FAIR PRACTICE CODE

OF

MOULIN COMMERCIAL LIMITED

Preamble

The Fair Practices Code ("FPC") has been framed and adopted by Moulin Commercial Limited ("MCL" or "Company") in accordance with Chapter VII of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by The Reserve Bank and subsequent amendments, on Fair Practices Code (FPC), wherein instructions related to 'Fair Practices Code' are specified for all NBFCs to be adopted by them while doing lending business.

Objectives of the Code

Moulin Commercial Limited ensures fair and transparent dealings with its customers who approach it to obtain a loan and for transactions with customers after the loan has been granted. This code will enable employees to provide better customer service and maintain transparency in business dealings with its customers. Accordingly, a Fair Practices Code has been set with an objective to:

- to promote good and fair practices by setting minimum standards in dealing with customers;
- to increase transparency so that the customer can have a better understanding of what he/she can reasonably expect of the services;
- to encourage market forces, through competition, to achieve higher operating standards;
- to promote a fair and cordial relationship between the customer and the Company;

Application of the Code

This code shall apply to all employees of the company and other persons authorized to represent it in the course of its business with respect to all products and/or services.

Commitments

Company shall adhere to this code to act fairly and reasonably in all dealings with customers, by ensuring that:

- The company shall meet the commitments and standards in this Code for the products and/or services it offers and, in the procedures, and practices their staff follows.
- The products and/or services of the company will meet relevant laws and regulations in both letter and in spirit.
- The company will act quickly in correcting the mistakes and attend to complaints lodged by its customers in light of objective of this code.
- Company will not discriminate in any manner between genders, castes, religions or disability while dealing with the customers visiting/approaching for services from us. However, the restrictions, if any, as mentioned in the loan products, shall continue to apply.

Disclosure and Transparency

Our company believes in complete disclosures and transparency in dealing with our customers. We shall provide all relevant information which may have a bearing on the transactions between the Company and the customers including but not limited to the interest rates, common fees and charges through all possible means including:

- putting up notices in branches;
- providing tariff schedule as and when requested.
- through the company's website
- through designated staff

Confidentiality

The Company will collect personal information that it believes to be relevant and required to understand the profiles of the customer and conduct its business. The Company shall keep all personal information of customers as private and confidential and shall not disclose any information to a third person unless required by any law or Government authorities including Regulators or Credit agencies or where the sharing of information is permitted by the customer. If company avails services of any third party for providing support services, Company shall require that such third parties handle customers' personal information with the same degree of confidentiality.

Advertising, Marketing and Sales

The Company shall ensure that all advertising and promotional material is clear and not misleading. The Fair Practice Code shall also apply to sales associates / representatives of the company, if any, to the extent of their identification when they approach the borrower for selling products personally. In case of any advertisement in any media and promotional literature that draws attention to a service / product and its interest rate, the Company shall also provide the details of other fees or charges, if any.

Loans

Applications for loans and their processing

All communications to the borrower shall be in the vernacular language or a language as understood by the borrower. The Company shall transparently disclose to the borrower all information about fees/ charges payable for processing the loan application, the amount of fees refundable if loan amount is not sanctioned/ disbursed, pre-payment options and charges, if any, penal charges for delayed repayment, if any, conversion charges for switching loan from fixed to floating rates or vice-versa, existence of any interest reset clause and any other matter which affects the interest of the borrower. In other words, the Company shall disclose 'all in cost' inclusive of all charges involved in processing/ sanctioning of loan application in a transparent manner. It should also be ensured that such charges/ fees are non-discriminatory. Loan application forms 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 informed decision can be taken by the borrower. The loan application form may indicate the list of documents required to be submitted with the application form, as may be required. The Company shall devise a system of giving acknowledgement for receipt of all loan applications. Preferably, the time frame within which loan applications will be disposed of shall also be indicated in the acknowledgement.

Loan Appraisal and Terms/Conditions

Normally all particulars required for processing the Loan Application will be collected by the Company at the time of application. In case it needs any additional information, the customer will be informed to provide the same. The Company will convey in writing to the borrower by means of sanction letter or otherwise, the amount of loan sanctioned along with all terms and conditions including annualized rate of interest, method of application, EMI Structure, prepayment charges, if any and keep the written acceptance of these terms and conditions by the borrower on its record. The Company shall mention the penal charges which are charged for late repayment in bold in the loan agreement. Borrower shall be entitled to a copy of the Loan Agreement along with a copy of each of all enclosures quoted in the Loan Agreement at the time of sanction / disbursement of loans, against acknowledgement.

Disbursement of Loans including changes in terms and conditions

Disbursement should be made in accordance with the disbursement schedule given in the Loan Agreement/ Sanction Letter.

The Company shall give notice to the borrower in the vernacular language or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, penal charges (if any), service charges, prepayment charges, other applicable fee/ charges, etc. The Company should also ensure that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard should be incorporated in the loan agreement.

Closure of Loan Account and release of Securities/Documents on repayment/settlement of personal loans*:

The Company shall release all securities, if any, 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 that 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 release all the original movable/ immovable property documents and remove charges registered with any registry, if any, within a period of 30 days after full repayment/ settlement of the loan account.

The borrower shall be given the option of collecting the original movable/ immovable property documents either from the branch where the loan account was serviced or any other office of the Company where the documents are available, as per her/ his preference.

The timeline and place of return of original movable/ immovable property documents shall be mentioned in the loan sanction letters issued on or after the effective date.

The Company shall have a well laid out procedure for return of original movable/ immovable property documents to the legal heirs in case of demise of the sole borrower or joint borrowers. The procedure shall be displayed on the website of the Company for customer information.

Responsibility of Board of Directors

The Board of Directors of the Company has laid down the appropriate grievance redressal mechanism within the organization to resolve complaints and grievances. The mechanism ensures that all disputes arising out of the decisions of lending institution's functionaries are heard and disposed of at least at the next higher level.

The Board of Directors shall also provide for periodical review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such reviews shall be submitted to the Board at regular intervals, as may be prescribed by it.

Grievance Redressal Mechanism

The Company would strive for customer satisfaction within the framework of law, adopted policies and procedures. Customers have the following ways of approaching the Company as per details mentioned below:

a) Voice Support: The customer can call us at No. 012-44232222 between 10:00 am to 06:00 pm from Monday to Saturday.

b) Email Support:
Please write to us to Grievance Redressal officer at cs@vinylgroup.com (Please ensure to mention your loan account number and contact number in the email). The customer will receive a response from the team within 7 business days but there would be instances wherein the team may even take longer to respond/reply. The e-mail ID and Telephone No. for the grievances of the customers will also be mentioned in the Application Form or any other document issued to the borrower.

c) A customer can escalate the matter to Chief Financial Officer of the Company at 012-44232222 in case he/she is not satisfied with the response received from Grievance Redressal Officer. Depending upon the query/dispute/grievance, a written reply/resolution will be sent to the customer within 10 business days at his/her registered email id.

d) The notice will be put up informing the customers about the escalation mechanism and the Grievance Redressal Officer (including the name and contact details). If the grievance is not redressed within a period of 30 days, the customer can lodge a complaint on RBI CMS portal – https://cms.rbi.org.in

e) The Company shall 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.

Language and mode of communicating Fair Practice Code

Fair Practices Code (which shall preferably be in the vernacular language or a language as understood by the borrower) based on the directions outlined hereinabove shall be put in place by the Company with the approval of their Boards. The same shall be put up on their website, for the information of various stakeholders.

Regulation of excessive interest charged by NBFCs
The Board of the Company shall adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances. The rate of interest and the approach for gradation of risk and rationale for charging different rate of interest to different categories of borrowers shall be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.

The rates of interest and the approach for gradation of risks, and penal charges (if any) shall also be made available on the website of the companies or informed on need to need basis. The information published in the website or otherwise informed shall be updated whenever there is a change in the rates of interest.

The rate of interest must be annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

Complaints about excessive interest charged by NBFCs

The Board of the Company shall lay out an interest rate policy mentioning internal principles and procedures in determining interest rates, processing charges and other charges.

Lending against collateral of gold jewellery

Company does not lend against gold jewellery to individuals but if it plans to do the same in future then it shall adopt the following in addition to the general guidelines as mentioned above: -

Company shall put in place Board approved policy for lending against gold that should inter alia, cover the following:

a) Adequate steps to ensure that the KYC guidelines stipulated by RBI are complied with and to ensure that adequate due diligence is carried out on the customer before extending any loan,
b) Proper assaying procedure for the jewellery received,
c) Internal systems to satisfy ownership of the gold jewellery,
d) Adequate systems for storing the jewellery in safe custody, reviewing the systems on an on-going basis, training the concerned staff and periodic inspection by internal auditors to ensure that the procedures are strictly adhered to. Normally, such loans should not be extended by branches that do not have appropriate facility for storage of the jewellery,
e) The jewellery accepted as collateral should be appropriately insured,
f) Transparent auction procedure in case of non-repayment with adequate prior notice to the borrower. There should be no conflict of interest and the auction process must ensure that there is arm's length relationship in all transactions during the auction including with group companies and related entities,
g) The auction should be announced to the public by issue of advertisements in at least two newspapers, one in vernacular language and another in national daily newspaper,
h) As a policy, Company itself will not participate in the auctions held,
i) Gold pledged will be auctioned only through auctioneers approved by the Board,
j) The policy will also cover systems and procedures to be put in place for dealing with fraud including separation of duties of mobilization, execution and approval.
k) The loan agreement shall also disclose details regarding auction procedure.
l) Company must insist on a copy of the PAN Card of the borrower for all transaction above ₹5 lakhs.
m) Documentation across all branches must be standardized.
n) NBFCs shall not issue misleading advertisements like claiming the availability of loans in a matter of 2-3 minutes.

Loan facilities to the physically/visually challenged

The Company shall not discriminate in extending products and facilities including loan facilities to physically/visually challenged applicants on grounds of disability. All branches of the Company shall render all possible assistance to such persons for availing of the various business facilities. Company shall include a suitable module containing the rights of persons with disabilities guaranteed to them by the law and international conventions, in all the training programmes conducted for their employees at all levels.

Further, Company shall ensure redressal of grievances of persons with disabilities under the Grievance Redressal Mechanism already set up by them.

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