nodal Officer / Principal Nodal Officer to ensure speedy resolution of the grievances / complaints.
- e. It shall be the responsibility of the Branch Official to provide the necessary details pertaining to the complaint / grievance to the Grievance Redressal Officer / Nodal Officer / Principal Nodal Officer to redress and resolve the complaint / grievances.

14.Review of Policy

This Policy shall be reviewed as and when there are any regulatory changes are introduced or as and when it is found necessary to change the Policy due to business needs. However, Policy shall be reviewed at least annually. The Board or Operations Committee of Nuvama will be approving authority for the Policy.