

ACHIEVERS FINANCE INDIA LMTD

(formerly known as Achievers Finance India (P) Ltd)

FAIR PRACTICE CODE

(Last Reviewed and Amended in the Board dated 09th March 2023)

A) PREAMBLE / INTRODUCTION

The Fair Practice Code (FPC) has been framed by Achievers Finance India LmtD (the “Company”) in response to the guidelines issued by the Reserve Bank of India (“RBI”) vide Circular No. RBI/2015-16/16 DNBR (PD) CC. No.054/03.10.119/2015-16 dated 01st July, 2015 read with RBI/DNBR/2016-17/44 Master Direction DNBR.PD.007/03.10.119/2016-17 updated as on 29th December, 2022 to take informed decisions in respect of the facilities and services offered by the Company. The guidelines, inter alia, covered general principles on adequate disclosures on the terms and conditions of a loan and also adopting a non-coercive recovery method. The FPC shall be applicable to all the Branches of the Company including the Head Office, Kolkata. The FPC shall be binding on all the employees and officers of the Company.

B) OBJECTIVES

The objectives of the FPC are as under:

- a. Adopt the best practices in dealing with customers.
- b. Provide the customers an effective overview of the practices followed by the Company with respect to the lending facilities and services it offers.
- c. Set challenging benchmarks and strives to achieve high operating standards for ensuring customer satisfaction.
- d. Facilitate continuously growing base of satisfied customers while scrupulously avoiding acquisition of customers having doubtful credentials or criminal background.
- e. Provide all necessary information and inputs to customers / prospective customers and promote a mutually beneficial long term relationship.
- f. Follow transparent, fair, ethical and legally tenable practices while conducting business.
- g. With market forces through competition and strive to achieve higher operating standards.

C) DECLARATIONS & COMMITMENTS

- a. The Company undertakes to abide by all applicable laws, regulations and guidelines passed / issued by the Regulators (RBI, SEBI etc.) and other competent authorities such as Government, Local Authority etc.
- b. The Company commits itself to full customer satisfaction through efficient, professional and courteous services across all of its offices.
- c. The Company shall consistently strive to meet with and improve upon the internally set benchmarks and practices and be ahead of the standards prevalent in the industry.

- d. The Company will provide clear and full information about its products and services to its customers /prospective customers and will not resort to any misleading or potentially misguiding advertisement or publicity.
- e. The Company undertakes to desist from introducing any products / services having elements of 'hidden charges' or lack of transparency.
- f. The Company undertakes not discriminate customers on grounds of religion, caste, gender or language.
- g. The Company undertakes to take all possible and reasonable measures to secure the safe custody of the security pledged by the customer and to compensate the customer for any accidental, inadvertent or fraudulent loss of the security whilst in the custody of the Company.
- h. The Company undertakes not to take advantage of any unintentional or clerical error made by the customer while transacting business.
- i. The Company is committed to put in place a system for promptly addressing complaints and suggestions of the customers supplemented with a structured Grievance Redressal Mechanism Policy.
- j. The Company shall display the FPC on its website and also make available to the Customer, on request, a copy of the FPC.
- k. The Company will communicate in English and in the local language at the request of the customer.

The Fair Practices Code adopted by the Company covers the following areas:

- (a) Applications for loans and their processing.
- (b) Loan appraisal and terms/ conditions.
- (c) Disbursement of loans, including changes in terms and conditions.
- (d) General Provisions.
- (e) Responsibility of Board of Directors.
- (f) Grievance Redressal Officer.
- (g) Language and Mode of Communicating Fair Practice Code.
- (h) Regulation on Excessive Interest Charged.
- (i) Complaints about Excessive Interest Charged.
- (j) Repossession of Vehicles.
- (k) Lending against Collateral of Gold Jewellery.
- (l) Personal Loan.

(a) Applications for loans and their processing

- All communications to the borrower shall be either in English or in the vernacular language or a language as understood by the borrower.
- Loan application forms should include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and informed decision can be taken by the borrower. The loan

application form may indicate the documents required to be submitted with the application form.

- If any additional documents/ informations are required from the Customer, the same shall be communicated to the Customer immediately.
- Loan application form will also include the rate of interest charged and rationale for charging different rate of interest to different categories of borrowers.
- The Company shall provide an acknowledgement for receipt of all loan applications. Preferably, the time frame within which loan applications will be disposed of should also be indicated in the acknowledgement.

(b) Loan appraisal and terms/conditions

- A loan sanction letter and a copy of the loan agreement together with annexures/ enclosures, terms and conditions in writing either in English or in vernacular language or a language as understood by the borrower which shall include the details of the loan such as amount sanctioned, annualized interest rate, method of application thereof shall be provided to all the borrowers at the time of sanction/ disbursement of loans.
- The terms and conditions accepted by the borrower shall be kept by the Company for its record.
- The penal interest that will be charged for late repayment shall be mentioned in bold letters in the sanction letter/ loan agreement.
- All the loan applications will be fairly assessed in line with the Company's policies and procedures.
- In case of loan rejection the same shall also be communicated in writing to the borrowers in English or in vernacular language or a language as understood by the borrower.

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

- The Company will ensure timely disbursement of loans as per the agreed terms and conditions.
- The Company should give notice to the borrower either in English or in the vernacular language or any other 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 should also ensure that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard should be incorporated in the loan agreement.
- Decision to recall / accelerate payment or performance under the agreement should be in consonance with the loan agreement.
- The Company should 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 may have against borrower. 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 till the relevant claim is settled/paid.

(d) General Provisions

- The Company shall refrain from interfering in the affairs of the borrower except for the purposes as 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).

- In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise i.e. objection of the Company, if any, should 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.
- The Company will not entertain any request for transfer of borrower accounts as this is not practicable in the case of loans granted against collateral of gold jewellery.
- In the matter of recovery of loans, the Company shall not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc. The staff of the Company shall be adequately trained to deal with the customers in an appropriate manner so as to ensure proper behavior.
- The Company will call delinquent customers between 8.00 a.m. and 07.00 p.m. for recovery of overdue loans.
- The Board of Directors should also lay down the appropriate grievance redressal mechanism within the Company to resolve disputes arising in this regard.
- As a measure of customer protection and also in order to bring in uniformity with regard to prepayment of various loans by borrowers of banks and NBFCs, the Company shall not charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to individual borrowers, with immediate effect.

(e) Responsibility of Board of Directors

The Company has a Board approved grievance redressal mechanism within the Company. Such a mechanism ensures that all disputes arising out of the decisions of lending institutions' functionaries are heard and disposed of at least at the next higher level. The Board of Directors should also provide for periodical review of the compliance of the Fair Practice Code and the functioning of the grievance redressal mechanism at various levels of management. A consolidated report of such reviews may be submitted to the Board at regular intervals, as decided by the Board.

(f) Grievance Redressal Officer

At the operational level, all the following information should be disclosed prominently, for the benefit of their customers, at their branches / places where business is transacted:

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

(ii) If the complaint / dispute is not redressed within a period of 1 month, the customer may appeal to the Officer-in-Charge of the Regional Office of Department of Non-Banking Supervision ("DNBS") of RBI (complete contact details), under whose jurisdiction the registered office of the NBFC falls.

The public notice on the website of the Company should 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.

Appointment of Grievance Redressal / Nodal Officer

Achievers Finance India Lmted shall appoint a Grievance Redressal / Nodal Officer in accordance with the provision of Reserve Bank of India.

(g) Language and mode of communicating Fair Practice Code

This Fair Practices Code is written in English. If any customer requests for FPC written in the vernacular language or a language as understood by the borrower will be arranged based on the guidelines outlined by RBI. The same shall also be placed on the website for the information of various stakeholders.

(h) Regulation on excessive interest charged

- The Board shall adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances.
- The rates of interest and the approach for gradation of risks are also available on the website of the Company and will be informed explicitly when communicating the sanction of the loan. The information published on the website or otherwise published will be updated whenever there is a change. Therefore, all are requested to follow our website for updated information.

The Board lays out an appropriate internal principles and procedures in determining interest rates and other charges in a transparent manner.

For any complaints regarding the said matter, please follow our Grievance Redressal Mechanism Policy.

(i) Clarification regarding repossession of vehicles financed by the Company

The Company must have a built in re-possession clause in the loan agreement with the borrower which must be legally enforceable.

To ensure transparency, the terms and conditions of the loan agreement should 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 such terms and conditions shall be made available to the borrower at the time of sanction / disbursement of loans, which may form a key component of such loan agreement.

D) Lending against collateral of Gold Jewellery

While lending to individuals against gold jewellery, the Company shall adopt the followings in addition to the general guidelines as above.

- (i) There is a Board approved policy for lending against gold that should inter alia, cover the following:
 - (a) Adequate steps to ensure that the KYC guidelines stipulated by RBI are complied with and to ensure that adequate due diligence is carried out on the customer before extending any loan;
 - (b) Proper assaying procedure for the jewellery received;
 - (c) Internal systems to satisfy ownership of the gold jewellery;
 - (d) Adequate systems for storing the jewellery in safe custody, reviewing the systems on an on-going basis, training the concerned staff and periodic inspection by internal auditors to ensure that the procedures are strictly adhered to. Normally, such loans should not be extended by branches that do not have appropriate facility for storage of the jewellery;
 - (e) The jewellery accepted as collateral should be appropriately insured;
 - (f) Transparent auction procedure in case of non-repayment with adequate prior notice to the borrower. There should be no conflict of interest and the auction process must ensure that there is arm's length relationship in all transactions during the auction including with group companies and related entities;
 - (g) The auction should be announced to the public by issue of advertisements in at least two newspapers, one in vernacular language and another in national daily newspaper;
 - (h) As per the Policy, the Company shall not participate in the auctions held;
 - (i) Gold pledged will be auctioned only through auctioneers approved by the Board;
 - (j) The policy shall also cover systems and procedures to be put in place for dealing with fraud including separation of duties of mobilization, execution and approval.
- (ii) The loan agreement shall also disclose details regarding auction procedure.

E) Personal Loan:

For providing unsecured digital Personal Loan, the Company shall adopt the followings in addition to the general guidelines as above.

- (i) RBI guidelines on Digital Lending shall be properly adhered with;
- (ii) All loan servicing, repayment, etc., shall be executed by the borrower directly in the Company's bank account without any pass-through account/ pool account of any third party;
- (iii) The disbursements shall be made into the bank account of the borrower directly from the Company's account;

- (iv) Any fees, charges etc. payable to Lending Service Provider (“LSP”) shall be made by the Company and should not be charged from the borrowers;
- (v) List of LSPs and changes, if any, shall be made available on the website of the Company;
- (vi) Interest and other charges levied on the borrowers shall be disclosed to them upfront basis;
- (vii) All information relating to product features, loan limit, cost, policies, details of customer care, grievance redressal mechanism etc. shall be prominently displayed to aware the borrowers of these aspects;
- (viii) The Company shall ensure that digitally signed loan sanction letter, summary of loan product, terms and conditions, account statements, Key Fact Statement (“KFS”), privacy policy etc. shall automatically flow to the borrowers on their registered and verified email/ SMS upon execution of the loan contract/ transactions.
- (ix) The rates of interest will be based on variables such as cost of funds, risk premium, loan scheme, profit margin etc. and shall also, by and large, be in tune with industry practices and benchmarks.
- (x) Details provided by the borrowers on our website or to the LSPs while applying for the Personal Loan shall be collected, stored and shared only in need basis with the explicit consent of the borrower and maintained as per the RBI guidelines.
- (xi) 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, use of muscle power for recovery of loans. The Company shall also ensure that the staffs are adequately trained to deal with the customers in an appropriate manner.
- (xii) For more details, please go through our Privacy Policy along with the Terms and Conditions, available on our website.

F) Review

A periodical review of the Fair Practices Code and functioning of the Grievances Redressal Mechanism at various levels of management would be undertaken by the Company as and when necessary.