

PURPLE FINANCE

FAIR PRACTICES CODE

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INTRODUCTION

The Fair Practices Code is aimed to provide to the customers effective overview of practices, which will be followed by the Company (Purple Finance Limited) 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 every loan that the Company may sanction and disburse.

This code is in adherence with directives issued by the Reserve Bank of India (RBI) on Fair Practice Codes for Non-Banking Financial Companies (NBFCs). The relevant RBI circulars and directives are mentioned in the annexure.

OBJECTIVE

This Code has been developed to:

- Promote good, fair and trustworthy practices by setting minimum standards in dealing with the customers.
- Increase transparency to enable the customers to have a better understanding of what they can reasonably expect of the services.
- Encourage market forces, through competition, to achieve higher operating standards;
- Promote a fair and cordial relationship between the customers and the Company.

KEY COMMITMENTS AND DECLARATIONS

The Company shall act efficiently, fairly and diligently in our dealings with all our customers by:

- Meeting the commitments and standards in this Fair Practices Code for the financial products and services, the company offers, and the procedures and practices it follows;
- Ensuring that all the financial services meet relevant laws and regulations;
- Providing professional, courteous and speedy services;
- Providing accurate and timely disclosure of terms and conditions, costs, rights and liabilities as regards financial transactions

The Company shall help the customer understand how it's financial products and services work by:

- Giving verbal information about the financial schemes in Hindi and/or English and/or local vernacular language as understood by the borrower;
- Ensuring that the advertising & promotional literature is clear and is not misleading;
- Explaining financial implications of the transactions;
- Helping the customer to choose the financial scheme. The Company shall deal quickly and proactively to resolve things that go wrong by:
 - Correcting mistakes quickly;
 - Attending customer complaints quickly;
 - Telling our customers how to take their complaint forward if the customers are still not satisfied with our assistance;
 - Reversing any charges that we apply due to our mistake.

1. **Non-Discrimination Policy:**

The Company will not discriminate between our customers on the basis of gender, race or religion

2. **Advertising and Marketing:**

- We will ensure that all advertising and promotional material is clear, fair reasonable and not misleading.
- We will provide the customers with a full range of financial products the customer is eligible for.

3. **Applications for loans and their processing:**

- a) All communications to the borrowers shall be made in English, Hindi or any vernacular language and the Relationship Manager shall explain verbally to the customer in a language understood by him.
- b) Loan application forms issued by the Company shall 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 an informed decision can be taken by the borrower. The loan application form shall indicate the documents required to be submitted along with the application form.
- c) The Company shall issue an acknowledgement receipt for all loan applications. Subject to receipt of all the requisite documentation and information, loan applications shall be disposed of within 15 working days, from the date of receipt of the application form complete in all respects. In any case the Customer will be kept informed by the sales representative / relationship manager with regards to the status of his application from time-to-time. The Customer may also contact Purple Finance's customer service team at the prescribed phone number or email id or email id given on Purple Finance website <https://www.purplefinance.in> to obtain an update on the status of application.
- d) If any additional details/ documents are required, the same shall be intimated to the borrowers immediately.

4. **Loan appraisal and terms/conditions:**

- a) The Company shall conduct a due diligence on the credit worthiness of the borrower, which will be an important parameter for taking decision on the application. The assessment would be in line with the Company's credit policies, norms and procedures in respect thereof.
- b) The borrower would be informed by means of a written sanction letter, of the amount of loan sanctioned or otherwise. The said letter shall contain the terms and conditions including the annualized rate of interest and the method of application thereof. In case customer does not understand English the Relationship Managers will explain the terms and conditions of the same and will also take a vernacular declaration
- c) The Relationship Manager (RM) will also verbally explain all the terms and conditions of the loan to the customer in a language in which he / she understands.
- d) The Company shall obtain an acceptance from the borrower on the said sanction letter with the borrowers' signature under the caption "I/WE ACCEPT

ALL THE TERMS AND CONDITIONS WHICH HAVE BEEN READ AND UNDERSTOOD BY ME/US". The Company shall maintain a record of such acceptance.

- e) The Company shall invariably be bound to furnish a copy of the loan agreement, , along with a copy of all enclosures quoted in the loan agreement to all the borrowers within 30 days of disbursement of the loan.
- f) Further, the Company shall mention the penal interest charged for late payment in bold in the loan agreement. The penal interest rates and late payment charges are mentioned in the website of Purple Finance under T&C and schedule of Charges (<https://www.purplefinance.in/wp-content/uploads/2022/09/Schedule-of-Charges-Purple-Finance-v2.pdf>)
- g) After the disbursement of the loan the company will send a welcome kit, Key Fact Statement (as per RBI format) providing detail terms and conditions of loan, repayment schedule to the customer on given mail ID and by email /courier.
- h) The Company shall have a built-in repossession clause in the contract/loan agreement so as to have legal enforceability.
- i) A Key Fact Statement is provided to the customers along with the welcome letter once a loan is disbursed
- j) The terms and conditions of the loan agreement of the Company shall also contain the following provisions;
 - Notice period before repossession, circumstances under which the notice period can be waived;
 - Procedure for taking possession of the security;
 - Provision regarding final chance to be given to the borrower for repayment of loan before the sale/auction of the property/security;
 - Procedure for giving repossession to the borrower and
 - Procedure for sale/ auction of the property.

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

- a. The Company shall frame appropriate internal principles and procedures for determining and ensuring that the interest rates and processing and other charges are not excessive. The Company shall, at the time of disbursal, ensure that the interest rate and processing and other charges on loan and advances are in strict adherence to above referred internal principles and procedures.
- b. The disbursement will be done immediately upon compliance of all the terms and conditions of the sanction by the borrower.
- c. The Company shall give a notice to the borrower in English and / or the vernacular language as understood by the borrower, of any change in the terms and conditions including disbursement schedule, interest rates, service charges, pre-payment charges etc. The Company shall also ensure that changes in interest rates and charges are effected only prospectively. A condition to this effect shall be incorporated in the loan agreement.

6. **Post Disbursal Supervision:**

- a) Any decision to recall/accelerate payment or performance under the loan agreement shall be in consonance with the Loan Agreement.
- b) All securities offered by the borrower shall be released 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 the Company 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 the Company is entitled to retain the securities till the relevant claim is settled/ paid.

7. **General:**

- a) The Company shall not interfere in the affairs of the borrower except for the purposes provided in the Loan Agreement, unless new information not earlier disclosed by the borrower has come to the notice of the Company
- b) In the matter of recovery of loans, the Company shall not resort to undue harassment like bothering the borrowers at odd hours, use of muscle power for recovery of loans etc. The Company shall ensure that its staff is adequately trained to deal with the customers in an appropriate manner.
- c) The Company will call delinquent customers between 0700 hrs to 1900 hrs unless special circumstances of the borrower's business require to call them otherwise outside the hours mentioned.
- d) The Company may arrange for enforcing security charged to it of the delinquent borrower, if required, with an aim only to recover dues and will not be aimed at whimsical deprivation of the property.
- e) The Company shall ensure that the entire process of enforcing its security, valuation and realisation thereof be fair and transparent.
- f) The methodology to classify an account as NPA will be mentioned on the company's website along with illustrative examples.

8. **Code of Conduct:**

A code of conduct is in place for DSAs and recovery agents. While the detailed code has been formulated and adhered to internally, the salient features of the code for collection / recovery agents is detailed below:

A collection agent or its employee/s while collecting the amount due should not:

- Resort to any false, deceptive or misleading representation,
- Falsely represent or imply that he or she is connected with or affiliated with any of the governmental or judicial authority,
- Falsely represent the character, amount, or legal status of the debt.
- Abstain from using any identification which can lead to wrong representation.
- In case of non-adherence to above terms, agency will be solely responsible consequences, if any, arising therefrom.

9. **Complaint Redressal Mechanism:**

It is our constant endeavour to put customers interest first and to provide with financial solutions that are right for the customers. In keeping with our promise of "Doing what's Right", we look forward to receiving both, positive and negative feedback from the customers on our products and services. The grievances of the customers will be redressed in the following manner:

- a) Customers can write to us or email us or call us at the following coordinates in case of any grievances/complaints:

Purple Finance Limited
705/706, Hallmark Business Plaza,
Sant Dnyaneshwar Marg,
Opp. Gurunanak Hospital,
Bandra (E), Mumbai – 400 051

Tel : +91 22 69165100
Email: customersupport@purplefinance.in

- b) In case the grievance is not redressed within 10 working days they can escalate to the nodal officer below:

Mr. Rajeev Deoras
Executive Director, Risk and Compliance – Principal Nodal Officer
Purple Finance Limited
705/706, Hallmark Business Plaza,
Sant Dnyaneshwar Marg,
Opp. Gurunanak Hospital,
Bandra (E), Mumbai – 400 051
Tel : +91 22 69165100
Email: nodalofficer@purplefinance.in

- c) If the grievance is not redressed within four weeks from the date of receipt of the grievances, the customer may appeal to:
The Officer In Charge Department of Non-Banking Supervision
Reserve Bank of India 3 rd Floor,
Opposite Mumbai Central Railway Station,
Byculla, Mumbai – 400 008 Email id: dnbsmro@rbi.org.in
- d) The customer has to confirm whether the grievance has been resolved to his/her satisfaction or not. The grievance will be deemed to be closed, if the customer does not respond via phone or email.
- e) At all branches/Head Office of the Company, Notice will be put up informing the customers about the Customer Care Executives, Escalation Mechanism and the Grievance Redressal Officer (including the name and contact details of persons responsible for logging and resolving the grievances).
- f) The Company shall also request the customer to provide feedback on the services rendered. This can be done through direct contact by staff or through specific customer satisfaction surveys that may be conducted from time to time.
- g) A periodical review of the Fair Practices Code and the functioning of the Grievances Redressal Mechanism at various levels of management would be undertaken by the Company and a consolidated report of such reviews shall be submitted to the Board of Directors of the Company, at regular intervals.

10. Policy for Determining Interest Rates, Processing and Other Charges:

To ensure that the Customers are not charged excessive interest rate and charges on loans and advances by the Company, the Board of the Company has adopted a Policy for Determining Interest Rates, Processing and Other Charges ("Interest Rate Policy") and the same has been put up on the Company's website www.purplefinance.com. The changes in the interest rates are also displayed on the website on a regular basis. Further the Board of the Company also undertakes periodical review of the Interest Rate Policy. The Company shall abide by this Fair Practices Code following the spirit of the Code and in the manner it may be applicable to its business.

Annexure

This policy is in compliance of the following RBI circulars / Master Directions which are amended from time to time.

| Sr.No. | Circular No. | Date |
|---------------|--|--------------------|
| 1. | DNBS (PD) CC No.80/03.10.042/2005-06 | September 28, 2006 |
| 2. | DNBS.PD/CC.No.107/03.10.042/2007-08 | October 10, 2007 |
| 3. | DNBS (PD) C.C.No.133/03.10.001/2008-09 | January 2, 2009 |
| 4. | DNBS.CC.PD.No.266/03.10.01/2011-12 | March 26, 2012 |
| 5. | DNBS.CC.PD.No.320/03.10.01/2012-13 | February 18, 2013 |
| 6. | DNBR (PD) CC.No.054/03.10.119/2015-16 | July 1, 2015 |