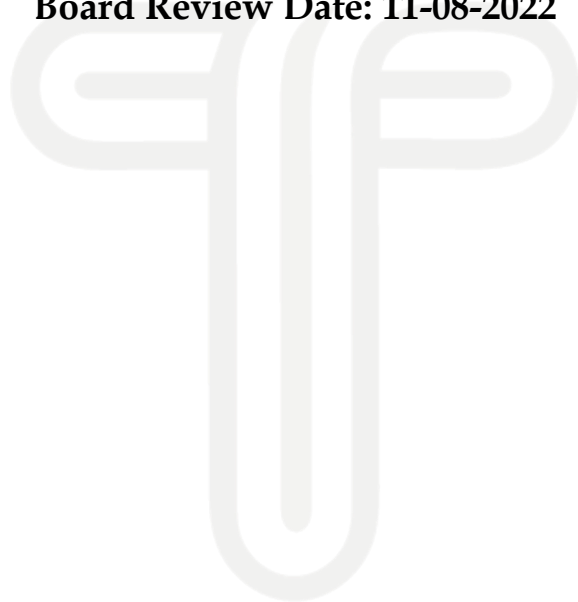


Fair Practices Code

Board Review Date: 11-08-2022



Registered Office:

Thangam Capital Pvt.Ltd., KalviKendra Complex, No.341, Salai agaram (via)Koliyanur, Villupuram-605 103. Tamil Nadu.

 **Phone:** 04146-249069/290569  **Email:** admin@thangamcapital.com  **Website:** www.thangamcapital.com

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Preamble

The Fair practices code has been formulated by **Thangam Capital Private limited** (hereinafter referred to as “Thangam” or “the Company”) Pursuant to the Reserve Bank of India (RBI) Circular No.DNBR (PD) CC.No.054/03.10.119/2015-16 dated July 01, 2015. The Board of Directors has reviewed the FPC, on August 11, 2021. This FPC aims at providing all stakeholders concerned, particularly consumers, a thorough understanding of the procedures followed by the business with regard to the financial services and other products it provides to those parties. To affirm any guidelines that the RBI may have imposed, the Company will regularly make the appropriate modifications to the FPC.

Objectives

The FPC has been developed with an objective of

- ensuring ethical conduct when dealing with customers through the development, instruction, and application of a fair practices code
- Customer decision-making is made possible by increased transparency, which enables them understand the product.
- enhancing client trust in the business by providing a method for obtaining feedback and complaints from customers on a continual basis.

Operating Guidelines

Applications for Loans and their processing

- All communications to the borrower shall be in English or in vernacular language / the language as understood and confirmed by the borrower.
- The company will include necessary information affecting the borrower's interest, allowing the borrower to make a meaningful comparison with the terms and conditions offered by other NBFCs and make an informed decision.
- The loan application form will indicate the documents that must be submitted with the application form, including KYC documents and documents required for the borrower's credit assessment.
- The company has a mechanism in place to acknowledge receipt of an application form from a borrower in order to facilitate loan approval. The company would notify the borrower of its decision within a reasonable time within a week of receiving all required information and documents.

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Loan appraisal and terms/ conditions

- Within a reasonable time, frame, the company will analyse and verify the information provided by the customer. If additional information or documents are required, the company will notify the customer as soon as possible.
- The Company will ensure that each credit application is properly evaluated. The evaluation would be in accordance with the company's credit policies and procedures.
- If the credit assessment meets all internal credit, legal, and compliance requirements and is approved, the company will communicate the final terms of sanction to the customer in writing via a sanction letter.

Sanction and disbursement of loan including changes in terms and conditions

- A sanction letter / securing documents, in the vernacular language will be issued to all the borrowers who have been sanctioned loans.
- The sanction letter / securing documents, inter alia, would contain, the amount of loan sanctioned, annualized rate of interest, processing fee / services charges, repayment schedule, prepayment charges, if any, penal interest if applicable and the penal interest charged in case of late repayment will be highlighted in bold, documents to be executed by the borrower, co-borrower and guarantor, if any, before disbursement of the loan and all the covenants and conditions.
- The changes in interest rates and charges, if any would be affected prospectively. The company would obtain an acceptance of the terms and conditions from the customer, in the vernacular language, and keep the said acceptance on its record.
- At the time of loan sanction / disbursement, the customer would be given a copy of the loan agreement / documentation, as well as a copy of all enclosures quoted in the loan agreement, preferably in the vernacular language. After receiving the sanction and loan agreement copy, the company would ask the customer for an acceptance in vernacular, which would be recorded.
- The company will ensure that loans are disbursed in accordance with the terms and conditions communicated to the customer.
- Any decision to accelerate payments or recall loan would be in consonance with the terms of the loan agreement

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- The company would release securities if any were taken for the loan, subject to repayment of all dues and any legitimate right or lien the company may have against the borrower. If this right of set off is exercised, the borrower will be notified, along with full details about the remaining claims and the conditions under which the company is entitled to retain the securities until the relevant claim is settled/paid.
- Any change in terms of conditions like change in interest rate, tenure, all charges/fees would be communicated to the borrower in writing in the vernacular language.

Post-Disbursement Supervision

- Post-disbursement supervision will be carried out by the company in accordance with customary business practices, either directly or through its authorized agent(s) (subject to compliance with RBI's Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs as amended from time to time), the executed facility documentation / term sheet, and the guidelines issued by RBI from time to time).

Regulation of excessive interest charges

- The Board of Directors (BoD) has approved an interest rate model for calculating the rate of interest to be applied to loans and advances, processing fees, and other charges while taking into consideration significant parameters like cost of funds, margin, risk premium, etc.
- A pricing policy that has been (BoD) approved by the company will be made available to borrowers upon request and posted on the company website. Periodically, the policy will be updated.
- The rate of interest will be annualised so that the borrower can understand the exact rates that will be charged to the loan account.

Interest Rate Model

- The Boards of NBFCs were advised by the Reserve Bank of India (RBI) to implement effective internal principles and procedures in calculating interest rates, processing fees, and other costs. Similarly, RBI advised NBFCs to adopt an appropriate interest rate model, carefully consider all significant parameters, and disclose the rate of interest, gradations of risk, and justifications for charging various rates of interest to various categories of borrowers. As a result, the company has developed the following policies on interest rates, risk gradation, and disclosure policies.

Interest rate

- The company will calculate the interest rate by taking into account a number of factors, including the cost of borrowing credit, administrative expenses, risk premiums, competitive pressures, the inherent credit risk in products and borrowers, market liquidity, and RBI regulations on credit and liquidity.

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- The Credit Committee will occasionally authorise the interest rates that can be applied to loans.

Gradation of risks

- The Company takes a comprehensive approach to risk gradation. The interest rate decision takes into account:

- Based on the products of the company
- Financial and business experience of the applicant
- Size of a loan ticket
- Other financial commitments
- The applicant's credit history
- Applicant's business performance
- Security of the loan determined by underlying assets
- Location delinquency and collection performance

- At the time the loan is sanctioned, consumers will be informed of the interest rates and given access to the interest and principal repayment schedule.

- Other financial costs imposed by the company, such as processing fees, late payments, RTGS or other remittance charges, etc., shall be appropriately disclosed to the customer in addition to interest. Any revision in these charges would be with prospective effect.
- The company will have the sole discretion to decide whether to grant requests for refunds, waivers of fees, or additional or penal interest.

Disclosure

- The pricing policy approved by the BoD, which includes the interest rate policy and the method for grading risks, will be disclosed on the company website and updated as necessary.

General

- The company will refrain from interference in the affairs of its Borrower except for the purposes provided in the terms and conditions of the respective loan agreement (unless new information, not earlier disclosed by the Borrower, which may come to the notice of the company).
- The company will not treat its consumers unfairly based on their gender, caste, or religion. This does not, however, restrict the company from getting involved in credit-linked programmes designed for the underserved.

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- In case of receipt of request from the Borrower for transfer of Borrowable account, the consent or otherwise i.e. objection of company, if any, is generally conveyed to such Borrower within 21 days from the date of receipt of the Borrower's request. Such transfer will be as per transparent contractual terms in consonance with all the applicable laws.
- On all floating rate loans approved to individual borrowers, the company will not impose foreclosure fees or prepayment penalties.
- If it comes to debt recovery, the company will follow legitimate legal procedures and refrain from excessive harassment or the use of force, such as continuously pestering the borrowers at odd hours or using physical force to recover loans, etc. The company will make sure its employees have the necessary training to interact with consumers in a professional manner.

Responsibility of Board of Directors

The Board of Directors of NBFCs should also lay down the appropriate grievance redressal mechanism within the organization. Such a mechanism should ensure that all disputes arising out of the decisions of lending institutions' functionaries are heard and disposed of at least at the next higher level. The Board of Directors should 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 may be submitted to the Board at regular intervals, as may be prescribed by it.

Grievance Redressal Mechanism:

Excellent customer service is a strategic component for ongoing business growth in the current competitive market. Customer complaints are a normal aspect of doing business for any company. Customer satisfaction and service are our top priorities at our company.

In our opinion, offering timely and effective service is crucial for both bringing in new clients and keeping hold of existing customers. In order to give our customers an improved experience, the company has developed a number of initiatives focused on delivering a better customer experience and an effective complaints redressal system.

A systematic approach has been developed in order to make the company's redressal mechanism more significant and efficient. This system would ensure that the redress sought is just and fair, and that it falls within the confines of the rules and regulations in place.

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Framework for resolving customer complaints / grievances:

Level 1 - Branch-level Grievance Resolution

The customer can contact the company with inquiries and complaints, and the Branch Manager will respond by email or phone. The customer may also personally go to the branch office and file a written complaint with the Branch Manager in the branch's readily accessible complaint register. On registering the complaint customer shall be granted a Reference number for the complaint registered with the company for future interaction.

Level 2 - Grievance redressal framework at Head Office

Customers may send feedback or complaints via the following methods between 9:00 am and 5:00 pm, Monday to Friday, if they are not happy with the resolution offered by the local branch office (except on national holidays)

- What's app on 9487610801
- Email us at customercare@thangamcapital.com
- Write to us at the below mentioned address:

CUSTOMER CARE DEPARTMENT

**THANGAM CAPITAL PRIVATE LIMITED,
KALVIKENDRA COMPLEX
NO.341, SALAIAGARAM VIA KOLIYANUR
VILLUPURAM -605103**

Level 3 - Escalation

In case the complaint is not resolved within the given time or if the customer is not satisfied with the solution provided, the customer can approach the Complaints Redressal Officer.

The name and contact details of the Complaint Redressal Officer is as follows:

**MR. S. THANGAM SANTHOSH
COO/DIRECTOR
KALVIKENDRA COMPLEX
NO.341, SALAIAGARAM VIA KOLIYANUR
VILLUPURAM -605103
Email id – admin@thangamcapital.com
CONTACT NO: 04146-249069**

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We guarantee that all letters and emails sent through this route will receive a response within 5 working days of receipt. The client may appeal to the Officer-in-Charge of the Regional Office of the Department of Non-Banking Supervision of RBI, within whose jurisdiction the Registered Office of the company lies, if the complaint or dispute is not resolved within a month. General Manager, Department of Non-Banking Supervision, Reserve Bank of India, Fort Glacis, Chennai, contact information is provided below.

Periodic Review:

In order to enhance the value and relevance to the borrowers, the Board of Director of the company shall annually review the compliance with this Fair Practice Code, adopted by the Board.



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