

## **Fair Practices Code Policy**

### **1. Introduction**

Aadhar India Finvest Limited, a Non-Banking Finance Company (“NBFC”) registered with Reserve Bank of India (“RBI”) is presently in the business of offering various kinds of financial products and services to its customers. The code will facilitate the customers to take informed decisions in respect of the financial products and services to be availed by them from the Company and will apply to all loan that the Company may sanction and disburse.

The standards set out in this policy are minimum requirements based on applicable legal and regulatory requirements as issued by Reserve Bank of India.

Pursuant to the Notification issued by the Reserve Bank of India by its Circular no. RBI/2015-16/16 DNBS (PD) CC No. 054/03.10.119/2015-16 dated 1ST July, 2015, and Master Direction DNBR.PD.008/03.10.119/2016-17 (circular no. RBI/DNBR/2016-17/45) dated 1st September,2016 (updated on 22.02.2019) (as amended from time to time) has prescribed the guidelines on fair practices that are to be framed and approved by the Board of Directors of all NBFC’s. The fair practices code so framed and approved by the Board of Directors should be published and disseminated for the information of the public at the website of the Company as well as at the Registered / Corporate offices of the Company in English in the vernacular language of the place where the Registered / Corporate offices is located.

This Fair Practice Code is aimed to provide to all the stakeholders, especially customers effective overview of practices followed by the Company in respect of the financial facilities and services offered by the Company to its customers.

### **2. The objectives of the Code are:**

a.To promote and ensure good business practices in dealing with its customers, during on-boarding, loan processing, disbursal and loan service period upto the termination of the loan;

b.To promote a fair relationship and transparency between the customer and the Company; so that customer can have a better understanding of the level of service that can be expected from our Company, and the charges inclusive of Interest rates, processing fees and all other charges levied by the Company.

c.To ensure compliance with legal norms in matters relating to recovery of loan amount with other charges including delays and late payments charges, re-possession of assets and repayment mechanism charges;

d.To strengthen mechanisms for redressal of customer grievances;

e.To foster customer confidence in the Company

### **3. Applications for loans and their processing:**

This code applies to financial products and services offered by the Company currently or which may be introduced at a future date.

All communications to the borrower will be in the vernacular language or a language as understood by the borrower or with an undertaking that the borrower has understood all terms in totality, irrespective of the language in which he has signed the documents, after going through the same in his vernacular language.

Loan application forms would include necessary information related to the loan being advanced to the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFCs and lenders can be made and an informed decision can be taken by the borrower. The loan application form would indicate the documents required to be submitted with the application form as also required later for sanctioning and disbursal of the loan/facility

The Company will have a system of giving acknowledgement for receipt of all loan applications. The time frame within which loan applications will be disposed of will be indicated in the acknowledgement.

The Company will also communicate to the borrower if the loan is rejected.

### **4. Loan appraisal and terms/conditions:**

The Company will ensure that there is proper assessment of credit application made by borrowers. The assessment would be in line with the Company's credit policies and procedures.

The Company will convey in writing to the borrower in the vernacular language or a language as understood by the borrower by means of sanction letter, 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.

The Company will mention the processing fees, other charges, rate of interest and penal interest charged for late repayment in bold in the loan agreement.

The code is applicable to all the above products of the Company irrespective of whether the product /service is provided at the dealer point or any agency premises or the company's own offices or Group companies.

#### **5. Disbursement of loans including changes in terms and conditions:**

a. The Company will ensure timely disbursement of loans sanctioned in conformity with the terms and conditions governing such sanction. The Company will give notice to the borrower in the vernacular language or a language as understood by the borrower, of any change in the terms and conditions, including disbursement schedule, interest rates, service charges, prepayment charges etc.

b. The Company will ensure that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard shall be incorporated in the loan agreement.

c. Decision to recall / accelerate payment or performance under the agreement will be in consonance with the loan agreement.

d. The Company will release all securities on repayment of all dues or on realisation of the outstanding amount of loan subject to any legitimate right or lien for any other claim that the Company may have against the borrower. If such right of set off is to be exercised, the borrower will be given notice about the same in writing with full particulars about the remaining claims and the conditions under which the Company is entitled to retain the securities till the relevant claim is settled/ paid.

#### **6. General:**

The Company will refrain from interference 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 by the borrower, has come to the notice of the Company), or in line with any compliance or regulatory requirement of inspection and audit of the borrowers business activities.

In case of receipt of request from the borrower for transfer of borrower's account, the consent or otherwise i.e. objection of the Company, if any, will be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.

In the matter of recovery of loans, consistent with its policy, the Company will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc.

The Company will adequately train the collection executives and other staff to deal with the customers in an appropriate manner.

The Company will call delinquent customers only between 0700 hrs. to 1900 hrs., unless

- under special circumstances, as decided by the company, require calling customers outside the hours mentioned above.
- The Company may initiate such actions as required for enforcing security charged to it of the delinquent borrower, if required, with the aim only to recover dues, cost and expenses incurred of such enforcement action.
- The Company shall ensure that the entire process of enforcing its security, valuation and realization thereof would be fair and transparent

## **7. Responsibility of Board of Directors**

A grievance redressal mechanism within the organisation has been set up to resolve the disputes with the customers arising out of the decisions of the Company's functionaries are heard and disposed of at least at the next higher level.

There will be a 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 will be submitted to the Board at regular intervals, as may be prescribed by it.

## **8. Grievance Redressal**

“Complaint”- A complaint means an expression of dissatisfaction made to Aadhar India Finvest Limited by any borrower or someone legally representing their interests, about our products, services or our complaint-handling process, where a response or resolution is explicitly or implicitly expected.

The following information will be displayed prominently, for the benefit of the customers, at all branches / places of the Company where business is transacted:

The name and contact details (Telephone / Mobile nos. as also email address) of the Grievance Officer/Nodal Officer/Principal Nodal Officer who can be approached for resolution of complaints against the Company.



Mr. Chetan Singla, shall be the Grievance Redressal Officer/Nodal Officer/Principal Nodal Offices of the Company who will examine the matter and redress the complaint as soon as possible however not later than one month from the date of complaint.

8.1 Grievance Officer/Nodal Officer/Principal Nodal Officer,

Mr. Chetan Singla

Aadhar India Finvest Limited,

A-301

Municipal Heights

Sector 104, Mohali -140307

Email: [Grievances@pashupal.in](mailto:Grievances@pashupal.in)

Tel. +91-9780042102



If the complaint / dispute is not redressed within a period of one month from the date of receipts of such complaint, then the customer may appeal to Regional Office of DNBS of RBI, under whose jurisdiction the registered office of the Company falls and also the Ombudsman under the Omdudsman Scheme. Contact details:



**8.2 Deputy General Manager**

**Department of Non- Banking Supervision**

**Reserve Bank of India, 6, Sansad Marg,**

**New Delhi-110001**

**Tel: 011-2371 4456/ 0538**

**Fax:011-2375 2188**

Regional Office Delhi

The Ombudsman,

Reserve Bank of India, 6, Sansad Marg,

New Delhi - 110001,

8.3.3 Display a template of the Selling features of the ombudsman schemes

## 9.Regulation of rate of interest

a.The Board of Directors has adopted an interest rate model for determining the rate of interest to be charged on loans and advances, processing and other charges taking into account relevant factors such as, cost of funds, margin and risk premium, etc. The rate of interest and the approach for gradations of risk and rationale for charging different rate 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, as also displayed on the company's website and updated from time to time.

c.The rate of interest would should be annualised rates so that the borrower is aware of the exact rates that would be charged to the account.

d. As a measure of customer protection, Company shall not charge foreclosure charges/pre-payment penalties on all such floating rate term loans sanctioned to individual borrowers, as prescribed by the concerned regulatory authorities from time to time.

(h)Pursuant to the provisions of SARFAESI Act 2002, notice and the incident of repossession shall be published in any Newspaper and/or media(print, social etc.).