

VM VINIMAY PRIVATE LIMITED

FAIR PRACTICE CODE

The Reserve Bank of India (RBI) vide Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025 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.

VM Vinimay Private Limited (“the Company”) hereby furnishes the Fair Practices Code (“the FPC”) based on the guidelines issued by RBI. The Company shall also make appropriate modifications in the FPC from time to time to confirm to the standards that may be prescribed by RBI from time to time. The following shall be the Fair Practices Code for the Company’s lending activities. This sets the minimum Fair Practice standards for the Company to follow when dealing with customers. It provides information to customers and explains how the Company is expected to deal with them on a day-to-day basis.

VM Vinimay Private Limited is an RBI registered Middle Layer NBFC carrying on NBFI activities.

OBJECTIVE OF THE CODE

The Code has been developed with the following objectives:

- Promote good, fair and trustworthy practices in dealing with the customers;
- Greater transparency to enable the customers to have a better understanding of product and what they can reasonably expect of the services.
- Promote a fair and cordial relationship between the customers and the Company.

APPLICATION

The Code shall apply to all products offered by the Company.

The Company shall continue to evaluate multiple products to meet the financing requirements of its customers. The Code shall continue to apply to any product that is developed and provided by the Company to its customers.

FAIR PRACTICE CODE OF THE COMPANY

(i) APPLICATION FOR LOANS AND THEIR PROCESSING

- (a) The Loan Application forms will be in English with vernacular language of the place where the office including branch of the company is situated.
- (b) All communications to the borrower shall be in the vernacular language or a language as understood by the borrower.
- (c) Loan application forms should include necessary information which affects the interest of the borrower such as interest, penal interest, mode of calculation of interest, date of payment of interest, change in the interest rates, premia for prepayment etc. 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.



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- (d) All the terms and conditions for loans should be detailed in the application form itself. The loan application form will indicate the documents required to be submitted for processing of the Application. However, the company depending on the credit credential may require other documents from customers as it may deem fit.
- (e) The company will issue acknowledgement for receipt of all loan applications and such acknowledgement will also indicate the date within which the application will be disposed off which in normal case shall not exceed 15 working days from the date of receipt of the completed form.

(ii) LOAN APPRAISAL AND TERMS & CONDITIONS

- (a) The demand/call loan will be sanctioned for a period of one year from the date of disbursement of the loan in case of Demand Loan Facility or as per the terms agreed between the company and the borrower.
- (b) The Credit and Sanction Authority shall record specific reasons in case the tenure of loan for any client is beyond the period of 12 months from the date of sanction.
- (c) The company will inform in writing to the borrower by means of a sanction letter or otherwise either in English or the vernacular language in which the borrower is conversant, the outcome of Loan Application by means of a sanction letter or otherwise. The sanction letter shall contain the amount of loan sanctioned, the terms and conditions including annualized rate of interest, processing fee (if any), date of interest payments due, penal interest charges, loan tenure, repayment schedule, commencement date and method of application thereof etc. The company will keep the acceptance of these terms and conditions by the borrower on its record. The loan shall be disbursed only on receipt of such acceptance.
- (d) Immediately upon sanctioning, the company will enter into a Loan Agreement with the borrower and such loan agreement will be either in English or in the vernacular language of the place where the office of the company is situated. The company will also provide to the borrower a copy of the loan agreement 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 loan.
- (e) The loan agreement will be modified from time to time to contain such clauses as the regulator may specify for adherence by the Company.
- (f) Penal Interest/Overdue Interest for late repayment shall be mentioned in sanction letter/loan agreement in bold so as to draw attention of the borrower.
- (g) Interest rate shall vary from 4% p.a. to 20% p.a. as determined by the Credit and Sanction Authority but it shall not be lower than the trends prevailing in the market.

(iii) DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS OF AND CONDITIONS

- (a) The Company shall ensure timely disbursement of loans in conformity with the terms and conditions governing such loans as communicated to the borrower.
- (b) The company will give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges,



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prepayment charges etc., in a language understood by the borrower, or in the vernacular language.

- (c) The Company shall also ensure that changes in interest rates and charges are affected only prospectively.
- (d) Any decision to recall/accelerate payment or performance under the agreement will be in consonance with the loan agreement.

(iv) POST-DISBURSEMENT SUPERVISION

- (a) The Company shall carry out post-disbursement supervision in accordance with normal business practice, either directly or through its authorised agent(s) (subject to compliance of RBI's directions as amended from time to time), the signed facility documentation/term sheet, and the guidelines issued by RBI from time to time.
- (b) The Company, either directly or through its authorised agent(s), shall carry out any decision to recall/accelerate payment or performance under the agreement only after giving sufficient notice and in consonance with the facility documentation.

(v) RELEASE OF SECURITY

- (a) The company will release all securities on repayment of all dues or on realization of the outstanding amount of loan including interest accrued subject to any legitimate right or lien for any other claim; the company may have any borrower.
- (b) If the Company has any other claim against borrower and 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.

(vi) GENERAL

- (a) The company will not interfere 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 been noticed).
- (b) The Company shall not discriminate on grounds of sex, caste and religion in the matter of dealing with its borrowers. However, this does not preclude the Company from participating in credit-linked schemes framed for weaker sections of the society.
- (c) The company shall not charge foreclosure charges/prepayment penalties on all floating rate term loans sanctioned to individual borrowers, with immediate effect.
- (d) In the matter of recovery of loans, the Company shall adopt legally valid processes and not resort to undue harassment or use of force viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc. The Company shall ensure its staffs are adequately trained to deal with the borrowers in an appropriate manner.
- (e) In case of receipt of request for transfer of borrower account, either from the borrower or from a bank/financial institution that proposes to take over the account, the consent or otherwise from the Company would be conveyed within 21 days from the date of receipt of request.



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(vii) REGULATION OF EXCESSIVE INTEREST CHARGED

- a) The company has adopted an interest rate model taking into account cost of funds, margin and risk premium for determining rate of interest to be charged for loans and advances.
- b) 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.
- c) The rate of interest shall be annualized rate so that the borrower is aware of the exact rate that would be charged to the account. The said rate shall be disclosed to the borrower in application form and communicated explicitly in the sanction letter.

(viii) RESPONSIBILITY OF BOARD OF DIRECTORS

- a) The Board of Directors of the Company shall lay down the appropriate grievance redressal mechanism within the organization. Such a mechanism shall ensure that all disputes arising out of the decisions of lending functionaries are heard and disposed of at least at the next higher level.
- b) The Board of Directors shall also provide for periodical review of the compliance of the Fair Practices Code and the functioning of the grievance redressal mechanism at various levels of management.

(ix) GRIEVANCES REDRESSAL MECHANISM

- (a) The Company shall designate a Grievance Redressal Officer (GRO) to maintain a record of customer complaints. If a complaint is received in writing from a customer, GRO shall take the complaint on record and maintain the same in a database.
- (b) GRO shall endeavor to sort out the matter within 15 days of receipt of a complaint.
- (c) In case the complaint requires more time for resolution, the same shall be informed to the customer. The customer shall be updated at regular intervals regarding the status of the complaint by GRO.
- (d) The internal grievance redressal mechanism shall ensure the complaints arising out of the action/misconduct by any functionary within the Company, shall be referred by the GRO for developing solutions and disposal of the complaint.
- (e) The Board of Directors of the company shall have periodic review of the compliance of the Fair Practice Code and the functioning of the Grievance Redressal mechanism at various level of management. A consolidated review report, if any, should be placed before the board at regular intervals.
- (f) The company should display the following information at its branch / place where business is transacted for benefit of its customers.
- (g) In case of any complaints/grievances the customer may contact the Grievance Redressal Officer (GRO)



VM VINIMAY PRIVATE LIMITED

Name: Mrs. SUMEDHA SARAOGI

Address: 504, WOODBURN CENTRAL, 5TH FLOOR, 5A, BIBHABATI BOSE
SARANI KOLKATA-700020

Designation: Director

Telephone No.: (033) 6601 2222

Email ID: vvpl@saraogigroup.org

In case the complaint/dispute is not redressed within a period of one month from the date of the complaint, the customer may appeal to the Officer-in Charge of the Regional Office of Department of Supervision of Reserve Bank of India:

Designation: General Manager

Address: Department of Supervision, 15, N. S. Road, Kolkata - 700001

Phone No.: 033-2220-4000,

Email ID: doskolkata@rbi.org.in

It shall be the endeavor of the company to improve the quality of service and redress complaints and grievances, if any, of the customers as part of Customer Relationship. Customers who have grievances in respect of decision of the company functionaries can also address their grievances at vvpl@saraogigroup.org

(x) DISCLOSURES

A review of compliance of the Fair Practice Code and the functioning of the grievance redressal mechanism would be done by the management at regular intervals and a report of such review shall be submitted to the Board of Directors on yearly basis.

(xi) REVIEW OF CODE

This Code may be amended or modified from time to time. The Code shall be reviewed every year by the Board of Directors of Company or whenever there is a significant change in law governing the subject matter of the code.

