

Policy Guidelines on Fair Practices Code – Aryadhan Financial Solutions Pvt Ltd (AFSPL)

Preamble-

This references **RBI Circular No. 2012 - 13/416/DNBS. CC. PD No. 320/03.10.01/2012 - 13 dated February 18, 2013**, wherein the Reserve Bank of India (RBI) has revised the guidelines on the Fair Practices Code for NBFCs to implement the same. As mentioned herein below, the Fair Practices Code conforms with these Guidelines on Fair Practices Code for NBFCs as contained in the aforesaid RBI Circular. This sets minimum Fair Practice 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.

This policy applies to all customers, including those with any complaints/enquiries posted on social / any other media. We encourage all customers to reach out to the platforms below as required. The Company shall adopt all the best practices prescribed by RBI from time to time and shall make appropriate modifications, if necessary, to this Code to conform to the prescribed standards. It is, and shall be, the policy of Aryadhan Financial Solutions Private Limited (AFSPL) to make available to all eligible, qualified applicants without discrimination on the basis of race, caste, colour, religion, sex, marital status, age or handicap all financial products, either directly or through subsidiaries and/or associates.

The Company's policy is to treat all clients consistently and fairly. The employees of the Company will offer assistance, encouragement and service in a fair, equitable and consistent manner. The Company will also communicate its Fair Practices Code (FPC) to its customers by uploading the FPC on its website. The Company will ensure that the implementation of the FPC is the entire organisation's responsibility.

Its commitment to FPC will be demonstrated in terms of employee accountability, training, counselling, monitoring, auditing programs and internal controls, and optimal use of technology. The Company's Board of Directors and the management team are responsible for implementing the fair practices, hereinafter detailed, and ensuring that its operations reflect its strong commitment to all stakeholders.

This Fair Practices Code applies to the following categories of products and services we offer (currently offered or which will be introduced at a future date).

1. Loans, guarantees and other products in the nature of financial assets.
2. Products offered through a network consisting of the branches of the Company, its subsidiaries and associates.

The FPC is applicable to the above irrespective of whether the same is provided physically, over the phone, on the internet or by any other method whatsoever, existing or futuristic.

The key commitments which the Company promises to follow in its dealings with its customers are:

- A. To act fairly and reasonably in all dealings with its customers by ensuring that:
 - Its products, services, procedures and practices will meet the commitments and standards in this FPC.

- Its products and services will meet relevant laws and regulations in letter and spirit, as applicable.
 - Its dealings with its customers will rest on ethical principles of honesty, integrity and transparency.
- B. The Company will assist customers in understanding how its financial products and services work by:
- Providing information about them in simple Hindi and/or English and/or the local language
 - Explaining their financial implications and,
 - Helping the customer choose the one that meets his/her needs
- C. The Company will make every attempt to ensure that its customers have a trouble - free experience in dealing with it. However, in the case of errors, commissions, and omissions, the Company will deal with the same quickly and sympathetically.
- Mistakes will be corrected quickly. Complaints will be handled quickly.
 - If a customer is not satisfied with how a complaint is handled, the Company will guide the customer on how to take the complaint forward.

Sales Origination-

The Company will guide its customers in choosing products and services which meet his/her requirements.

- A. Before the customer relationship is established, the Company will:
- Give the customer information explaining the key features of the services and products the customer has shown interest in. Give information on accounts, products and services which will suit the customer's needs.
 - Clearly state the information that the Company requires to collect from the customer to fulfil its 'Know Your Customer' norms and to comply with legal and regulatory requirements in force from time to time.
 - Request additional information about the customer and his / her family to build a database. Still, the customer will only furnish this information if she/he wishes to do so.
- B. The Company will provide information on the various channels that can be used to access its products and services. The customer will also be informed of where further information is available.
- C. Once a customer has chosen a product, the Company will tell the customer how it works.
- D. The Company will guide its customer on rights and responsibilities specific to the mode of operation under which the product is taken.

Loans and Advances-

Before offering any non-banking facility, the Company will assess the ability of the customer (prospective borrower) to repay.

Application for loans and their processing-

- A. Loan application forms of the Company will include necessary information which are likely to affect the interests of the prospective borrower, so that a meaningful comparison with the terms and conditions offered by other Non-Banking Finance Companies can be made and an informed decision taken by the prospective borrower.
- B. The loan application form shall indicate the documents required to be submitted along with the application form.
- C. The Company shall provide the prospective borrower with an acknowledgement of receipt of all loan applications. An indicative time frame within which loan applications will be disposed of will be mentioned in such declaration.
- D. All communications to the borrower shall be in the vernacular language or a language the borrower understands.

Loan Appraisal & terms/ conditions-

- A. AFSPL shall convey in writing to the borrower in the vernacular language as understood by the borrower by means of sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions, including annualised rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record.
- B. As complaints received against NBFCs generally pertain to charging of high interest/penal interest, AFSPL shall mention the penal interest charged for late repayment in bold in the loan agreement. Appropriate internal principles and procedures for determining interest and other charges shall be laid down and be subjected to review keeping in view the business exigencies, regulatory and customer sentiments, market practices etc. The acceptance of the terms and conditions communicated by the borrower shall be preserved by the Company in its records.
- C. AFSPL shall furnish a copy of the loan agreement, preferably in the vernacular language as understood by the borrower, along with a copy of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction/disbursement of loans.

Disbursement of loans, including changes in terms & conditions-

- A. The Company shall notify the borrower in the vernacular 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 ensure that changes in interest rates and other charges are affected only prospectively. The loan agreement shall contain a specific clause to this effect.
- B. The decision of the Company to recall/accelerate payment or performance shall be in consonance with the terms of the loan agreement.
- C. The Company shall release all securities upon repayment of all dues or on the realisation of the outstanding amount of loan subject to any legitimate right or Lien for any other claim it will have against the borrower. In case such right of set-off is to be exercised, the borrower shall be given due notice with full particulars about the outstanding claims and the conditions under which the Company is entitled to retain the securities till the relevant claim is settled/paid.

General-

- A. AFSPL shall refrain from interfering in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement unless new information, not earlier disclosed deliberately or otherwise by the borrower, has come to its notice.
- B. In case of receipt of a request from the borrower for transfer of a borrower account to another NBFC, bank or financial institution, the consent or otherwise shall be conveyed within 21 days from the date of receipt of such request. Such transfer shall be in accordance with the contractual terms entered into with the borrower and in consonance with the statutes, rules, regulations and guidelines as will be applicable from time to time.
- C. In the matter of recovery of loans, the Company shall resort only to remedies which are legally and legitimately available to it and will avoid using recovery measures during odd hours of the day, undue harassment, or use of muscle power for recovery of loans. Complaints from customers also include rude behaviour from the staff of the companies. AFSPL shall ensure that the staff are adequately trained to engage with customers appropriately.
- D. There shall be no discrimination in extending products and facilities, including loan facilities, to the physically/visually challenged applicants on the grounds of disability (Ref: RBI Circular No. DNBS.CC.PD.No. 191/03.10.01/2010 - 11 dated July 27, 2010).

Terms and Conditions-

- A. When a customer accepts a product or service for the first time, the Company will provide the customer with the Rules and Regulations that are relevant to the product/service.
- B. All Terms and Conditions will be fair and set the customers' rights and responsibilities clearly and in plain language; the Company will use legal or technical language only where necessary.
- C. The Company will make available any charges applicable to products and services applicable
- D. If the Company increases any charges or introduces a new charge, the Company will notify the customers.
- E. The Company will provide the terms and conditions for any product or service whenever a customer requests the same.

Marketing and Product Synergy-

- A. The Company will ensure that all advertising and promotional material is clear, fair, reasonable and not misleading.
- B. The Company will provide the customers with a full range of financial products the customer is eligible for. Some of these products/services will belong to the Company; others will be the products of the group or associate companies and also, companies with which the Company has arrangements with.
- C. It will be the endeavour of the AFSPL to bring synergy between the various financial services and financial products by cross- selling these products to its clientele.

Confidentiality-

- A. Unless authorised by the customer, the Company will treat all personal information as private and confidential.

- B. The Company will not reveal transaction details to any entity within the group other than the following exceptional cases.
- If the Company have to provide the information by statutory or regulatory laws,
 - If there is a duty to the public to reveal this information.
 - If its interest requires us to provide this information (e.g. fraud prevention). The Company will not use this reason for giving information about customers to anyone else (including group companies) for marketing purposes.
 - If the customer has given consent/concurrence to provide/share such information to its group/associate/entities or companies for providing other products or services.
 - Where the customer asks us to reveal such information to its group/associate/entities or companies for providing other services or products

Grievance Redressal Mechanism-

The Company shall also lay down the appropriate grievance redressal mechanism within the organisation to resolve disputes arising in this regard. Such a mechanism shall ensure that all disputes arising from the decisions of the Company's functionaries are heard and disposed of at least at the next higher level. The Board of Directors shall also provide for a periodic review of the compliance of the Fair Practices Code and the functioning of the grievance's redressal mechanism at various levels of management. A consolidated report of such reviews shall be submitted to the Board at regular intervals, as may be prescribed by it. To start with Company may provide the same every quarter.

- A. The Company will guide customers who wish to lodge a complaint and provide guidance on what to do if the customer is unhappy with the outcome.
- B. After examining the matter, the Company will respond as soon as possible; the Company will also guide a customer on taking the complaint further if the customer is unsatisfied.
- C. A nodal officer shall be appointed for the redressal of grievances of the customers, including the borrowers, in connection with any matter pertaining to business practices, lending decisions, credit management and recovery. The name and contact details of the nodal officer shall be displayed on the website of the Company.
- D. Internally constituted Customer Grievance Redressal Council comprising senior management officials to review with the Nodal Officer and oversee the Grievance Redressal Mechanism.
- E. As per RBI Circular No.RBI / 2012 - 13/416 DNBS .CC.PD.No.320/03.10.01/2012 - 13, the Company shall display the following information prominently, for the benefit of the customers, at their branches/places where business is transacted: the name and contact details (Telephone/Mobile nos. as also email address) of the Grievance Redressal Officer who can be approached by the public to resolve complaints against the Company. If the complaint/dispute is not redressed within one month, the customer may appeal to the Officer-in-Charge of the Regional Office of DNBS of RBI (complete contact details), under whose jurisdiction the registered office of the Company falls i.e. Kanpur Regional Office.

In short, the public notice shall serve the purpose of highlighting to the customers the grievance redressal mechanism followed by the Company, together with details of the grievance redressal officer and of the Regional Office of the RBI.

Mechanism to handle customer complaints/ grievances Customers who wish to provide feedback or send in their complaint may use the following channels between 9:30 am and 6:00 pm, from Monday to Friday (except on national holidays).

- Call our Customer Service Helpline on +91 9015260260
- Email us at AFSPL- Contact@arya.ag
- Write to us at the below-mentioned address: Aryadhan Financial Solution Pvt. Ltd. - H82, Sector 63, Noida - 201001

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

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

- Contact Name: Nitendra Gupta
- Contact Number: 01204859319
- Email Id: nitendra.gupta@aryadhan.co.in

If the response received through the above channels is unsatisfactory, they can write to the Head of our Complaint Redressal Cell at: complaints@aryadhan.in. We assure a response to letters / emails received through this channel within 5 working days.

If the complaint/dispute is not redressed within one month, the customer may appeal to the Officer - in - Charge of the Regional Office of the Department of Non-Banking Supervision of RBI under whose jurisdiction the Registered Office of the Aryadhan falls.

The details of DNBS is as given below:

Dy. General Manager, Department of Non-Banking Supervision, Reserve Bank of India, Post Box No. 82/142, Mahatma Gandhi Road, Kanpur- 208001

Regulation of Excessive Interest Rate-

- A. AFSPL shall adopt an interest rate model considering relevant factors such as cost of funds, margin and risk premium, etc., and determine the rate of interest to be charged for loans and advances. The rate of interest, the approach for gradations of risk, and the rationale for charging different rates of interest to different categories of borrowers shall be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.
- B. The rates of interest and the approach for gradation of risks shall also be made available on the website of the companies or published in the relevant newspapers. The information published on the website or otherwise published should be updated whenever there is a change in the rates of interest.
- C. The rate of interest should be annualised rates so that the borrower is aware of the exact rates that would be charged to the account.

As per the circular issued on July 14, 2014, the Company shall not charge foreclosure charges/prepayment penalties on all floating rate term loans sanctioned to individual borrowers.

As will be in force from time to time, the contents of this document shall be read in conjunction with these guidelines, directives, instructions and advice.