



# Swastik Finance Private Limited

## Fair Practice Code

Swastik Finance Private Limited (“Swastik Finance” or “the Company”) is a Non-Banking Financial Company (NBFC) committed to maintaining high standards of transparency, customer-centricity, and fairness in all its financial dealings. The following Fair Practice Code (FPC) has been adopted by the Board of Directors to ensure transparent and fair lending practices across all aspects of our operations, including loan origination, processing, disbursement, and recovery. Swastik Finance’s commitment to the FPC is reflected through employee accountability, monitoring and auditing programs, and continuous training.

### 1. Applications for Loans and Their Processing

1. All communications with the borrower shall be conducted in the vernacular language or a language understood by the borrower.
2. All necessary documents will be collected in compliance with the RBI’s KYC norms.
3. The loan application form will include comprehensive information to allow borrowers to compare terms and conditions with other NBFCs and make informed decisions. The form will also list the required documents for submission.
4. The Company shall provide an acknowledgment receipt for all loan applications. An internal timeframe will be adopted for processing loan applications, and the approximate time frame for processing will be communicated post-submission of a complete application.

### 2. Loan Appraisal and Terms & Conditions

1. Loan applications will be subject to Swastik Finance’s credit appraisal process.
2. The sanctioned loan, along with the terms and conditions, shall be communicated through a Sanction Letter in vernacular language. The borrower’s consent will be obtained by securing their signature on a copy of the Sanction Letter, which will be retained by the Company.
3. Borrowers will receive a loan card containing the repayment schedule in vernacular language. The loan card will also list key terms, including the annual effective rate of interest, processing fees, insurance premiums, and other relevant charges.
4. The Company shall provide a standardized and simplified factsheet disclosing all pricing information to prospective borrowers. No fees will be charged that are not explicitly mentioned in the factsheet.

5. A copy of the loan agreement in vernacular language, along with all enclosures, will be provided to the borrower.
6. The Company shall not charge any pre-payment penalty for microfinance loans. Any penalty for delayed payments will only be applied to the overdue amount and not the total loan balance.

### **3. Disbursement of Loans Including Changes in Terms & Conditions**

1. Any changes to the terms and conditions, including disbursement schedules, interest rates, or service charges, shall be communicated in vernacular language. Such changes will be implemented prospectively, except under regulatory instructions.
2. Any decision to recall or accelerate payment under the loan agreement will be in accordance with the agreed terms.
3. Security against loans, if any, shall be released upon full repayment of dues, subject to any legitimate lien or claim the Company may have against the borrower. If such a right is exercised, the borrower will be notified with full details of the remaining claims.
4. Borrowers will receive training to clearly understand the terms and conditions of the loan.

### **4. General Principles**

1. Swastik Finance will hold itself accountable for any inappropriate behaviour by its employees or outsourced agents and provide a timely grievance redressal mechanism.
2. The Company will avoid undue interference in the borrower's affairs except as provided in the loan agreement.
3. Loan recovery shall not involve undue harassment, including but not limited to repeated contact at odd hours or the use of coercion.
4. Employees will receive adequate training to engage with customers in a courteous and professional manner.
5. A statement articulating Swastik Finance's commitment to transparency and fair lending practices shall be prominently displayed at all branches, in loan cards, and at the head office.
6. Information on the minimum, maximum, and average interest rates charged for microfinance loans shall be displayed prominently in all branches, head office, and on the Company's website.

### **5. Disclosures in Loan Agreement / Loan Card**

1. The Board-approved standard loan agreement and loan card format, in vernacular language, shall be used.
2. The loan agreement shall clearly disclose:

- All terms and conditions of the loan,
- Pricing details,
- No pre-payment penalty for microfinance loans,
- No security deposit/margin collected from the borrower,
- The moratorium period before the first instalment is due,
- Assurance of borrower data privacy.

**3. The loan card shall include:**

- Borrower identification details,
- Simplified factsheet on pricing,
- Terms and conditions of the loan,
- Acknowledgment of payments, including instalments,
- Grievance redressal details, including the contact information of the nodal officer,
- Information about non-credit products, if any, with the borrower's consent and the associated fee structure.

**6. Non-Coercive Methods of Recovery**

- 1. Recovery shall be conducted only at designated locations. Field staff may visit the borrower's residence or workplace only if the borrower fails to appear at the designated location on multiple occasions.**
- 2. Harsh recovery practices are strictly prohibited, including:**
  - The use of threatening or abusive language,
  - Repeated calls at inconvenient hours,
  - Harassment of the borrower's relatives, friends, or co-workers,
  - Publication of borrower details,
  - The use or threat of violence,
  - Misleading the borrower about the debt or consequences of non-repayment.
- 3. A Board-approved policy regarding field staff conduct, recruitment, training, and supervision will be in place. Training programs will emphasize appropriate behaviour and prohibit coercive collection practices.**
- 4. Staff compensation will prioritize customer service and satisfaction over loan mobilization and recovery rates. Non-compliance with the Code of Conduct may result in penalties.**
- 5. Mechanisms will be in place to identify borrowers facing repayment difficulties, offer guidance, and provide recourse options.**

## 7. Customer Protection Principles

1. Swastik Finance will ensure that customers have the capacity to repay without becoming over-indebted.
2. Loan pricing, terms, and conditions will be transparent and clearly disclosed in an understandable format.
3. Employees will uphold high ethical standards in customer interactions, with safeguards against corruption and mistreatment.
4. Recovery practices will be fair and legally compliant.
5. Borrower privacy will be respected, with customer data treated as confidential.
6. The Company will comply with RBI's KYC guidelines and maintain a comprehensive KYC-AML policy.
7. Disclosure of client data sharing with credit bureaus, statutory bodies, group companies, or third parties will be included in the loan agreement, with borrower consent obtained.

## 8. Grievance Redressal Mechanism

1. A multi-tier grievance redressal mechanism is in place for resolving borrower complaints:
  - **First Level:** Customers can register complaints or suggestions with the Branch Manager. A resolution timeframe of 7 days will be provided.
  - **Second Level:** Customers can escalate unresolved complaints to the toll-free number .i.e. 1800-889-7071. The contact details of the branch, center, and nature of the complaint will be recorded, with a defined turnaround time of 7 days.
  - **Third Level:** If still unresolved, complaints can be escalated to the Grievance Redressal Officer at the head office.

**Principal Nodal officer Name:** MR, Rohit Sahani

**Contact No.** : 9991148797

**Email** : [Nodalofficer@swastikfinance.in](mailto:Nodalofficer@swastikfinance.in)

**Grievance officer** : Mrs. Monika Sahani

**Contact No.** : 1800-889-7071

**Email** : [Info@swastikfinance.in](mailto:Info@swastikfinance.in)

**Note:-** If the complaint remains unresolved within 30 days, the customer may approach the Reserve Bank of India (RBI) for further redressal.