

**PYXIS FINVEST LIMITED**

**Fair Practices Code**

## **FAIR PRACTICES CODE:**

This Fair Practices Code (FPC) supersedes the existing FPC adopted by Pyxis Finvest Limited (“Company”).

## **INTRODUCTION:**

The Fair Practices Code is aimed to provide to the customers effective overview of practices, which will be followed by the Company in respect of the financial facilities and services offered by the Company to its customers. The Code will facilitate the customers to take informed decisions in respect of the financial facilities and services to be availed by them and will apply to any loan that the Company may sanction and disburse.

The Company’s business would 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 would adhere to the Fair Practices Code in its functioning, the key elements of which are as follows:**

### **1. Application for loans and their processing:**

- All communications to the borrower shall be in the vernacular language or a language as understood by the borrower.
- Loan application forms would include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and informed decision can be taken by the borrower. The loan application form indicates the documents required to be submitted with the application form.
- The Company would devise a system of giving acknowledgement for receipt of all loan applications. The time frame within which the loan application would be disposed-off would be made known to the borrower.

### **2. Loan appraisal and terms/conditions:**

The Company would convey in writing to the borrower in the 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. The Company shall mention the penal interest charged for late repayment in bold in the loan agreement.

The Company shall furnish a copy of the loan agreement, where the borrower requires, in the vernacular language 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.

### **3. Disbursement of loans including changes in terms and conditions:**

- The Company would give notice to the borrower in the language as understood by the borrower of any change in the terms and conditions including disbursement schedule,

interest rates, service charges, prepayment charges etc. The Company would also ensure that changes in interest rates and charges are effected only prospectively. Decision to recall / accelerate payment or performance under the agreement would be in consonance with the loan agreement.

- The Company would release all securities on repayment of all dues or on realisation of the outstanding amount of loan subject to any legitimate right or lien for any other claim the Company may have against 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 the Company is entitled to retain the securities till the relevant claim is settled /paid.
- The Company shall mention the penal interest charged for late repayment in bold in the loan agreement.

#### **4. General:**

- The Company would refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the borrower, has come to the notice of the Company).
- 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, would be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.
- In the matter of recovery of loans, the Company would not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc. The Company shall ensure that the staff is adequately trained to deal with the customers in an appropriate manner.
- Fair Practices Code, would be put up on the Company's website for information of various stakeholders.
- No Foreclosure charges/ pre-payment penalties will be charged / levied on all floating rate term loans sanctioned to individual borrowers.
- The details of the Grievance Redressal Officer shall be displayed at all the branches/ offices of the Company where business is transacted.
- If the complaint/dispute is not redressed within a period of one month, the customer may appeal to the Officer-in-charge of the Regional Office of DNBS of the RBI where the office of the Company is situated.

- Fair Practices Code would be put up on the Company web-site for the information of various stakeholders.
- The Company shall lay out appropriate internal principles and procedures in determining interest rates and processing and other charges.
  - a. The rate of interest shall be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.
  - b. The broad range for rates of interest and the approach for gradation of risks shall also be made available on the web-site of the Company in case of simple products. The information published in the website or otherwise published would 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.

#### **5. Repossession of vehicles (applicable as and when such product is launched):**

The Company shall have a built in re-possession clause in the contract/loan agreement with the borrower which must be legally enforceable. To ensure transparency, the terms and conditions of the contract/loan agreement would also contain provisions regarding:

- a) Notice period before taking possession
- b) Circumstances under which the notice period can be waived
- c) The procedure for taking possession of the security
- d) A provision regarding final chance to be given to the borrower for the repayment of loan before the sale / auction of the property
- e) The procedure for giving repossession to the borrower and
- f) The procedure for sale / auction of the property

A copy of such terms and conditions must be made available to the borrowers in terms of circular wherein it would be stated that the Company may invariably furnish a copy of the loan agreement 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, which may form a key component of such contracts/loan agreements.

#### **6. Internal control system:**

As the primary responsibility for compliance with the Directions rest with the Company, necessary organizational arrangements will be made to assign responsibility for compliance to designated individuals within the Company and establish systems of internal control including audit and periodic inspection to ensure the same.