

FLY HI FINANCIAL SERVICES LIMITED

FAIR PRACTICES CODE AND GRIEVANCE REDRESSAL POLICY

INTRODUCTION

Flyhi Financial Services Limited (FHFSL/Company) is an RBI registered NBFC is presently in the business of Providing unsecured loan to individuals to meet their financial needs to address some of the critical aspects of life like education and healthcare etc.

The Reserve Bank of India vide its circular no: RBI / 2006-07 /138 DNBS (PD) CC No. 80 / 03.10.042 / 2005-06 issued on September 28, 2006, and as amended thereto, outlined all NBFC's to adopt the Fair Practices Code based on guidelines given therein. Reserve Bank of India vide it's a Master Direction No. RBI/DNBR/2016-17/45 DNBR (PD). 008/03.10.119/2016-17 dated September 01, 2016, on Fair Practices Code to be implemented by all Non - Banking Financial Companies (NBFCs) consolidated all the FPC compliance requirements issued by RBI from time to time. FHFSL has put in place a board approved Fair Practice Codes (FPC) which is outlined below.

The Fair Practices Code, as mentioned herein below, is in conformity with these Guidelines on Fair Practices Code for NBFCs as contained in the aforesaid RBI Circular. It sets minimum 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. There could be customer grievances despite our best efforts and to deal with such situations and to give our customers a fair hearing we have laid out a grievance redressal policy which is laid out in the part two of this note.

FAIR PRACTICES CODE

1. Objectives of the Code:

- To promote good and fair practices by setting minimum standards in dealing with customers.
- To increase transparency so that customers can have a better understanding of what they can reasonably expect of the services.
- To promote a fair and cordial relationship between customers and FHFSL.
- To foster confidence in the finance system.

2. Application of Code: This Code applies to all the products and services offered by FHFSL, whether they are provided across the counter, over the phone, by post, through interactive electronic devices, on the internet or by any other method. Currently the company only deals in lending products to meet various needs of individuals. The fair practices code may get revised from time to time due to the regulatory requirement, introduction of newer products and services or as an outcome internal review of the code.

The code covers all aspects of the lending business which has been very specifically spelt out in the paragraphs below. The words Applicant, Customer, Borrower have the same meaning in the context of this document and has been used interchangeably.

3. Loans:

A) Application for loans and their processing:

- FHFSL shall make available and disclose all necessary information (charges applicable, documents required) in Application Form or through the process of digital application journey, 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. If the terms and conditions are not agreeable, applicant can drop out of the process.
- The Company has an "Interest Rate" policy which lays out the principles for charging Interest and other fees to

customers, which is published on the website from time to time.

- The Application Form/ the digital application journey or any other appropriate documents of FHFSL may also indicate the list of documents required to be submitted by the borrowers along with the Application form.
- All applications shall have a unique ID and all loan applications shall be logged into the loan origination system by a company representative or by the customer on a (do it yourself) basis. Customer will be informed of such agreement number.
- FHFSL shall give an acknowledgement for receipt of all Applications to its borrower either through signed counterfoil of the application form or as SMS, E-mail or as a pop-up message post the successful digital application process. FHFSL will indicate the time frame in which the application would be disposed by any of the means mentioned above.
- In certain products the customer is required to pay a non-refundable Application fee (Processing Fee) for processing of the application. In such cases, the Company will acknowledge the non-refundable fee via acknowledgement in application form / sanction letter or as SMS, E-Mail or as a pop-up message in the digital application journey. All such fees will be exclusive of applicable taxes (Taxes extra).

B) Loan appraisal and Terms and Conditions:

- Normally all particulars required for processing the loan application will be collected by FHFSL at the time of application. However, in case any additional information is required, FHFSL will contact the customers immediately and request cooperation.
- FHFSL will convey to the customer in writing 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 and keep the written acceptance of these terms and conditions by the borrower on its record. FHFSL will also provide "Key Fact Sheet" at the time of sanction of the loan. These communications and customer acceptances could be in the form of accepted digital modes.
- All efforts should be made to communicate with the customers/borrowers in English/ Hindi/ vernacular language or a language as understood by the borrower.

C) Communication of rejection of loan application:

- FHFSL shall endeavor to communicate in writing to the customer whose application has been rejected. This communication could be through an email, SMS or as a pop-up message at the end of digital application journey on the internet.

D) Disbursement of loans including changes in terms and conditions:

- FHFSL shall make disbursement in accordance with the terms and conditions mentioned in the Sanction Letter / Loan Agreement.
- FHFSL will invariably furnish a copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement to every borrower at the time of sanction or post disbursement of loans.
- FHFSL would give its customers the notice of any change in the loan terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges, other applicable fee/ charges etc. It would also ensure that changes in interest rates and charges are effective only prospectively, a suitable condition in this regard will be incorporated in the Loan Agreement or Most Important Terms and Conditions (MITC)

- If such change is to the disadvantage of the customers, (except in the case of increase in interest rate in a floating loan) they may within 30 days and without notice close their account or switch it without having to pay any pre-payment/foreclosure charges.
- No foreclosure charges/ pre-payment penalties shall be levied/collected in case of loans with 0% interest rates. The borrowers have an option to cancel their loan within 30 days (free lookup period) of the loan disbursement subject to payment of all principal outstanding and the interest for those many days. No prepayment charges will apply in case of loans being cancelled within the free lookup period.
- Decision to recall / accelerate payment or performance under the loan agreement or seeking additional securities, would be in consonance with the loan agreement.
- FHFSL shall release all securities on repayment of all due or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim FHFSL may have against customers. If such right of set off is to be exercised, the customers/borrowers will be given notice about the same with full particulars about the remaining claims and the conditions under which FHFSL is entitled to retain the securities till the relevant claim is settled or paid.
- The Company shall issue a NOC to the customer in case of closure /foreclosure of the loan within 21 days from date of realization of amount. The Company shall also hand over the security documents (if any) within 21 days from the date of closure/foreclosure of the loan unless there is a right of set off exists as mentioned in the point above.

4. Credit Reference Agencies:

- When customer applies for the loan, the application form or within the digital application journey will give an inherent approval to FHFSL to seek references from the Credit Bureaus prior to the sanctioning of the loan.
- FHFSL will share information with the Credit Bureaus about the performance of the borrower towards the loan. (This can also be included in the loan agreement, if not already done).
- FHFSL will provide the borrower as well as loan performance details with every credit bureau operating in the country.

5. Collection of Dues:

Whenever FHFSL gives loans, it will explain to customer the repayment process by way of amount, tenure, and periodicity of repayment. FHFSL will provide a detailed loan repayment schedule along with copy of loan agreement post disbursement of the loans. However, if customer does not adhere to repayment schedule, a defined process in accordance with the laws of the land will be followed for recovery of dues. The process will involve reminding customer by sending SMS, E-mails, phone calls, notices or by making personal visits and/ or repossession of security, if any. FHFSL has a board approved collection policy defining the processes and the overall collections strategy which takes into the account the fact that the same is within the fair practices guideline of the company, any other regulatory guideline on collection of delinquent accounts and upholds dignity of the borrower. It will be our endeavor to keep all our personnel either on the roles of FHFSL or outsourced staff representing the company for collection of dues fully trained to uphold the highest level of ethics in their conduct.

FHFSL collection policy is built on courtesy, fair treatment and persuasion. It believes in fostering customer confidence and long-term relationship. FHFSL's staff or any person authorized to represent it in collection of dues or / and security repossession will identify himself / herself and display the authority letter issued by it and upon request display to customer his/ her identity card issued by FHFSL or under our authority. FHFSL provide customer with all the information regarding dues and will endeavor to give sufficient notice for payment of dues.

6. Advertising, Marketing and Sales:

- FHFSL will ensure that all advertising and promotional material is clear, and not misleading.
- In any advertising in any media and promotional literature that draws attention to service or product and includes a reference to the interest rate, FHFSL would indicate whether other fees and charges will apply and that full details of the relevant terms and conditions are available on request.
- FHFSL would provide information on indicative interest rates, common fees, and charges through:
 1. putting up notices in branches
 2. its website
 3. through designated staff/help desk at all customer touch points
- FHFSL will ensure that third parties whose services may be availed for providing support services shall handle customer's personal information with the same degree of confidentiality and security as handled by FHFSL.
- It is only fair to mention that all customers are encouraged to go through our privacy and security policy including the policies for using the website. All applications made for products and services of FHFSL or usage of website of FHFSL is considered as acceptance of the said policy by the applicant/user. In case anyone does not agree with privacy and security policy, or the website usage policy may opt out of the process immediately.

7. Commitments of FHFSL:

- FHFSL shall act fairly and reasonably in all dealings, by ensuring that they meet commitment and standards in this code and services they offer and policy and procedure their staff follows.
- FHFSL shall make all efforts to ensure that its products and services meet relevant laws and regulations.
- FHFSL's dealing with customer should be on ethical principles of integrity and transparency to meet the standard prevalent in the finance industry.
- FHFSL will deal quickly in correcting mistakes, if any, and attend to customer's complaints considering the objectives of this code.
- FHFSL from time to time will communicate to the customers various features of the products availed by them and any changes to the terms and conditions done by the company on its own or changes in regulatory requirement or laws of the land.
- FHFSL shall prescribe a code of conduct for Direct Selling Agencies (DSAs) whose services it may avail to market its products/ services which amongst other matters requires them to identify themselves when they approach the customer for selling our products personally, through phone or through any other electronic media.
- FHFSL shall also prescribe a code of conduct for all agencies and vendors including collection agencies. Some of the important codes of this policy is mentioned below (refer Annexure I) to make our customers aware of their rights.
- In the event of receipt of any complaint from customers that any vendor/agency, representative or DSA has engaged in any improper conduct or acted in violation of this Code, FHFSL will take appropriate steps to investigate the matter and strive to provide the best possible resolution to the grievances of the

customer.

The implementation of the Fair Practices Code shall be the responsibility of the entire organization. The Company shall make every effort to ensure that its dealing with customers is smooth and hasslefree.

Reporting of complaints shall be placed at least once before the Audit Committee on quarterly intervals, or as may be required from time to time in line with various business and regulatory requirements.

A consolidated report on periodical review of compliance of the Fair Practices Code and functioning of the grievance's redressal mechanism at various levels of management shall be submitted to the Board at half yearly intervals.

Annexure I

All the members of the staff or any person authorized to represent FHFSL in collection or/ and security repossession would follow the guidelines set out below:

- a) Customers would be contacted ordinarily either at the place of their residence or business/occupation as per their choice to provide them the utmost comfort and privacy while dealing with a financial matter.
- b) Representatives should be dressed decently and would not touch the customer apart from the purpose of greeting
- c) Identity and authority to represent would be made known to customers at the first instance.
- d) Customer's privacy would be respected.
- e) Interactions with the customers would be in civil manner and no derogatory words would be used.
- f) Normally, our representatives will contact customers between 08:00 hours and 20:00 hours, unless the special circumstances of your business or occupation demands otherwise.
- g) Customers' requests to avoid calls at a particular time or at a particular place would be honored as far as possible.
- h) Time and number of calls and contents of conversation would be documented on a best effort basis.
- i) All assistance would be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner. The company representative should always give information which is factual and not mislead the customer into believing false data/information and try and provide important information/communication in writing.
- j) During visits to customer's place for dues collection, decency and decorum would be maintained
- k) Inappropriate occasions such as bereavement in the family or such other calamitous occasions (if known to us) should be avoided for making calls/visits to collect dues.

GRIEVANCE REDRESSAL POLICY

The quick and effective handling of complaints as well as prompt corrective & preventive actions to improve processes are essential to provide excellent customer service to all segments of customers. To achieve this, the Company has a clearly documented policy for redressal of customer grievances in line with RBI guidelines.

Through this policy, the Company shall ensure that a suitable mechanism exists for receiving and addressing complaints from its customers / constituents with specific emphasis on resolving such complaints fairly and expeditiously regardless of sources of the complaints.

The policy seeks to ensure that:

- a. Adequate information shall be made available to all customers at all branches about various channels for seeking redressal of grievances arising out of any perceived deficiency in service by the Company. Such information shall include the name and contact number of grievance redressal officer with whom such complaints can be addressed and escalation thereafter. This will be updated as and when any change occurs in the process emerging out of internal reasons or change in guidelines from the regulators.
- b. Any complaint received - either verbally, via e-mail or in writing - from the customers, shall be logged into a tracker. With this the Company shall not only ensure that all the complaints received are recorded and resolved but shall also ensure effective monitoring / escalation mechanism to the senior functionary responsible so as to make sure that none of the complaints remain unresolved.
- c. The grievance redressal channels of the Company shall also deal with the issues relating to services provided by Outsourced Agencies and shall sensitize the respective outsourcing service providers to resolve customer issues expeditiously.
- d. All complaints received through the below mentioned channels shall be handled centrally by a dedicated resource under compliance department:
 - Reserve Bank of India complaints received at Corporate Office
 - Government of India complaints received at Corporate Office
- e. All complaints received shall be handled as below :
 - First level: Customer Service Team.
 - Next Level: Customer Service Manager
 - Next Level: Grievance Redressal Officer
- f. In case a customer is not satisfied with the resolution provided by the front office staff, the customer shall be provided an option to write to the Grievance Redressal Cell either through an e-mail or through a letter. The contact details of the Grievance Redressal Cell shall be displayed at all the branch premises of the Company as well as on the website. The Unit shall be responsible for providing adequate resolution to all escalated complaints received at their end.
- g. Complaints shall be resolved in a proper and time bound manner with detailed advice to the customer. In case the resolution needs time, an interim response, acknowledging the complaint shall be issued.
- h. Customer Complaints received through e-mails shall be responded through e-mail only. Company's E-mail Management Unit shall be responsible to provide final resolution response to customers raising complaints via E-mail.

GRIEVANCE REDRESSAL PROCESS

The quick and effective handling of complaints as well as prompt corrective & preventive actions to improve processes are essential to provide excellent customer service to all segments of customers. To achieve this, the Company shall strive to maintain the following turnaround time frames for responding / resolution of the customer complaints:

#	Nature of Complaint	Turn Around Time (TAT) for resolution
1	Loan agreements and loan related	T + 15
2	Waiver/ Refunds	T + 15
3	Prepayment & closure documents	T + 15
4	Others	T + 15

The grievance redressal process as below, shall be displayed at the branches / places where the business of the Company is transacted, for the benefit of their customers:

- If you have a complaint or a Grievance about our Products and Services including services provided by our Outsourced agencies, please contact our Branch/ Customer Service Team.
- Information on our grievance handling and escalation of complaints will be available in all our offices.
- All complaints received shall be handled as following:
 - First level - Customer Service Team at contactus@flyhifinance.com
 - Next Level - Customer Service Manager at complaints@flyhifinance.com
- Company shall ensure that all the complaints received are recorded and resolved but shall also ensure effective monitoring / escalation mechanism to the senior functionary responsible so as to make sure that none of the complaints remain unresolved.
- In case the complaint remains unresolved even after 10 days, you can approach the Grievance Redressal Officer either by an e-mail or through a letter at the following:

FLY HI FINANCIAL SERVICES LIMITED

Grievance Redressal Officer,
1013 Corporate Annex, Near Udyog Bhavan, Sonawala Road, Goregaon East, Mumbai,
Maharashtra 400063, India
Email: ngro@flyhifinance.com

- Complaints shall be resolved in a proper and time bound manner with detailed advice to the customer. In case the resolution need time, an interim response, acknowledging the complaint shall be issued.
- A grievance against the Company on any one or more of the grounds mentioned below may be made by the complainant (himself or through his authorized representative (other than an Advocate), to the NBFC Ombudsman within whose jurisdiction the Branch/ Registered Office of the Non-Banking Financial Company complained against, is located:
 - non-presentation or inordinate delay in the presentation of post-dated cheques provided by the customer;
 - failure to convey in writing, the amount of loan sanctioned along with terms and conditions including annualized rate of interest and method of application thereof;
 - failure or refusal to provide sanction letter/ terms and conditions of sanction in vernacular language or a language as understood by the borrower;
 - failure or refusal to provide adequate notice on proposed changes being made in sanctioned terms

FLY HI FINANCIAL SERVICES LTD

Registered Address: 1103/16, Vikram Tower Rajendra Place, Patel Nagar (Central Delhi), Delhi - 110008, India

Corporate Address: 1013, 10th Floor, Corporate Annexe, Near Udyog Bhavan Sonawala Road, Goregaon (E), Mumbai 400063

CIN: U74899DL1994PLC062940

Email: contactus@flyhifinance.com

Contact: 8655741646

- and conditions in vernacular language as understood by the borrower;
- v. failure or inordinate delay in releasing the securities documents to the borrower on repayment of all dues;
 - vi. levying of charges without adequate prior notice to the borrower/ customer;
 - vii. failure to provide legally enforceable built-in repossession clause in the contract/ loan agreement;
 - viii. failure to ensure transparency in the contract/ loan agreement regarding (i) notice period before taking possession of security; (ii) circumstances under which the notice period can be waived; (iii) the procedure for taking possession of the security; (iv) a provision regarding final chance to be given to the borrower for repayment of loan before the sale/ auction of the security; (v) the procedure for giving repossession to the borrower and (vi) the procedure for sale/ auction of the security;
 - ix. non-observance of directions issued by Reserve Bank to the non-banking financial companies;
 - x. non-adherence to any of the other provisions of Reserve Bank Guidelines on Fair Practices Code for Non-Banking Financial Companies

If your complaint / dispute is not redressed within a period of one month, you may appeal to The Officer-in-Charge, Department of Non-Banking Supervision,

Reserve Bank of India,
Mumbai Regional Office,
3rd Floor, Opposite Mumbai Central Station, Byculla, Mumbai- 400 008
Email: dnbsmro@rbi.org.in