



# Fair Practices Code

2022

## Enterprise wide-applicable to the entire Company

This document provides the customers an effective overview of the practices followed by Capfloat Financial Services Private Limited in respect of the financial facilities and services offered to customers.

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axio is the brand name of CapFloat Financial Services Private Limited, an NBFC registered with RBI

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## 1. Introduction:

Pursuant to RBI vide Circular DNBR (PD) CC.No.054/03.10.119/2015-16 dated 1st July 2015 ("**Guidelines**"), issued to Non-Banking Financial Companies (NBFCs), the Board of Directors have adopted a Fair Practices Code for the conduct of business of CapFloat Financial Services Private Limited. The Fair Practices Code, as adopted herein below, is in conformity with the Guidelines on Fair Practices Code for NBFCs issued by RBI. The Board had approved the earlier policy on 25th August 2021.

The Company's business will be conducted in accordance with prevailing statutory and regulatory requirements, with due focus on efficiency, customer-orientation and corporate governance principles. In addition, the Company will adhere to this Fair Practices Code in its functioning, the key elements of which are as follows:

## 2. Objectives:

- To ensure Fair Practice while dealing with the customers;
- To enable customers to avail our financial products and services basis informed decisions; and
- To ensure customer satisfaction.

## 3. Application for Loan and Processing:

- Loan application forms issued to prospective customers includes necessary information without paving way for ambiguity, (so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and the borrower can make a voluntary and free decision). Loan application form clearly indicates the necessary documents to be submitted to avail the financial facility
- The Company has adopted a system of acknowledging receipt of all loan applications.

#### **4. Loan Appraisal and Terms & Conditions:**

- Loan applications will be considered and appraised as per company's appraisal norms and accordingly financial facility will be provided. An official communique would be issued to the customer conveying in writing by means of a Sanction Letter, containing the details of the amount of loan approved along with the terms and conditions set therein, which includes the annualized rate of interest and its application thereof. In addition to which the penal Interest on late repayment, Cheque/Nach dishonor charges, Costs Processing fee, Prepayment charges is mentioned in explicit terms in the sanctioned letter and the loan agreement. The Company shall keep record of customer's acceptance of all these terms and conditions.
- Company shall, at the time of disbursement of the loan, furnish a copy of loan agreements and related enclosures to the customer.

#### **5. Disbursement of Loans and Changes in Terms & 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 effected only prospectively unless directed by the regulatory authority to the contrary. A suitable provision in this regard is 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 loan 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.

## 6. General:

- The Company will refrain from interference in the affairs of the customer except for the purposes provided for in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the customer, has come to the notice of the Company).
- The Company will not discriminate loan applications based on grounds of gender, race, caste, creed, community and religion.
- 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 applicable law.
- With respect to recovery of dues, the same shall be carried out in accordance with the guide lines laid down by the regulatory authority. The Company shall not resort to undue harassment of the Customer and ensure that its staff are adequately trained to deal with the customers in an appropriate manner.

## 7. Grievance Redressal Mechanism:

The Company has an approved Grievance Redressal Policy and the same is placed in the website of the Company. The Company has a Customer Complaint Helpline number as a first level complaint Redressal mechanism.

The Company has designated Ms. Aakanksha Singh, as Principal Nodal Officer for receiving and resolving complaints from customers. The contact details of the Nodal Officer is as follows:

Ms. Aakanksha Singh, Head-Compliance  
CAPFLOAT FINANCIAL SERVICES PRIVATE LIMITED,  
Gokaldas Platinum, New No. 3 (Old No. 211),  
Upper Palace Orchards, Bellary Road,  
Sadashivanagar, Bengaluru, Karnataka – 560080  
Mail Id: [aakanksha.singh@axio.co.in](mailto:aakanksha.singh@axio.co.in) Phone: +91 9999914917

The customers having grievance/ complaint about the company's services/ product may inform in writing to Nodal Officer for immediate resolution of

the same. Nodal Officer will provide the highlights of the complaints received and redressal to the Board of Directors for their review and compliance at each subsequent meeting.

In case customers are not satisfied with the resolution provided by the company, they may further approach:

The Officer In-charge, Regional Office,  
Consumer Education and Protection Cell, Reserve Bank of India,  
10/3/8, Nrupthunga Road, Bengaluru, Karnataka 560001  
Telephone: 080-22180397 Email: [cms.cepcbengaluru@rbi.org.in](mailto:cms.cepcbengaluru@rbi.org.in)  
Telephone No: 080-2218 0501

Or

The Ombudsman-NBFC, Officer In-charge,  
Reserve Bank of India Fort Glacis, Chennai 600 001  
Telephone No: 044 - 25395964 Email: [cms.nbfcochennai@rbi.org.in](mailto:cms.nbfcochennai@rbi.org.in)

## 8.Regulation of Interest Rates charged by the Company:

- The Company has laid down appropriate internal principles and procedure in determining interest rates, processing fees and other charges. The Company has adopted an interest rate model taking into account relevant factors such as, cost of funds, margin and risk premium, etc. and has determined the rate of interest to be charged for loans and advances which is in line with regulatory guide lines. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of customers shall be communicated explicitly in the sanction letter.
- 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 shall be updated whenever there is a change in the rates of interest.
- The rate of interest communicated shall always be annualised rate so that the Customer is aware of the exact rates that would be charged to the account.

## 9. Repossession of Hypothecated Assets Financed by the Company:

The Company has a built in re-possession clause in the loan agreement with the customer which is legally enforceable. To ensure more transparency, the terms and conditions of the loan agreement contains provisions regarding:

- notice period before taking possession;
- circumstances under which the notice period can be waived;
- the procedure for taking possession of the security;
- a provision regarding final chance to be given to the borrower for repayment of loan before the sale/auction of the security;
- the procedure for giving repossession to the borrower and
- the procedure for sale / auction of the property.

## 10. Language and Communication of Fair Practice Code:

The Fair practice code shall be reviewed and updated periodically and the same shall be placed before the Board for its approval. The approved policy shall be placed in the website of the Company and the same shall be made available in various vernacular languages for the information of stakeholders.

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