

Trillionloans Fintech Private limited

Fair Practices Code

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Introduction

This Fair Practice Code (FPC) is aimed to provide to all the stakeholders, especially customers effective overview of practices followed by the Company in respect of the financial facilities and services offered by TRILLIONLOANS FINTECH PRIVATE LIMITED (Trillion / Company) to its customers as per NBFCs-Base Layer regulations prescribed under the Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023, as amended from time to time.

The objectives of the Code are:

- To promote good and fair practices in dealing with customers
- To increase transparency so that the customer can have a better understanding of what they can reasonably expect of the services; To ensure compliance with legal norms in matters relating to recovery of advances
- To strengthen mechanisms for redressal of customer grievances

A. Applications for Loans and their Processing

1. All communication to the borrower shall be in vernacular language or a language as understood by the borrower.
2. Loan application 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 or lenders be made and an informed decision can be taken by the borrower.
3. The Company shall devise a system of giving acknowledgement for receipt of all Loan applications. The time frame within which Loan applications shall be disposed of shall also be indicated in the acknowledgement.
4. Applications complete in all respects would be processed within a reasonable time frame from the date of receipt of duly completed loan application together with the requisite documents complying with the prevailing rules and regulations by the borrower. In case the proposal is not approved by the Company, the borrower would be intimated accordingly.
5. The Loan application will indicate the information/ documents as required to be submitted as the part of the application process. The Company will conduct KYC as per the KYC policy and collect all necessary documents/information as part of the process. If any additional details/ documents are required, the Company shall intimate the borrowers immediately.

B. Loan Appraisal and Terms & Conditions

1. The Company shall upon sanction of the Loan, convey to the borrower in vernacular language or a language as understood by the borrower by means of a sanction letter or Key Fact Sheet (KFS) or otherwise, indicating the amount of Loan sanctioned along with the most important terms and conditions including annualized rate of interest, APR (Annual percentage rate), overdue interest, method of application etc.
2. The Company shall also mention the penal charge for late repayment and/or any charge or fees for non-compliance of material terms and conditions of loan other than those specified in the sanction letter or otherwise in bold in the loan agreement.
3. The Company shall obtain acceptance from the borrower of the Loan terms & conditions as stipulated in Loan agreement and maintain a record of such acceptance. The Company shall furnish a copy of the Loan agreement as understood by the borrowers along with all the enclosures quoted in the Loan agreement to the borrowers at the time of sanction / disbursement of loans

C. Disbursement of Loans including changes in terms and conditions

1. The Company shall give notice to all its borrowers in vernacular language or a 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 shall also ensure that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard must be incorporated in the loan agreement.
2. Any decision to recall/accelerate payment or performance under the Loan agreement shall be in consonance with the Loan agreement.
3. All securities pertaining to the Loan would be released on receipt of full and final payment of the Loans, subject to any legitimate right or lien, and set-off for any other claim that Company may have against the borrowers. 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 Company is entitled to retain the securities until the relevant claim is settled / paid.

D. Interest Charged

1. To ensure that there 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 Company's web-site at www.trillionloans.com The rate of interest, the approach for gradations of risk and rationale for charging different

rate of interest to different categories of borrowers shall be as per the Interest Rate Policy. The rate of interest published on the website shall be updated whenever there is a change in the rate of interest.

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

E. Repossession of vehicles financed by Company (Auto Loans)

Where applicable, the Company will include the repossession clause in the Loan agreement with the borrower that would be legally enforceable. To ensure transparency, the terms and conditions of the contract/Loan agreement will include provisions regarding:

1. Notice period before taking possession
2. Circumstances under which the notice period can be waived
3. The procedure for taking possession of the applicable vehicle
4. A provision regarding final chance to be given to the borrower for repayment of Loan before the sale / auction of the applicable vehicle
5. The procedure for giving repossession to the borrower and
6. The procedure for sale/auction of the applicable vehicle

F. Loans Sourced over Digital Lending Platforms

Wherever digital lending platforms are engaged by the Company to facilitate lending, the Company shall comply with the following:

1. Loan Disbursal, Servicing and Repayment - Shall ensure the disbursement of amount shall be made into the account of the borrower except of disbursements covered exclusively under statutory or regulatory mandate, flow of money for co-lending transactions and disbursements for specific end use, provided the loan is disbursed directly into the bank account of the end-beneficiary
2. Shall ensure that all loan servicing, repayment, shall be executed directly in Company's bank account.
3. To display on the Company's website the Names of digital lending platforms engaged as agents.
4. Digital lending platforms engaged as collection agents shall be directed to disclose upfront to the customer, the Company's name on whose behalf they are interacting with the customer.
5. Immediately after sanction but before execution of the Loan agreement, the sanction communication shall be issued to the borrower on the letter head of the Company.
6. Effective oversight and monitoring shall be ensured over the digital lending platforms engaged the Company.

7. Adequate efforts shall be made towards creation of awareness about the grievance redressal mechanism.

G. KYC, Appraisal, Insurance, Storage of Securities, Auction etc. pertaining to Gold Loan Business

The Company shall put in place a Policy duly approved by the Board covering the following aspects as and when it is proposed to offer Loans against gold to customers:

1. Adequate steps to ensure that the KYC guidelines stipulated by RBI are complied with.
2. Proper assaying procedure for jewellery accepted as collateral security.
3. Declaration shall be obtained from the borrower confirming ownership of gold jewellery.
4. All branches shall have proper storage facility of either Strong Rooms or Safes conforming to the Standards of approved make to store the jewellery in safe custody.
5. The gold items shall be periodically reviewed to ensure quality, quantity and proper storage and jewellery accepted as collateral security shall be appropriately insured.
6. The auction procedure in case of non – repayment shall be transparent and prior notice to the borrower shall be given before the auction. There shall not be any 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. The Company shall not participate in the auctions held.
7. The auctioneers shall be appointed with the approval of Board.
8. The auction shall be announced to the public by issuing advertisements in at least two newspapers, one in vernacular language and another in a national daily newspaper and Loan agreement shall also disclose details regarding auction procedure. The Policy shall also cover systems and procedures to be put in place for separations of duties of mobilization, execution and approval including dealing with fraud.
9. Any amount received in excess from the auction, post adjustment with due amount to the Company will be refunded to the customer.

H. General

1. 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.
2. In the matter of recovery of loans, the Company will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc. To avoid rude behavior from the staff of the Company, the Company shall ensure that the staff are adequately trained to deal with the customers in an appropriate manner.

3. In case of receipt of a request from the borrower for transfer of the borrowal account, the consent or otherwise i.e. objection of the Company, if any, shall be conveyed within 21 days from the date of receipt of such request. Such transfer shall be as per transparent contractual terms in consonance with law.
4. Company will not charge foreclosure charges/ pre-payment penalties on all floating rate term loan sanctioned for purposed other than business to individual borrowers with or without co-obligant(s).
5. The Company shall not discriminate in extending products and facilities including loan facilities to physically/ visually challenged applicants on grounds of disability. Further, the Company shall ensure effective redressal of grievances of persons with disabilities under the existing Grievance Redressal Mechanism of the Company

I. Collection of Dues:

The Company shall put in place a mechanism for identification of the borrowers facing repayment related difficulties, engagement with such borrowers and providing them necessary guidance about the recourse available. The Company shall adhere to below while undertaking recovery:

- (a) Telephonic contact to a Borrower by a recovery agent may normally be limited to between 0800 Hrs and 1900 Hrs unless the special circumstances of the Borrower's business or occupation demands otherwise.
- (b) the Borrower would be contacted ordinarily at the place of his choice and in the absence of any specified place he will be contacted at his/her residence in the place of employment/ business.
- (c) inappropriate occasions such as bereavement in the family or such other calamitous occasions would be avoided for making calls/ visits to collect dues.
- (d) Recovery agent should identify himself/herself to the Customer and apprise the Customer of the authority to represent;
- (e) Customer's privacy should be respected.
- (f) Interaction with the customer shall be in a civil manner
- (g) The Company will document all the efforts made for recovery of dues and the copies of communication sent to Borrower if any.
- (h) All assistance should be given to resolve disputes or differences in a mutually acceptable and orderly manner.
- (i) During visits to customer's place for dues collection, decency and decorum shall be maintained.

J. Grievance Redressal Mechanism

The Board of Directors of Trillion (“**Board**”) have laid down the appropriate Grievance Redressal Mechanism within the organization to resolve disputes arising in this regard. The Grievance Redressal Mechanism has been set up to ensure that all disputes arising out of the decisions of the Company’s functionaries are heard and disposed of at least at the next higher level. Detailed grievance redressal mechanism is placed at the website of the Company www.trillionloans.com for easy reference of the customers.

K. Review

A periodical review (at least annually) of the compliance of the Fair Practices Code and the functioning of the grievance redressal mechanism shall be carried out by the Company and the report of such reviews shall be submitted to the Committee of the Board / Board.