



FAIR PRACTICE CODE

ZEAL HOLDINGS PRIVATE LIMITED



Documents Details

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Zeal Holdings Pvt. Ltd.

“FAIR PRACTICE CODE”

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1. Preamble

Zeal Holdings Pvt. Ltd. is a leading Non-Banking Financial Company (NBFC) specializing in providing B2B loans to Micro, Small, and Medium Enterprises (MSMEs) and corporate clients, also known as merchants. Our focus is on supporting MSMEs and corporate clients by offering flexible and accessible financing solutions for working capital, asset purchases, and other business needs. The Company sources funds from banks and financial institutions for on-lending to MSMEs and corporate clients.

2. Introduction

In compliance with the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and other Reserve Bank of India (RBI) guidelines, Zeal Holdings Pvt. Ltd. has adopted this Fair Practices Code to ensure transparency, fairness, and accountability in our lending operations. This code is designed to foster trust and uphold ethical practices in all interactions with our MSME and corporate clients.

3. Objective

The primary objective of this Fair Practices Code is to:

- Ensure fair and transparent transactions.
- Provide clarity on loan products, terms, and charges to help clients make informed decisions.
- Promote ethical standards and enhance customer confidence.
- Foster a fair and respectful relationship between Zeal Holdings Pvt. Ltd. and its MSME and corporate clients.

4. Key Considerations

This Fair Practices Code aligns with RBI guidelines and covers essential principles for fair dealings, including transparency, customer rights, and ethical practices in lending.

5. Fair Practices Code

Zeal Holdings Pvt. Ltd. is committed to conducting its business in accordance with prevailing statutory and regulatory requirements, focusing on efficiency, customer orientation, and

corporate governance. The Fair Practices Code guides our operations to ensure fair treatment of all clients.

6. Policy / Process / Guidelines & Process Flow

a) Applications for Loans and their Processing

- Language and Information: All communications with the clients will be in a language understood by them. Loan application forms will include necessary details to enable comparison with other lenders and a list of required documents.
- Acknowledgement and Verification: A digital acknowledgment of receipt will be provided for all loan applications. Applications will be verified within a reasonable time, and reasons for rejection will be communicated if applicable.

b) Loan Appraisal and Terms/Conditions

- Approval Communication: The Company will provide clients with a written communication of loan approval, including the loan amount, terms and conditions, annualized interest rate, and any applicable penal interest. Acceptance of these terms will be documented.

c) Disbursement of Loans including Changes in Terms and Conditions

- Notice of Changes: All clients will be notified of any changes to loan terms, including disbursement schedules, interest rates, and service charges. Changes will be applied prospectively, and relevant provisions will be included in the loan agreement. No change will be made applicable on retrospective basis.
- Security Release: Securities will be released upon full repayment or settlement of claims, subject to legitimate rights or liens. All clients will be notified of any claims and conditions for retaining securities.

d) General

- Borrower Affairs: The Company will refrain from interfering in the borrower's business beyond the scope of the loan agreement unless new, undisclosed information arises.

- **Transparency:** Changes to loan terms will be communicated prospectively, and salient features of loan products, interest rates, and risk gradation will be published on the Company's website.
- **Non-Discrimination:** The Company will not discriminate based on sex, caste, or religion in its lending practices.
- **Training:** Staff will be trained to handle customer interactions professionally, both pre- and post-sanction.

e) Responsibility of Board of Directors

- The Board will establish a grievance redressal mechanism and ensure periodic reviews of compliance with the Fair Practices Code. Reports on these reviews will be submitted regularly.

f) Grievance Redressal Officer

- **Contact Information:** The Company will display the name and contact details of the Grievance Redressal Officer at branches and business locations.
- **Escalation Process:** If complaints are not resolved within one month, MSMEs may escalate issues to the RBI's Department of Supervision or the NBFC Ombudsman.

g) Language and Mode of Communicating Fair Practice Code

- The Fair Practices Code will be communicated in a language understood by the MSMEs and corporate clients and made available on the Company's website.

h) Wide Dissemination and Periodic Review

- The Fair Practices Code will be posted on the Company's website and reviewed periodically to incorporate updates based on experience and regulatory changes.

i) Complaints about Excessive Interest Charged by the Company

- The Company will ensure that interest rates and charges are reasonable and not excessive, with clear principles for determining these rates.

j) Regulation of Excessive Interest Charged by the Company

- **Interest Rate Model:** The Company will adopt an interest rate model that includes factors such as cost of funds, margin, and risk premium. Interest rates and risk gradation approaches will be disclosed to MSMEs and corporate clients in the application form and sanction letter, and published on the website.

k) Clarification Regarding Repossession of Hypothecated Assets Financed by the Company

- **Repossession Procedures:** The loan agreement will include clauses regarding repossession of hypothecated assets, including notice periods, circumstances for waiving notice, and procedures for repossession and sale/auction. These terms will be transparent and communicated to MSMEs and corporate clients.

l) Customer Complaints & Grievances

- **Communication Channels:** All clients can raise complaints via:
 1. Walk-in at service hubs.
 2. Email: helpdesk@zealholdings.in
 3. Letters to the registered office.
- **Escalation Matrix:** If issues are unresolved, clients can escalate as follows:
 - Level 1: ritik.agarwal@zealholdings.in
 - Level 2: vaibhavi.devtulya@zealholdings.in
- **NBFC Ombudsman:** If the issue remains unresolved after one month, MSMEs may contact the NBFC Ombudsman.