



# SWAGAT HIRE PURCHASE AND FINANCE COMPANY PRIVATE LIMITED

CIN No. U65921MH1994PTC077154  
RBI License No. B-13.01566

Registered Office:- Flat No.601,  
Excellentia "E", Casa Bella, Dombivli  
East, Dist-Thane, Maharashtra - 421204

Corporate Office:- D-1398, 1st Floor,  
Sai Sagar Building, Near Kaleva  
Chauraha, Indira Nagar, Lucknow-  
226016

Landline No. 0522-3128640

E-mail id:- compliance@swagat.mitrsewa.com

## Fair Practices Code (FPC)

### Governing Standards for Fair Lending, Customer Service & Recovery

Version 1.0 | Effective Date: 03 Feb 2026 | Review: Annual

Policy Owner	Board of Directors
Approved By	Board of Directors
Version	1.0
Effective Date	3 <sup>rd</sup> Feb, 2026
Regulatory Reference	RBI SBR Directions, 2023 – Chapter VII; RBI Circular DNBR (PD) CC.No.054/03.10.119/2015-16 dated July 01, 2015; RBI Circular dated April 29, 2024 (Interest Charging); RBI Circular on KFS dated April 15, 2024; RBI Circular on Recovery Agents dated August 12, 2022; RBI Guidelines on Release of Property Documents, 2023

## 1. Introduction and Purpose

Swagat Hire Purchase and Finance Company (hereinafter "the Company") is committed to conducting its business with the highest standards of fairness, transparency, and integrity. This Fair Practices Code ("FPC" or "Code") has been formulated in compliance with the guidelines issued by the Reserve Bank of India (RBI) under Chapter VII of the SBR Directions, 2023 and RBI Circular DNBR (PD) CC.No.054/03.10.119/2015-16 dated July 01, 2015, as updated by subsequent RBI circulars.

The objective of this Code is to ensure that the Company's borrowers and customers receive fair treatment at every stage of their interaction with the Company — from loan application through disbursement, servicing, and where necessary, recovery. This Code sets the minimum standards of conduct applicable to all products and services offered by the Company, directly or through agents.

**Applicability** This FPC applies to all financial products and services offered by the Company — whether across the counter, by telephone, through the internet, through agents or digital platforms — and is binding on all employees, agents, recovery personnel, and third parties acting on the Company's behalf.

## 2. Loan Application and Processing

### 2.1 Loan Application Forms

The Company shall ensure that loan application forms are:

- Made available in English and in a language understood by the borrower (vernacular language where practicable).
- Simple, clear, and not misleading.



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- Inclusive of all necessary information that affects the interest of the borrower, enabling them to compare loan terms with other lenders.
- Transparent about all fees and charges payable for processing the loan application, delayed repayment penalty, conversion charges, and any other charges.
- Clear about the documents required to be submitted by the borrower and co-applicant/guarantor.
- Accompanied by a declaration option for the borrower to choose the preferred language for communication.

## 2.2 Acknowledgement of Applications

Upon receipt of a completed loan application:

- The Company shall provide a written or electronic acknowledgement specifying the date of receipt and a reference number.
- The acknowledgement shall clearly state the timeframe within which the application will be processed and the decision communicated.
- The Company shall verify all loan applications and conduct necessary checks to assess the repayment capacity of the borrower before sanction.

## 2.3 Credit Assessment

The Company shall conduct a rigorous credit assessment for every loan application:

- Assess the economic profile of the borrower including age, occupation, income, obligations, and assets.
- Review credit bureau reports (CIBIL / other Credit Information Companies) for all borrowers.
- Evaluate the nature and quality of security / collateral proposed.
- Assess the Loan-to-Value (LTV) ratio for asset-backed products including hire purchase and vehicle loans.
- The appraisal shall be kept on record in an auditable format.
- Lending policy shall contain defined parameters for creditworthiness assessment, and the Company shall not sanction loans that do not meet minimum eligibility criteria.

## 2.4 Sanction and Communication

On sanction or rejection of a loan application:

- The decision shall be communicated to the borrower in writing within a reasonable and defined timeframe.
- In case of rejection, the Company shall communicate the reason for rejection in writing to the borrower.
- In case of sanction, the Company shall issue a Sanction Letter on its letterhead, in English and/or a language understood by the borrower, containing all material terms and conditions.



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## 3. Key Facts Statement (KFS)

With effect from October 1, 2024, the Company shall issue a standardised Key Facts Statement (KFS) to every borrower for all retail and MSME term loans prior to execution of the loan agreement and disbursement. The KFS shall contain:

- Loan proposal/account number.
- Type of loan and sanctioned amount.
- Disbursement schedule.
- Loan tenure and number of instalments.
- Type of interest rate (fixed/floating/hybrid) and the applicable rate.
- Annual Percentage Rate (APR) — the all-inclusive annualised interest rate including processing fees and other upfront charges.
- EMI amount and commencement date.
- All fees and charges payable to the Company and third parties.
- Contingent charges: penal charges, foreclosure charges, switching charges.
- Details of the Grievance Redressal Officer (GRO).
- For digital loans: cooling-off period, details of Loan Service Provider (LSP).

**KFS Validity** The KFS shall be valid for a minimum of three (3) working days for loans with tenor of seven days or more, giving the borrower time to review terms. The Company is bound by the KFS terms if accepted within the validity period. No charges not mentioned in the KFS can be levied at any point during the loan tenure.

The contents of the KFS shall be explained to the borrower and written acknowledgement obtained before disbursement.

## 4. Terms and Conditions – Sanction Letter and Loan Agreement

The sanction letter and loan agreement shall contain the following mandatory terms:

- Amount of loan sanctioned.
- Annualised rate of interest and the method of calculation (reducing balance basis).
- Equated Monthly Instalment (EMI) schedule with the bifurcation between principal and interest.
- Exact due dates for each instalment.
- Foreclosure / prepayment charges (if any) — clearly disclosed.
- Penal charges for late payment — disclosed in bold in the loan agreement.
- Security / collateral details and creation / registration timelines.
- Right of the Company to recall/accelerate payment on breach of material terms.
- Built-in repossession clause for hire purchase and asset-backed financing.
- Clause specifying that changes in interest rates and charges shall be effected only prospectively with advance notice.
- For floating rate loans: explanation of the reference benchmark, spread, and reset mechanism; and the six options available to borrowers (switch to fixed, increase/decrease EMI, extend/contract tenure, prepay, or accept elongation as default option).



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- SMA / NPA classification examples with specific dates.

A copy of the fully executed loan agreement along with all enclosures shall be furnished to the borrower at the time of sanction/disbursement. The Company shall retain the borrower's signed acceptance of terms and conditions.

## 5. Disbursement of Loans

- Disbursement shall be made only after all formalities, documentation, and security creation requirements are completed.
- Interest shall be calculated from the date of actual disbursement and not from the date of sanction.
- Disbursement shall be made by online transfer to the borrower's bank account. Where cheques are issued, acknowledgement of receipt of the cheque shall be obtained from the borrower.
- If an advance EMI is collected at the time of disbursement, interest shall be charged after netting off the advance EMI from the disbursement amount.
- Loan servicing and repayment shall be executed directly in the Company's bank account without any pass-through pool account of third parties.
- Any change in the disbursement schedule shall be communicated to the borrower in advance with justification.

## 6. Interest Rate Policy – Fair Charging Practices

In compliance with RBI Circular dated April 29, 2024 on fair practices in charging of interest, the Company commits to the following:

- Interest rates shall be determined based on the Board-approved Interest Rate Policy, factoring in cost of funds, operating costs, risk premium, and competitive considerations.
- The annualised rate of interest shall always be disclosed to borrowers in the application form, KFS, sanction letter, and on the Company's website.
- Interest rates shall be reasonable and not usurious.
- The Company shall NOT charge interest from the date of sanction — only from the date of actual disbursement.
- The Company shall NOT charge interest on amounts already repaid by the borrower.
- The Company shall NOT collect advance instalments and then charge interest on the full loan amount without netting.
- Any change in interest rate (including at reset dates) shall be communicated to the borrower in writing in advance.
- At each reset of floating interest rate on EMI-based loans, borrowers shall be presented with the six mandated options specified in the loan agreement and KFS.
- The approach for gradation of risk and rationale for charging different rates to different borrower categories shall be disclosed on the Company's website.



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## 7. Penal Charges

In compliance with RBI guidelines effective January 1, 2024, the Company's penal charges policy is as follows:

- Penal charges are levied for non-compliance with material terms and conditions of the loan contract (e.g., non-payment of EMI, cheque/NACH bounce, failure to create agreed security, covenant breaches, late submission of documents).
- Penal charges are NOT in the nature of interest and shall NOT be capitalised or compounded.
- Penal charges shall be reasonable and commensurate with the nature of the non-compliance.
- Penal charges shall be non-discriminatory within the same loan / product category.
- For individual borrowers for purposes other than business, penal charges shall not be higher than those levied on non-individual borrowers for similar non-compliance.
- The quantum and reason for penal charges shall be disclosed prominently on the Company's website under 'Interest Rates and Service Charges'.
- Whenever a penal charge is levied, the borrower shall be informed in writing of the reason and quantum.
- Whenever a reminder for non-compliance is sent to a borrower, the applicable penal charges shall also be communicated.

## 8. Changes in Terms and Conditions

- All changes to loan terms (disbursement schedule, interest rates, service charges, prepayment charges, etc.) shall be made only prospectively.
- The Company shall provide the borrower advance written notice of any change in terms and conditions.
- Where a change in terms is to the disadvantage of the borrower, the borrower shall be given an option to close the account or switch within 60 days without payment of any penalty or additional interest.
- All consent and acceptance of changed terms shall be documented.

## 9. Customer Communications

### 9.1 General

- All communications with borrowers shall be in writing (physical or digital), in a language understood by the borrower.
- Phone calls shall be made only to phone numbers or addresses provided in the application form, or as subsequently modified by the borrower.
- Front-line staff shall educate borrowers on concepts of overdue dates, SMA (Special Mention Account) classification, and NPA classification at the time of sanction/disbursement, and communicate the same in writing.



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- Quarterly statements shall be issued to borrowers of floating rate EMI-based personal loans, showing: principal recovered, interest recovered, EMI amount, EMIs remaining, and the APR.

## 9.2 Communication of Important Events

Event	Communication Required
Change in interest rate / charges	Written intimation to borrower before effecting change
Reset of floating rate EMI loans	Six options as per RBI guidelines communicated in writing
Reminder for non-payment	Along with applicable penal charges
Levy of penal charge	Reason and quantum in writing at time of levy
Legal/recovery action	Written notice prior to action
Repossession of security	Written notice with reasonable opportunity to remedy default
Right of set-off exercised	Notice with particulars of remaining claims

## 10. Recovery of Dues

### 10.1 Recovery Process

- The Company shall adopt a fair, respectful, and legally compliant approach to recovery of overdue loans.
- All recovery shall be conducted by trained personnel who have been briefed on this Code and the Company's Code of Conduct for recovery agents.
- The Company shall obtain an undertaking from all recovery agents/DSAs to abide by the Company's Code of Conduct before engagement.

### 10.2 Prohibited Recovery Practices

In compliance with RBI Circular on Outsourcing of Financial Services dated August 12, 2022, the Company and all recovery agents engaged by it shall strictly refrain from:

- Any form of intimidation or harassment — verbal, physical, or digital — against borrowers, guarantors, or their family members.
- Publicly humiliating borrowers (including through social media or by displaying their names/photographs).
- Making recovery calls before 8:00 AM or after 7:00 PM.
- Making anonymous, threatening, or abusive calls.
- Persistently calling borrowers at odd hours or at the workplace in a manner that interferes with their work.
- Sending inappropriate messages on mobile or through social media.
- Making false or misleading representations (e.g., misrepresenting the outstanding amount, legal consequences, or the identity of the caller).
- Interfering in the personal affairs of the borrower beyond what is necessary for recovery of legitimate dues.



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**Compliance Commitment** Any violation of these recovery conduct standards shall be treated as a serious disciplinary matter and may result in termination of the agent's engagement. The Company shall maintain a log of all recovery-related customer complaints and report summary data to the Board quarterly.

## 11. Repossession and Sale of Assets (Hire Purchase / Secured Loans)

- Before initiating repossession proceedings, the Company shall send a formal written notice to the borrower specifying the nature of default and providing a reasonable opportunity (minimum 30 days) to remedy the default.
- Repossession shall be carried out strictly in accordance with the provisions of the hire purchase agreement/loan agreement, applicable state laws, and the SARFAESI Act, 2002 (if applicable).
- Repossessed assets shall not be disposed of arbitrarily. The Company shall follow a transparent and fair valuation and sale process.
- The Company shall provide the borrower with a statement of outstanding dues before sale and a statement of realisation proceeds after sale.
- Any surplus after settlement of all dues shall be returned to the borrower promptly.
- Information regarding repossessed assets (where SARFAESI applies) shall be displayed on the Company's website as per RBI Circular dated September 25, 2023.

## 12. Release of Property Documents and Securities

In compliance with RBI guidelines effective December 1, 2023:

- All original property documents and title deeds shall be released to the borrower within 30 days of full and final repayment of all dues.
- All charges registered against the borrower's property shall be removed/satisfaction filed within 30 days of final settlement.
- The timeline and place of return of documents shall be mentioned in the Sanction Letter.
- The borrower may collect documents from the branch where the loan was availed or any branch where documents are stored.
- If the borrower is deceased, original documents shall be returned to legal heirs. The return procedure shall be displayed on the Company's website.
- If there is a delay beyond 30 days in releasing documents due to the Company's fault, the Company shall pay a penalty of ₹5,000 per day of delay to the borrower.
- In case of loss or damage of title documents by the Company, the Company shall assist the borrower in obtaining certified copies at the Company's cost (additional 30 days allowed).



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## 13. Grievance Redressal

### 13.1 Grievance Redressal Officer (GRO)

The Company has designated a Grievance Redressal Officer (GRO). Until a dedicated GRO is separately appointed, Dr. Prateek Singh (CEO) shall perform the GRO function. Contact details of the GRO are:

- Name: Dr. Prateek Singh (CEO)
- Address: First floor, D-1398, Indira Nagar, Lucknow - 226016
- Email: grievance@swagat.mitrsewa.com
- Phone: 0522 - 3128640

These details shall be prominently displayed on the Company's website and at all branch offices.

### 13.2 Complaint Process

- Borrowers may lodge complaints in writing (by post, email, or in person at any branch), by telephone, or through the Company's website.
- All complaints shall be acknowledged within 5 working days of receipt, with a reference number assigned.
- The Company shall resolve all complaints within 30 calendar days of receipt. Where additional time is required, the complainant shall be informed with reasons.
- If the complaint is not resolved to the borrower's satisfaction within 30 days, the borrower may escalate the matter to the RBI Integrated Ombudsman Scheme (RBI-IOS).
- A monthly log of complaints received, resolved, and pending shall be maintained. A consolidated quarterly report shall be submitted to the Board.
- Annual complaint data shall be disclosed in the Company's financial statements and on its website.

### 13.3 RBI Integrated Ombudsman Scheme

If a complaint remains unresolved for 30 days, or if the borrower is not satisfied with the resolution, they may contact the RBI Integrated Ombudsman at:

- Website: [www.rbi.org.in/cms](http://www.rbi.org.in/cms) (RBI Integrated Ombudsman Scheme portal)
- Toll Free: 14448
- This information shall be prominently displayed on the Company's website and in all branches.

## 14. Non-Discrimination

The Company shall not discriminate in the provision of financial services on the basis of sex, caste, religion, gender, race, disability, or any other ground prohibited by law. Credit decisions shall be based solely on objective financial and creditworthiness criteria applied uniformly.

Risk-based differential pricing is permitted and shall be implemented through a transparent and non-discriminatory risk gradation framework as described in the Interest Rate Policy.



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## 15. Staff Training and Compliance

- All employees, agents, recovery personnel, and DSAs engaged by the Company shall be trained on this FPC before commencement of customer-facing activities.
- A training manual / code of conduct shall be developed and maintained for all categories of staff.
- Periodic refresher training shall be conducted at least once a year.
- Any violation of this FPC shall be treated as a serious disciplinary matter.
- A periodic review of compliance with this FPC shall be carried out and a consolidated report submitted to the Board at least semi-annually.

## 16. Review and Publication

This Fair Practices Code shall be published on the Company's official website in English and, where applicable, in a vernacular language. It shall be displayed at all branch offices. The FPC shall be reviewed at least annually by the Board and updated as required in light of any change in RBI guidelines or business practices.

**Adopted by the Board of Directors of Swagat Hire Purchase and Finance Company.**

Date of Adoption: 02 Feb 2026 | Version: 1.0