

Anand Rathi Global Finance Limited

FAIR PRACTICE CODE POLICY

Version	Approval	Version Description	Regulatory Reference
I	Board Meeting dated October 26 2015	Formation	RBI Regulation
II	Board Meeting dated March 15 2017	Review	RBI Regulation
III	Board Meeting dated September 3 2021	Review	RBI Regulation

TABLE OF CONTENTS

Sr. No.	Particulars
1	Introduction
2	Objective
3	Applications for loans and their processing
4	Loan appraisal and terms / conditions
5	Disbursement of loans including changes in terms and conditions
6	Credit Reference Agencies
7	Customer Protection
8	General Provisions
9	Confidentiality
10	Interest Rate Policy
11	Grievance Redressal
12	Disclosures
13	Responsibility of Board of Directors
14	Review

1. Introduction

The Reserve Bank of India (RBI) had issued the guidelines on Fair Practices Code for Non-Banking Finance Companies (NBFCs) in Master Direction vide circular - DNBS (PD) CC No. 80 / 03.10.042 / 2005-06, dated September 28, 2006 (as modified, amended and updated from time to time) which sets the fair practices standards when dealing with individual customers and to serve as a part of best corporate practice.

Based on this, **Anand Rathi Global Finance Limited (hereafter referred as 'ARGFL', 'the Company')**, formulated this Policy known as Fair Practices Code ("FPC").

2. Objective of the Code

- a) To ensure Fair Practices while dealing with the customers and promote good, fair and trustworthy practices by setting up minimum standards;
- b) To ensure greater transparency enabling customers in having a better understanding of the product and taking informed decisions;
- c) To ensure that clients are advised of the terms and conditions of products/ services provided in a comprehensive manner for their consideration prior to commitment of a transaction;
- d) To monitor and administer client accounts in a fair and transparent manner consistent with the terms and conditions of the facility provided;
- e) Recovery and enforcement, where necessary is conducted following due process of law.
- f) To ensure compliance of applicable regulations prescribed by RBI relating to fair practices.

3. Applications for loans and their processing

- a) The official language for all communications within the Company or with third parties shall be English.
- b) All communications to the borrower shall be in English or in vernacular language / the language as understood and confirmed by the borrower.

The borrower shall be provided with the loan application form, interalia, including broad features, terms and conditions governing the loan, indicating the primary list of documents including KYC documents required to be submitted with the application form. Any other documents required to be submitted with the loan application will also be informed to the borrower.

- c) All relevant information pertaining to the loan will be made available in the relevant loan application form(s), including the necessary loan information and documents required to be submitted together with the duly completed application form.
- d) Receipt of completed applications forms will be duly acknowledged and the acknowledgement would also indicate the approximate timeframe within which the loan applicant would be disposed off.
- f) ARGFL will furnish a copy of loan agreement along with a copy of each enclosures quoted in the loan agreement to all clients at the time of sanction/disbursement of loan.

4. Loan appraisal and terms / conditions

- a) Loan applications shall be assessed in accordance with the company's credit appraisal process.
- b) Upon approval of the loan, the company shall convey in writing to the borrower in English or in vernacular language or in language as understood by the borrower an agreement/sanction letter indicating the amount of loan sanctioned, annualized rate of interest applicable, including method of application thereof, along with the terms and condition. A written acceptance of such terms and conditions shall be retained by the company.
- c) The company shall mention the penal interest charged for late repayment in bold in the loan agreement/sanction letter.
- d) The Company shall not charge foreclosure charges / prepayment penalties on all floating rate term loans sanctioned to individual borrowers.

5. Disbursement of loans including changes in terms and conditions

- a) Any changes in the terms and conditions, adverse to the borrower, including interest rates, service charges, prepayment charges etc. shall be informed to the client in writing in English or in vernacular language or the language as understood by the borrower.
- b) For any account specific charges, the changes will be communicated in writing to the borrower.
- c) Changes in interest rates and other charges shall be effective prospectively.
- d) Decision to recall any loan shall be done in accordance with the terms and conditions of the loan agreement.
- e) All securities pertaining to the loan would be released on receipt of full and final payment of the loans, subject to any legitimate right or lien, and set-off for any other claim that the company may have against the borrowers. If such right of set-off is to be exercised, the borrower shall be given notice about the same, with full particulars about the remaining claims and the conditions under which the Company is entitled to retain the securities until the relevant claim is settled /paid.

6. Credit Reference Agencies

- a) When a person applies for a loan product, Company may pass on such details, for purposes of credit reporting, verification and risk management, as may be required to Credit Reference Agencies. Company will exchange information about our customers with reputable reference sources and clearing house services.
- b) Company may give information to such credit reference agencies about the loans taken from us, Customer repayment track record and other appropriate details to build your credit profile.
- c) Company may provide such credit reference agencies information about day to day running of your account as per the consent provided Customer in our loan agreement terms.
- d) Company may provide such information to our group/associate entities or companies when we have tie up arrangements for providing other financial products, provided we have Customer's permission, through consent obtained as apart of our terms and conditions.

7. Customer Protection

Company will treat our customer's personal information as private and confidential and will not reveal details of customer's dealings with us to a third party unless authorized by customer. Unless authorized by customer, we will not reveal transaction details to any other entity including other than the following exceptional cases:

- a) If we have to give the information by law.
- b) If there is a duty towards the public to reveal the information.
- c) If our interest requires us to provide this information (e.g. fraud prevention) to Banks/Financial Institutions/Our Group or Associate Companies.

8. General Provisions

- a) ARGFL shall refrain from interference with the business of the borrowers except under the terms and conditions of the loan agreement (unless new information, not disclosed earlier, by the borrower has come to the notice of ARGFL).
- b) Where the borrower insists on transferring the loan the consent or otherwise i.e. the objection if any, would be conveyed within 21 days from the date of receipt of such request of the borrower.
- c) For recovery of loan, ARGFL shall follow procedures as laid down in the internal guidelines and provisions and would remain within the legal framework. ARGFL and its representatives shall not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc. ARGFL shall ensure there is no rude behavior from its staff towards customers for which staff will be adequately trained to deal with the customers in an appropriate manner.
- d) ARGFL shall not discriminate on the grounds of gender, caste, or religion in its lending activities.
- e) ARGFL shall ensure that its staff is adequately trained to deal with the customers in an appropriate manner.
- f) ARGFL shall not charge foreclosure charges/ pre-payment penalties on floating rate term loans sanctioned for purpose other than business to individual borrowers with or without co-obligant (s).

9. Confidentiality

- a) Unless authorized by the customer, the ARGFL shall treat all the personal information of its customers as private and confidential.
- b) ARGFL may not reveal transaction details of the borrowers to any other entity including within the group except under the following exceptional circumstances:
 - ARGFL has its duty to provide the information by statutory or regulatory laws including information to statutory bodies, law enforcement agencies, CIBIL, RBI and or other banks/financial institutions, any other state, central or any other regulatory body, including courts and tribunals having jurisdiction
 - Customer has authorized ARGFL in writing, to provide such information
 - If it is in the public interest to disclose such customer information.
 - If its interest requires us to provide this information (e.g. Fraud prevention).

10. Interest Rate Policy

- a) While fixing the rate of interest on loans, the company will take into consideration the cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances.
- b) ARGFL will ensure that it will not charge excessive interest rates to its borrowers. ARGFL would arrive at the interest rate for its clients taking into account the broad parameters such as risk profile of the client, interest rate trends prevailing in the money market, cost of funds, collateral security offered by client/ structure of the deal and Interest rate charged by competitors.

- c) Interest rates would be on an annualized basis and would be communicated explicitly in the sanction / welcome letter or otherwise letter.
- d) Pursuant to notification no. DNBS.204/CGM (ASR)-2009 dated 2 January 2009 in respect to regulation of excessive interest charged by NBFCs, ARGFL has adopted an Interest Rate Policy taking into account relevant factors such as cost of funds, margin and risk premium, etc. to determine the rate of interest to be charged for loans and advances. The Interest Rate Policy also covers the rate of interest and the approach for gradation of risk and rationale for charging different rate of interest to different categories of borrowers and same is published and disseminated on the web-site of the Company.

11. Grievance Redressal

- a) In case of any complaint/grievance, the borrowers may contact through any of the following channels: Phone, mail, contact address.
- b) Customer who wishes to provide feedback or send in their complaint may use the following channels between 9.30 am to 6.00 pm, from Monday to Friday (except on national holidays).

- Call us on 6281 7003 or
- Email us at nbfc_grievance@rathi.com
- Write to us at the below mentioned address

Anand Rathi Global Finance Limited
10th Floor, Express Zone, Western Express Highway, Goregaon Mumbai - 400 063

- c) The Company shall provide for periodical review of the compliance of this Fair Practice Code and the functioning of the grievance redressal mechanism at various levels of management.
- d) A nodal officer and principal nodal officer shall be appointed for the redressal of the customer grievances including the borrowers, in connection with the any matter pertaining to business practices, lending decisions, credit management and recovery. The name and contact detail of both officers shall be displayed on the website of the Company
- e) ARGFL has appointed a Grievance Redressal Officer who can be approached by the public for resolution of complaints against the Company.

Grievances Redressal Officer: Mr. Sachin Shah
Telephone: 022 6281 7003
Fax: 022 4047 7070
E-mail: nbfc_grievance@rathi.com

- f) After examining the matter, it will be our endeavor to provide the borrower/applicant with our final or other response, within a period of one month from receipt of such complaint/grievance.

If the complaint/dispute is not redressed within a period of one month, the customer may appeal to Officer- in - Charge of the Regional Office of Department of Non-Banking Supervision of RBI under whose jurisdiction the registered office of the ARGFL falls. The detail of DNBS is as given below:

Dy. General Manager, Department of Non-Banking Supervision
Reserve Bank of India, Mumbai Regional Office
3rd Floor, Near Maratha Mandir,
Byculla, Mumbai Central,
Mumbai - 400008
Tel. No.: 022-2308 4121 / 022-23028436
Fax No.: 022-23022011
Email: dnbsmro@rbi.org.in

12. Disclosures

In compliance with the guidelines on 'Fair Practices Code', ARGFL shall publish and disseminate the Fair Practices Code in English on the web-site of the Company and all the branches of the Company, and any borrower or client who wishes to obtain the same in vernacular language may request ARGFL to provide a translation thereof.

13. Responsibility of Board of Directors

The Board of Directors of ARGFL has adopted the appropriate grievance redressal mechanism within the organization. Such a mechanism shall ensure that all disputes arising out of the decisions of lending institutions' functionaries, complaints relating to updating/alteration of credit information and complaints pertaining to outsourced services are heard and disposed of at least at the next higher level. The Board of Directors shall 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 shall be submitted to the Board at regular intervals, as may be prescribed by it.

14. Review

- a) The Company reserves the right to amend /alter /modify the codes as mentioned herein above and provide updates from time to time, not affecting/sacrificing the underlining spirit of the code.
- b) The Company shall periodically review the compliance of this Code and the functioning of the grievance redressal mechanism at various levels of management.