

ASHWINI FINANCE PRIVATE LIMITED

Fair Practices Code (FPC)

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FAIR PRACTICES CODE

AFPL is a technology enabled financial-services company specialising in financing pre-owned Two Wheelers using proprietary underwriting tool and is committed to sanction loans to customers with bare minimum documentation. We intend to target the most under-served yet deserving strata of customers and fulfil their dream of enhancing mobility in their lives by owning a two-wheeler. We endeavour to offer seamless and absolute hassle free experience to our customers and make a difference in their life by enabling access to finance at a competitive price. The organization endeavours to follow the policy guidelines laid down by the Reserve Bank of India (RBI) to set up fair business practices while dealing with its customers.

AFPL is committed towards making two wheeler/ three wheeler / four wheeler and other finance options available to all deserving and eligible customers. This will be done without any discrimination on the basis of race, caste, colour, religion, sex, marital or status, in regards to all financial products, so as to act fairly and reasonably in all its dealings with customers. AFPL was founded with the aim of eliminating the immobility in the lives of millions of Indians and empower them by facilitating finance to own a vehicle, resulting in opening up several business opportunities to them

AFPL will ensure that the implementation of this Fair Practices Code (“FPC” / “Code”) becomes the responsibility of the entire organization and its employees. The Company’s fair lending practices shall apply across all aspects of its operations including marketing, loan origination, processing, and servicing and collection activities. Its commitment to FPC will be demonstrated in terms of employee accountability, training, counselling, and monitoring, auditing programs and internal controls, optimal use of technology and empathy to the needs of its customers across channels. At the same time, we will remain cognizant of our customer’s need for privacy and confidentiality for their personal data. Unless, mandated by government regulations or an order issued by the relevant court of law, we will maintain strict privacy codes for data of our customers. The company commits to laying down the appropriate grievance redressal mechanism for its customers and resolve disputes arising in this regard by helping customers with the appropriate redressal mechanism along with highlighting the relevant authority for the same. AFPL remains committed towards adopting all the best practices prescribed by RBI from time to time and shall make appropriate modifications if any necessary to this Code to conform to the standards as prescribed.

Accordingly, this FPC has been formulated pursuant to the Guidelines on Fair Practices Code provided in the Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India (“RBI”) vide its Master Direction bearing No. RBI/DNBR/2016-17/44 – DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016.

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1. OBJECTIVES OF THE CODE

This Fair Practices Code for AFPL seeks to provide transparency and clarity to the borrowers with regard to their transactions.

This Code has been developed to:

- (a) Promote good and fair practices by setting minimum standards in dealing with borrower/s;
- (b) Increase transparency so that the borrower/s can have a better understanding of what they can reasonably expect of the services; and
- (c) Promote a fair and cordial relationship with borrower/s.

2. APPLICATION OF CODE

All parts of this Code apply to all the products and services, whether they are provided by the Company across the counter, over the phone, by post, through interactive electronic devices, on the internet or by any other method.

3. FAIR AND TRANSPARENT DEALINGS WITH BORROWER/S

We shall stay committed to act in a fair and transparent manner in all dealings with its, by ensuring that:

- (a) Meeting the commitments and standards in this Code, for the products and services we offer, and in the procedures and practices our staff follows;
- (b) Making sure that our products and services meet relevant laws and regulations in letter and spirit; and
- (c) Ensuring that our dealings with borrower/s rest on ethical principles of integrity and transparency.

4. LOANS

(i) Applications for loans & their processing –

- (a) We shall include in the Loan Application forms necessary Information which affects the interest of the borrower/s, so that a meaningful comparison with the terms and conditions offered by other lenders can be made & informed decision can be taken by the borrower/s. The loan application form shall contain the list of documents required to be submitted with the application form.
- (b) We shall follow the System of giving Acknowledgement for receipt of all Loan Applications. Preferably, the time frame within which Loan Applications will be disposed of would also be indicated to the customer, keeping in mind the level of Authority to which the Loan Proposal would be forwarded for final decision.

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(c) All Communications to the borrower/s will be in the vernacular language or a language as understood by the borrower/s.

(ii) Loan appraisal and terms/conditions –

(a) Normally all particulars required for processing the Loan Application shall be collected by us at the time of Application. In case we need any additional information, the Borrower/s would be told that he would be contacted immediately again.

(b) We shall convey in writing to the borrower/s in the vernacular language or a language as understood by the borrower/s, the amount of loan sanctioned along with the terms & conditions including annualized rate of interest, method of application thereof, EMI Structure, and any other charges if any, and shall keep the written acceptance of all these terms and conditions by the borrower/s in our records. We shall mention the penal interest charged for late repayment in bold in the loan agreement.

(c) We shall provide copy of the loan agreement along with a copy of each of the enclosures quoted in the loan agreement to every borrower/s subsequent to disbursement of loans.

(iii) Disbursement of loans including changes in terms and conditions

(a) We shall give notice to the borrower/s in the vernacular language or a language as understood by the borrower/s of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges, other applicable fee/charges etc. We shall also 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. We shall not charge foreclosure charges/pre-payment penalties on floating rate term loans, if any, sanctioned to individual borrowers.

(b) Before taking a decision to recall / accelerate payment or performance under the Agreement or seeking additional securities, we shall give notice to borrower/s in consonance with the Loan Agreement.

(c) We shall release all Securities within 60 working days of repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim that we may have against the borrower/s. If such right of set off is to be exercised, the borrower/s shall be given a prior notice about the same with full particulars about the remaining claims & the conditions under which we are entitled to retain the securities till the relevant claim is settled / paid.

5. GUARANTORS

When a person intends to be Guarantor for a loan, he / she will be informed about his/her Liability as Guarantor.

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6. PRIVACY AND CONFIDENTIALITY

All personal information of borrower/s shall be treated as private and confidential [even when the borrower/s are no longer customers of AFPL] and shall be guided by the following principles and policies. We shall not reveal information or data relating to borrower/s account, whether provided by the borrower/s or otherwise, to anyone, including other companies / entities in our group, other than in the following exceptional cases:

- (a) If the information is to be given by law.
- (b) If there is a duty towards the public to reveal the information.
- (c) If our interests require them to give the information (for example, to prevent fraud) but it should not be used as a reason for giving information about borrower/s or borrower/s accounts [including borrower/s name and address] to anyone else, including other companies in the group, for marketing purposes.
- (d) If the borrower/s asks us to reveal the information, or with the borrower/s permission.
- (e) If we were asked to give a reference about borrower/s, we shall obtain his / her written permission before giving it.
- (f) The borrower/s shall be informed the extent of his / her rights under the existing legal framework for accessing the personal records that we hold about him /her.

7. COLLECTION OF DUES / RECOVERY

- (i) Whenever loans are given, we shall explain to the borrower/s the repayment process by way of amount, tenure and periodicity of repayment. However if the borrower/s does not adhere to the repayment schedule, a defined process in accordance with the laws of the land shall be followed for recovery of dues. The process will involve reminding the borrower/s by sending him / her notice or by making personal visits and / or repossession of security, if any.
- (ii) Our collection strategy will be built on courtesy, fair treatment and persuasion. We will provide borrower/s with all the information regarding dues and shall endeavor to give sufficient notice for payment of dues.
- (iii) All the members of the staff or any person authorised to represent us in collection and/or security repossession shall be adequately trained to deal with the borrower/s in an appropriate manner and shall follow the guidelines set out below:
 - (a) Borrower/s would be contacted ordinarily at the place of his / her choice and in the absence of any specified place at the place of his / her residence and if unavailable at his / her residence, at the place of business / occupation.
 - (b) Identity and authority to represent the Company will be made known to the customer at the first instance.
 - (c) Borrower/s privacy would be respected.
 - (d) Interaction with the borrower/s shall be in a civil manner.
 - (e) Company's representatives shall contact the Borrower/s between 0700 hrs and 1900 hrs, unless the special circumstances of the customer's business or occupation require otherwise.

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- (f) Customer's request to avoid calls at a particular time or at a particular place shall be honored as far as possible.
- (g) Time and number of calls and contents of conversation would be documented.
- (h) All assistance shall be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
- (i) During visits to customer's place for dues collection, decency and decorum should be maintained.
- (j) Inappropriate occasions such as bereavement in the family or such other calamitous occasions should be avoided for making calls/visits to collect dues.

8. COMPLAINTS AND GRIEVANCES

Internal Procedures

- (a) The Company has established the system and procedures for receiving, registering and disposing of complaints and grievances in each of its offices.
- (b) The Board of Directors of the Company has laid down the appropriate grievance redressal mechanism within the organization to resolve complaints and grievances. Such mechanism ensures that all disputes arising out of the decisions of the functionaries are heard and disposed of at least at the next higher level.
- (c) The Company shall display the Grievance Redressal Procedure prominently at all branches / places where business is transacted for the benefit of their customers.
- (d) Grievance Redressal Procedure is set out in **Annexure A** to this Code.

9. REPOSSESSION OF VEHICLES

AFPL has a built in re-possession clause in the contract/loan agreement with the borrower which is legally enforceable. To ensure transparency, the terms and conditions of the contract/loan agreement also contain provisions regarding:

- (a) notice period before taking possession;
- (b) circumstances under which the notice period can be waived;
- (c) the procedure for taking possession of the security;
- (d) a provision regarding final chance to be given to the borrower for repayment of loan before the sale / auction of the property;
- (e) the procedure for giving repossession to the borrower; and
- (f) the procedure for sale / auction of the property.

A copy of the above terms and conditions will be made available to the borrower alongwith the copy of the loan agreement.

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10. GENERAL

- (a) We shall refrain from interference in the affairs of the borrower except for the purposes in the terms and conditions of the loan agreement (unless information, not earlier disclosed by the borrower, has been noticed).
- (b) We will verify the details mentioned by the Borrower/s in the loan application by contacting him / her at his / her Residence & / or on business telephone numbers & / or physically visiting his / her residence & / or business addresses through staff or through Agencies appointed for this purpose, if deemed necessary by us.
- (c) We shall advise the Borrower/s that if the Borrower/s acts fraudulently, he / she will be responsible for all losses on his / her account & that if the Borrower/s acts without reasonable care & this causes losses, the Borrower/s may be held responsible for the same.
- (d) We shall not discriminate on grounds of sex, caste & religion in the matter of Lending. However, this does not preclude us from instituting or participating in Schemes framed for different Sections of the Society.
- (e) We shall process requests for transfer of a loan account, either from the borrower/s or from a bank / financial institution, in the normal course. In case of receipt of request from the borrower/s for transfer of the loan account, the consent or otherwise i.e. objection of the Company, if any, shall be conveyed within 21 days from the date of receipt of such request. Such transfer shall be as per the transparent contractual terms entered into with the borrower/s in consonance with law.
- (f) In the matter of recovery of loans, we shall not resort to undue harassment viz; persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc. We shall ensure that the staff are adequately trained to deal with the customers in an appropriate manner.
- (g) To publicize the Code we will:-
 - 1. Make available this Code at every branch; and on our website
 - 2. Ensure that our staff is trained to provide relevant information about the Code and to put the Code into practice.
- (h) The Board of Directors shall periodically review the Compliance of the Fair Practice Code and functioning of the grievance redressal mechanism. A consolidated report of such reviews may be submitted to the Board of Directors at regular intervals, or as may be prescribed from time to time.
- (i) The Code will be reviewed at yearly intervals or as and when felt necessary by the Board.
- (j) The Board of the company shall adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium which will help in determining the rate of interest to be charged for loans and advances. The rate of interest and the approach for

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gradations of risk and the parameters for charging different rate of interest to different categories of borrower/s shall be disclosed to the borrower/s or customer in the loan agreement.

- (k) The rates of interest and the approach for gradation of risks have also been made available on the website of the company. The information published in the website would be updated whenever there is a change in the rates of interest.
- (l) The rate of interest would be annualised rate so that the borrower/s is aware of the exact rates that would be charged to the account.

11. EFFECTIVE DATE

- This Code has been approved and adopted by the Board of Directors of the Company on 25th sept 2017 effective immediately.
- This Code has been further amended and approved by the Board of Directors on 10th sept 2018.

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Annexure A

Grievance Redressal Procedure

Great services help companies drive the customer acquisition, retention and efficiency which in turn make the company successful. At AFPL, the core philosophy being Grievance Redressal has always been customer care, and hence we have developed a three-tier approach to leave no stone unturned in solving the customer complaints.

The company has established a three-tier approach to resolve any complaint / query / grievance

Level 1:

A. In case of any query/grievance, the borrower/s may contact the following:

(a) Call Centre Team through any of the following channels:

(i) Telephonically at 9921287000

(ii) Writing email at cre.avfl@gmail.com (Kind attention: Mr. Vaibhav)

(b) Branch Team/s through the following channel:

(i) Visiting Branch office and register their complaint/query/grievance in the complaint register available in the branch.

We shall strive to provide the borrower/s with a suitable response/resolution on his/her complaint/query/grievance within 7 working days.

B. In case the borrower/s is not satisfied with the resolution/respond provided by the Call Centre Team or Branch Team/s in due course, then he may further contact our executive at our corporate Office in the following manner.

Mail: AFPL Private Limited

1A, 5th Floor , Downtown City Vista
Kharadi , Pune -411014

We shall strive to provide the borrower/s with a suitable response/resolution on his complaint/query/grievance within 7 working days.

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In case the borrower/s is not satisfied with the resolution/respond provided by the above team in due course, then he may escalate his complaint in the following manner.

Level 2:

In case the borrower/s is not satisfied with the resolution/respond provided by the Level 1 team as above in due course, then he/she may contact our Senior through any of the following channels:

Mail: ceo@ashwinifinance.com

Name: Prerna

Designation: Branch Manager

We will strive to solve your complaint/query/grievance at this level.

Level 3:

In case the Borrower/s is still dissatisfied with the resolution/respond provided by our Customer Response Team, then he/she may further contact our Director through any of the following channels:

Mail: ashwinifinanceltd@gmail.com

Name: Amar Hule

Designation: Director

We will make our best efforts to solve your complaint/query/grievance at this level.

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A. Salient Features of Ombudsman Scheme for Non-Banking Financial Companies, 2018

(i) The Scheme covers customers of:

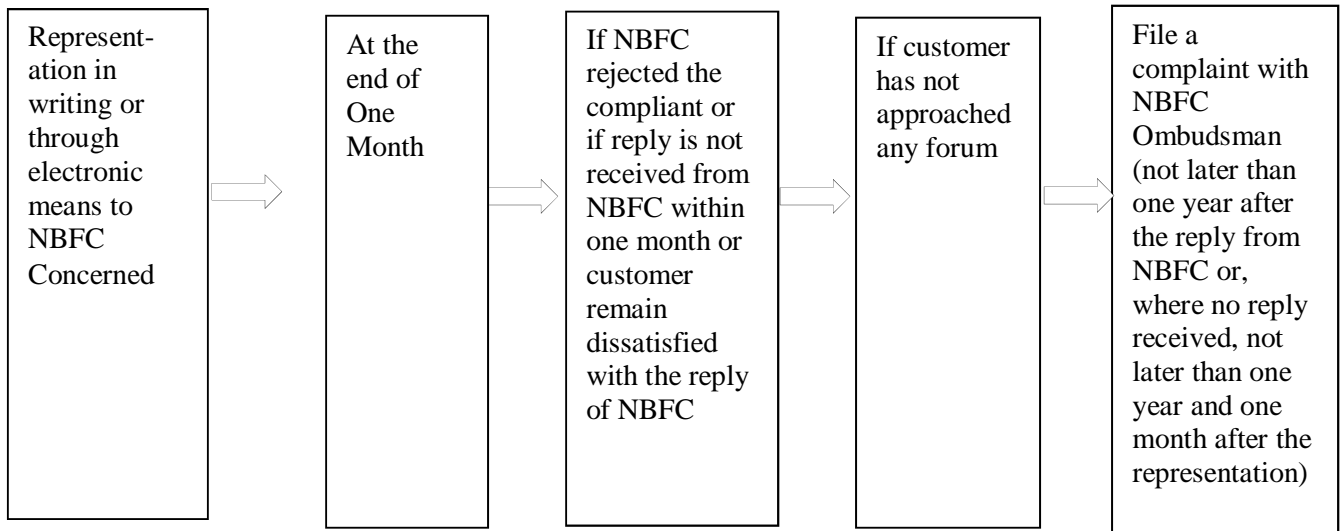
- All deposit taking NBFCs
- NBFCs having customer interface, with assets size \geq Rs. 100 crores as on audited balance sheet date of previous financial year
(Excluding: Infrastructure Finance Companies, Core Investment Companies, Infrastructure Debt Fund and NBFCs under liquidation)

(ii) Grounds for filing a complaint by a customer:

- Interest not paid OR paid with delay
- Cheque not presented OR done with delay
- Not conveyed the amount of loan sanctioned, terms & conditions, annualised rate of interest, etc.
- Notice not provided for changes in agreement, levy of charges
- Failure to ensure transparency in contract/loan agreement
- Failure/delay in releasing securities/ documents
- Failure to provide legally enforceable built-in repossession in contract/ loan agreement
- RBI directives not followed by NBFC
- Guidelines on Fair Practices Code not followed

(iii) How can a Customer file a complaint?

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The complaint, whether in writing or through electronic means, shall be, as far as possible, in the form specified in 'Annex II' of the RBI Ombudsman Scheme.