

LENDINGKART FINANCE LIMITED

Fair Practices Code

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Board Approval			
Board of Directors	Members of the Board	June 13, 2024	
Recommended by			
Audit Committee	Members of the Audit Committee	June 11, 2024	
Management Approval			
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Purpose

The Reserve Bank of India (RBI) has issued guidelines on Fair Practices Code for Non-Banking Financial Companies (NBFCs) thereby setting standards for fair business and corporate practices while dealing with their customers vide Chapter VII of Master Direction – Non-Banking Financial Company – Scale Based Regulation Directions, 2023 (Circular No. RBI / DoR / 2023-24 / 106 DoR. FIN. REC. No. 45 / 03. 10. 119 /2023-24) (as modified, amended, and updated from time to time)

Lendingkart Finance Limited (hereinafter referred as ‘the Company’ or ‘LFL’) is a Non-Banking Financial Company (NBFC) registered with RBI and in terms of aforesaid guidelines entails to adopt the following Fair Practice Code (‘FPC’ or ‘the Code’) to set out the principles for fair practices / standards to be followed by the Company while dealing with its 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.

Important definitions

1. **Board:** Shall mean the Board of directors of LFL.
2. **Borrower/Customer:** Shall mean any existing or prospective borrowers/customers of LFL.

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 ensure compliance of applicable regulations prescribed by RBI relating to fair practices.

Commitment

- LFL shall at all times do its best to act fairly, reasonably and meet the standard practices prevalent in the industry.
- LFL 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 the companies' website.
- LFL 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.
- LFL shall take necessary steps to inform its Borrowers of their right to information regarding their account and the facilities available to them.
- LFL 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

- LFL mainly offers Business Loans to its customers, in the MSME segment, wherein the Borrower would require assistance as compared to mid-large corporate clients who are well versed and equipped with financial market business.
- LFL 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.
- The 'Loan Application / appropriate documents' of LFL will include all information that is required to be submitted by the Borrower/affects the interest of the borrower. Necessary information will be provided by LFL 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. Further, the Content of the Agreement is explained to the Borrower in vernacular language or in a language understood by the borrower.
- The 'Loan Application / appropriate documents' of LFL may also indicate the list of documents required to be submitted by the Borrowers along with the Loan application Form.
- Each Loan Application 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.
- LFL 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.
- LFL has a mechanism of giving an acknowledgement for receipt of Loan Application to its Borrower for availing loans. LFL would inform the Borrower about its decision within a reasonable period of time from the date of receipt of all the required information in full.
- All communications to the borrower shall be in the vernacular language or a language as understood by the borrower.

Loan Sourced from Digital Lending Platform

- Names of digital lending platforms engaged as sourcing agents (referred to as agents, hereinafter) shall be disclosed on the website of LFL.
- Digital lending platforms engaged as agents shall be directed to disclose upfront to the customer, LFLs name and LFL will disclose the agents name on whose behalf they are interacting with him.
- Immediately after sanction but before execution of the loan agreement, the sanction letter shall be issued

to the borrower on the letter head.

- A copy of the loan agreement along with a copy of each of all enclosures quoted in the loan agreement shall be furnished to all borrowers at the time of sanction/ disbursement of loans.
- Effective oversight and monitoring shall be ensured over the digital lending platforms engaged by LFL.
- Adequate efforts shall be made towards creation of awareness about the grievance redressal mechanism.

Loan appraisal and terms/conditions

LFL shall convey in writing to the Borrower in the vernacular language as understood by 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 and method of application thereof and keep the acceptance of these terms and conditions by the borrower on LFL's record.

- Any clause relating to penal interest charged for late repayment will be specified in bold in the loan agreement.
- LFL 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)

- Through its published website or as appropriate, if specific to a customer, LFL will give notice to its Borrower(s), in vernacular language or a language as understood by the borrower of any change in the terms and conditions of the sanction, including but not limited to disbursement schedule, interest rates, service charges, prepayment charges, etc. LFL will also ensure that changes in discount/ interest rates and charges are effected only prospectively. A suitable condition in this regard shall be incorporated in the loan agreement.
- LFL's decision to recall/ accelerate payment or performance under an agreement will be in consonance with the respective loan agreement.

Collection of dues

- LFL shall provide the Customers with all the information regarding their dues and provide reasonable time for payment of the same.
- LFL 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 they 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 LFL is entitled to retain the securities till the relevant claim is settled/ paid.
- LFL shall, while protecting its interest, adopt reasonable and lawful measures to recover its dues from defaulting Borrowers.
- LFL shall ensure that the staff is adequately trained to deal with the Customers in an appropriate manner.

Other guidelines

- LFL 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 LFL).

- In case of receipt of request from the Borrower for transfer of borrowal account, the consent or otherwise i.e. objection of LFL, if any, is generally conveyed to such Borrower within 21 days from the date of receipt of the Borrower's request. Such transfer will be as per transparent contractual terms in consonance with all the applicable laws.
- In the matter of recovery of outstanding dues of its Borrower, LFL does not resort to undue harassment viz. persistently bothering the Borrowers at odd hours, use of muscle power for recovery of loans/dues, etc. Training will be imparted to ensure that staff is adequately trained to deal with customers in an appropriate manner.
- LFL does not charge any foreclosure charges/ pre-payment penalties on floating rate term loans, sanctioned for the purposes other than business to individual Borrowers with or without co-obligant(s).
- The company shall have a system in place to resolve the disputes arising out of the decisions of the functionaries of the company wherein such complaints shall be heard and disposed by an official one level above the said functionaries of the company.

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 LFL, Customer service and satisfaction are our prime focus. We believe that providing prompt and efficient service is essential not only to attract new Customers, but also to retain existing ones. LFL 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 LFL'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 framework of rules and regulation.

Purpose/Key Commitments

LFL'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 for resolving issues/ complaints.

Importantly, LFL takes the privacy and dignity of our customers very seriously and treats its customers fairly and courteously at all times.

Machinery to handle Customer queries / complaints/ grievances.

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

1. Procedure for handling customer queries: The objective is to manage customer queries efficiently and effectively, ensuring high levels of customer satisfaction and adherence to the regulatory guidelines set forth by the Reserve Bank of India.

2. Definition of Query, Request and Complaints:

Lendingkart has established distinct definitions for Queries, Requests and Complaints to ensure accurate tracking of customer issues.

The following examples are provided for illustrative purposes only:

Query: Information sought by the customer.

- a) Examples of Queries:
 - i. Customer seeking information on the loan application process.
 - ii. Customer inquiring about the documentation required for a loan application.
 - iii. Customer enquiring about mode of payment.

Request: A specific action or service asked for by the customer related to loan services.

- b) Examples of Requests:
 - i. Customer requesting a statement of account.
 - ii. Customer requesting a waiver of late payment fees/charges.
 - iii. Customer requesting foreclosure of a loan.

Complaint: A service deficiency or error on the part of Lendingkart in offering any service, and/or Non-conformance in any process leading to a dispute or grievance.

- c) Examples of Complaints:
 - i. Delay in issuance of a No Objection Certificate (NOC).
 - ii. Delay in payment posting.
 - iii. Delay in account information change (Email, Address, etc.)

These definitions and examples are intended to provide clarity on customer issues and facilitate efficient resolution.

3. Customer Contact Points:

- Customers can reach Lendingkart's support team through various channels to ensure accessibility and convenience:
 - i. Email: care@lendingkart.com
 - ii. Toll-Free Number: 1800 572 0202
 - iii. Online Chat: Lendingkart Help Desk
 - iv. WhatsApp: +91 7778867631
 - v. Write to us at the mentioned address: Lendingkart Finance Limited, Westgate Business Bay, Block A, Second Floor Makarba SG Highway, Near TATA Croma, Ahmedabad 380051.

4. Recording and Management of Customer Queries:

- All queries, irrespective of the channel they come from, are logged into the CRM system.
- Queries received through Email, WhatsApp, or Chat are automatically captured in CRM & tickets are generated.
- For queries received through voice communication, agents are responsible for manually entering the details into the CRM to create corresponding tickets.
- Queries are categorized based on query type and each category is assigned specific Turnaround Times (TAT) as per regulatory requirements.
- The CRM system includes an automated escalation feature for any queries that are not resolved within their designated TAT, ensuring prompt attention and resolution.

5. Acknowledgement and Communication:

- Upon receipt and logging of a query, an acknowledgement with a reference number is issued to the customer via the CRM system.
- Customers are informed about the expected resolution timelines at the time of acknowledgement. (Refer table on page no. 11 for TAT)
- Upon resolution, customers are notified about the closure and provided with details of the resolution.

6. Turnaround Time (TAT):

- Queries are addressed based on their nature and within predefined timelines.

7. Mode of Response:

- Responses to queries are primarily provided via email, ensuring that resolutions are documented and verifiable.

8. Monitoring and Escalation:

- Continuous monitoring of the query resolution process is conducted to ensure efficiency and compliance with set standards.

9. Documentation and Reporting:

- All interactions and resolutions are documented for auditing purposes and future reference.
- Regular reports on query handling are compiled and reviewed by management to ensure ongoing compliance and to assess the effectiveness of the query handling process.

10. Escalation Mechanism:

In case the complaint is not resolved within the given time or if he/she is not satisfied with the solution provided by LFL; the customer can approach the Grievance Redressal & Nodal Officer as below:

Level	Touch Points / SPOC	Contact and Email ID's
Level 1	Customer Support Touchpoint	Email ID: care@lendingkart.com Toll free number: 1800 572 0202 WhatsApp: +91 7778867631
Level 2	Grievance Officer	Ajitha K +91 6358874622 10.30 am to 6.00 pm Monday to Friday except National Holidays
Level 3	Nodal Officer	Ajitha K +91 7069087586 10.30 am to 6.00 pm Monday to Friday except National Holidays
Level 4	COO Escalation	Abhishek S COO.escalation@lendingkart.com

The Grievance redressal officer will be available during office hours to receive the grievance of all customers.

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 endeavor to respond to them as quickly as possible.

If the complaint/dispute is not redressed by the Grievance officer within the time frame, the customer may write to the management at

Name	Mr. Abhishek Singh
Designation	Chief Operating Officer
Email ID	COO.escalation@lendingkart.com

11. External Ombudsman Process:

If the complaint/dispute is not redressed within a period of one month (either the complaint of the customer was rejected wholly or partly and the customer is not satisfied or the customer does not receive a reply), the customer may appeal to the Ombudsman or Deputy Ombudsman, in either of the following manner:

Complaint made through online mode:

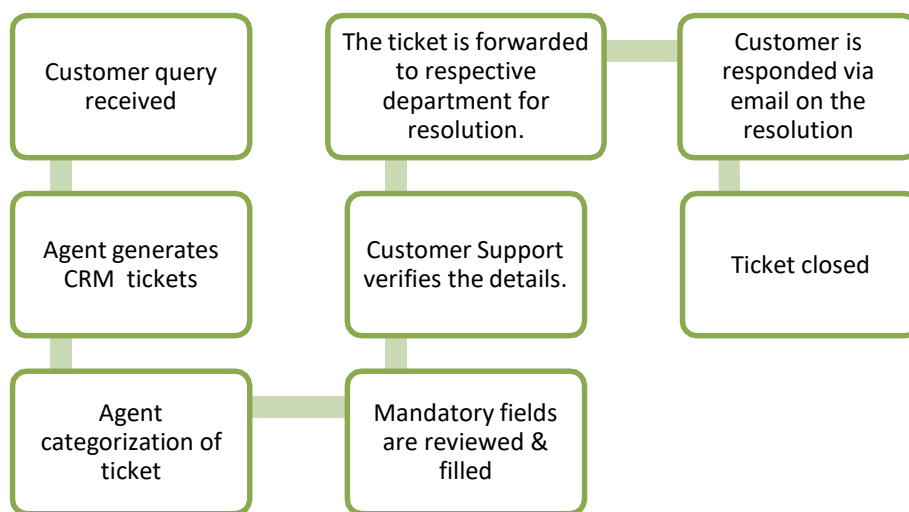
The complaint may be lodged online through the designated portal i.e., <https://cms.rbi.org.in>

Complaint made through electronic or physical mode:

The complaint may be made either electronically or physically in the specified format to the Centralized Receipt and Processing, notified by RBI –

Centralized Receipt and Processing Centre (CRPC)
Reserve Bank of India
Central Vista, Sector 17,
Chandigarh – 160 017
Email – crpc@rbi.org.in
Toll Free No. – 14448
(9:30 am to 5:15 pm)

12. Query handling flowchart:



13. Mandatory display requirements

LFL has the following in all our offices and on our website:

- Appropriate arrangement for receiving complaints and suggestions.
- Display of the name, address and contact number of the Grievance Redressal Officer.
- Display of name and contact details (Telephone/mobile number and E-mail ID) of Principal Nodal Officer/ Nodal Officers.
- Details of the manner of lodging of complaint with the Ombudsman.
- Salient features of the Ombudsman Scheme (in English, Hindi and Vernacular languages).

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.

Time frame

To register complaints, the Customers may use any of the channels as mentioned on Internal Machinery to handle the customer complaints. If the complaint has been received in writing, LFL will endeavor to send an acknowledgement. Once the matter is examined, LFL endeavors to either send a final response to the Customer or an intimation

Complaints that are received at our end will be seen in the right perspective and will be analyzed from all possible angles. The communication of LFL's stand on any issue will be provided to the customers.

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

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

Below are the timeframe on query resolutions (The Table to be moved before Grievance Redressal)

1	Customer approaches for query.	T
2	Auto acknowledgment email with ticket number will be sent to the customer	24 hours
3	Based on the customer requirement the query is tagged as Enquiry / Request / Complaint (ERC).	T+2 days
4	If Service Request (SR) type is Enquiry, same will get closed after resolving the customer query.	T+2 days
5	If SR type is Request/Complaint, same will get assigned to the respective functions for further processing.	T+2 days
6	Request SR will be attended by the respective teams and SR is closed	TAT as per table below
7	Closure communication sent to the customer's registered email id	Real time on SR closure

Below are the TAT details of the queries:

1	Statement of Accounts	T+5 Days
2	Application Status	T+7 Days
3	Payment Confirmation	T+7 Days
4	Disbursement Queries	T+7 Days
5	EMI Related Queries	T+10 Days
6	Loan Pre-Closure	T+10 Days
7	NOC Letter	T+10 Days
8	CIBIL Related Queries	T+21 Days
9	Other queries	T+15 Days

Compensation Framework for CIC.

Implementation date: 26th April 2024

Credit Information Companies / CIBIL Related Grievance Process:

The revised procedure for handling Credit Information Companies (CICs)- related inquiries as per the Reserve Bank of India (RBI) guidelines circular is given below:

1. Channels of Communication:

- Customers or CICs can contact the Lendingkart customer support team via:
- Email: care@lendingkart.com
- Toll-Free Number: 1800 572 0202
- Online Chat: Lendingkart Help Desk on website dashboard
- WhatsApp: +91 7778867631 (WhatsApp Link)
- Write to us at the mentioned address: Lendingkart Finance Limited, Westgate Business Bay, Block A, Second Floor Makarba SG Highway, Near TATA Croma, Ahmedabad 380051.

2. Handling Inquiries:

- The customer support executive will log a request or complaint upon receipt of inquiries from customers or CICs.
- If a complaint is received via a non-registered channel, the complainant will be asked to provide registered contact details and banking information (email ID, bank or UPI details) for any necessary compensation (if applicable).

3. Processing Complaints:

- Complaints are routed to the appropriate department for necessary action and resolution.
- Once resolved, the customer or CIC is informed via email, with the customer support team kept in the loop.
- The complaint is then closed in Lendingkart's CRM system.

4. Resolution and Follow-up:

- All CIC-related inquiries must be resolved within a 21-day timeframe from the date of receipt.
- The maximum Turnaround Time (TAT) for resolving CIC-related queries is 30 days: 21 days for Credit Institutes (Lendingkart) and an additional 9 days for CIC to update the details.

5. Compensation and Delays:

- Any delays in resolution may incur a compensation fee of INR 100 per day, payable by the responsible team (CI/CIC), as acknowledgment of the inconvenience caused.
- Post-resolution, if there are any delays, the CIC/CI must inform the complainant of the total days delayed and the corresponding compensation.

6. Documentation and Communication:

- Upon resolution, updates in the CIC reports should be communicated to the complainant by CIC/CI.
- All official communications related to CIC matters will be directed to the CIC Nodal Office at Lendingkart.

7. Prohibited Complaints:

- The SOP excludes complaints about internal administration, HR issues, staff pay, commercial decisions, disputes over credit scores/models, and cases already addressed by other forums such as courts or tribunals.

8. This revised procedure ensures compliance with RBI's regulatory guidelines for Fintech operations concerning CIC-related queries.

9. Below are the details of CIC Nodal officer.

Credit Institution Name	Nodal Officer Name	Nodal Officer Email ID	Nodal Officer Mobile Number
Lendingkart Finance Ltd.	Ketan Sali	sali.ketan@lendingkart.com	7069087586

Regulation of Excessive Interest charged.

The Company has laid down appropriate internal principles and procedures in determining interest rates and processing and other charges. The rate of interest to be charged depends much upon the gradation of the risk of the borrower viz. 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 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 LFL. The said information published on the website or otherwise shall be updated whenever there is a change in the rates of interest.

The Board of LFL has laid out appropriate internal principles and procedures for determining interest rates, processing and other charges.

Review of the Code

The Board shall conduct an 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.