

Arthashastra Epaylater Financial Private Limited

Fair Practices Code

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Important definitions

- i. **Company/AEFPL:** Shall mean the organization 'Arthashastra Epaylater Financial Private Limited's' ("AEFPL") for which this Fair Practice Code has been framed.
- ii. **Board:** Shall mean the Board of directors of AEFPL.
- iii. **Code:** Shall mean the Fair Practice Code, as amended from time to time.
- iv. **Borrower/Customer:** Shall mean any existing or prospective borrowers/customers of AEFPL.

Purpose

This has reference Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 (updated as on February 22, 2019) ('RBI Master Directions').

The Fair Practices Code (FPC), as mentioned herein below, is in conformity with these Guidelines on Fair Practices Code for NBFCs as contained in the aforesaid RBI Master Directions. The Code 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.

The FPC will be applicable to all the offices of the Company including the Head Office, the Regional Offices located in various centres and the Branches located across India. The FPC shall be binding on all the employees and officers of the Company.

Objective

The Code has been developed with an objective of:

- i. Adapt practices which are best for dealing with the customer
- ii. Ensuring customer satisfaction by setting new standards and achieving them
- iii. Following methods of operating business that is transparent, fair, ethical, and legally justifiable
- iv. Providing business-related information to the public which is in their interest this practice promotes mutual beneficial long-term relationship
- v. Recovery and enforcement, where necessary, is conducted following due process of law.
- vi. Avoid using unfair practices

Declarations & Commitment

- i. The Company undertakes to abide by all applicable laws, regulations and guidelines passed / issued by the Regulators (Reserve Bank of India, SEBI, IRDA etc.) and other competent authorities such as Government, Local Authority etc.
- ii. The Company commits itself to full customer satisfaction through efficient, professional and courteous services across all its offices.
- iii. 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.
- iv. The Company undertakes not discriminate customers on grounds of religion, caste, gender or language.
- v. 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.
- vi. The Company undertakes to desist from introducing any products / services having elements of 'hidden charges' or lack of transparency.
- vii. The Company will communicate in the local language with the customer and in English at the request of the customer
- viii. The Company shall treat the information relating to Borrowers as strictly confidential and shall not share any information, unless required under law or waived or permitted by the Borrower.
- ix. 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.
- x. The Company undertakes not to take advantage of any unintentional or clerical error made by the customer while transacting business.
- xi. 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 having an escalation matrix.
- xii. The Company shall display the FPC on its website and also make available to the Customer, on request, a copy of the FPC on demand.

Applicability of Fair Practice Code

The FPC will be applicable to the following broad areas:

- i. Loan applications and processing thereof
- ii. Loan appraisal and terms/conditions
- iii. Disbursement of loans including changes, if any, in terms and conditions
- iv. Post disbursement supervision/monitoring
- v. Other general provisions
- vi. Confidentiality

i. Loan applications and processing thereof

- a) Loan Application Forms will be made available to the prospective borrowers on request.
- b) Loan documentation set will, inter alia, include the broad features and the terms and conditions governing the loan. This would enable the borrowers to take an informed decision by comparing and analyzing the terms offered by the Company with other lenders in the market. The said Form shall also specify the documents required to be submitted by the borrowers.
- c) Loan Application Form may also list out the additional information required from the borrowers and their family members in order to enable the Company to create the database.
- d) Loan Application Form shall provide for giving an acknowledgement to the borrowers acknowledging receipt of the same.
- e) All the loan applications shall be disposed of within reasonable period of time from the date of receipt of duly completed Loan Application Forms together with the requisite documents and subject to receipt of all documents complying with prevailing rules and regulations by the borrower.
- f) All communication with the borrowers shall in the language understood and confirmed by borrowers.
- g) Each Loan Application Form submitted by the Borrower shall be considered independently on merit, upon scrutiny of all the information, documents required for verifying the title of the property, identity of the person, entity and security to be offered, including guarantees, if any.
- h) The Company shall carry out Borrower's due diligence to ascertain the credit worthiness of Borrower which will be an important parameter in taking decision of the application before sanctioning or rejection of any Loan Application Form.

ii. Loan appraisal and terms/conditions

- a) The Company shall consider all the loan applications keeping in mind the risk based assessment procedures adopted by it.
- b) The Company, before sanctioning the loan, would assess the ability of the borrowers to repay the loan.
- c) A copy of the loan documents including loan agreement and annexures thereof shall be made available to the borrower.
- d) The default interest rate will be mentioned highlighted in the loan agreement.
- e) In case of lending under consortium arrangement, the participating NBFC/banks would decide the timeframe to complete appraisal of the proposal and communication of the decision. The Company will abide by the decision of the consortium.

iii. Disbursement of loans (including changes if any, in terms and conditions)

- a) Disbursement of amount of loans sanctioned may be made available to the borrowers on demand subject to completion of all formalities including execution of loan documents.
- b) Any change in the terms and conditions, disbursement schedule, interest rate, service charges, prepayment charges, etc. shall be notified to the borrowers in writing.
- c) Change in the interest rates and service charges shall be made applicable prospectively. The loan agreement shall contain a specific clause in this regard.

iv. Post disbursement supervision/monitoring

- a) The decision, if any, of the Company to recall/accelerate payment or performance of loan shall be in accordance with the terms and conditions of the Loan Agreement.
- b) The Company shall give reasonable time to the borrowers before recall the loan or asking for accelerating the payment or performance subject to the terms and conditions contained in the Loan Agreement and other related documents.
- c) The collaterals lying with the Company may be released on receipt of full and final repayment of loans subject of course to any legitimate right or lien and set off for any other claim that the Company might have against the borrowers. However, in cases where the borrower has availed facility allowing him to borrow/draw monies within the overall amount sanctioned as and when needed by him, the collateral may be retained by the Company for operational convenience and to protect its interest from potential default by the borrowers.
- d) AEFPL shall while protecting its interest adopt reasonable and lawful measures to recover its dues from defaulting Borrowers, including the use of persuasive methods for the purpose of collection of its dues.

v. Other General Provisions

- a) The Company shall refrain from interfering in the affairs of the borrowers except as provided in the terms and conditions governing the loan as contained in the loan documents (unless new information, not earlier disclosed by the borrower, has come to its notice).
- b) The Company shall generally convey its consent within a reasonable period of time to all requests from the borrower to transfer the loan account of a particular borrower to other NBFC, bank or financial institution. Such transfer shall be in accordance with the contractual terms entered into with the borrower and in accordance with the statutes, rules, regulations and guidelines as may be applicable from time to time.
- c) The Company shall not discriminate on the grounds of gender, caste or religion in its lending policy and activities.
- d) In the case of recovery of loans, the Company shall resort to the usual measures, which are legally and legitimately available to it and as per laid down guidelines and extent provisions and shall operate within the legal framework.
- e) The Company shall provide the terms and conditions in respect of its lending activities or services whenever the borrower requests for the same.
- f) On request from borrower for closure of his loan account, the request will be executed within 21 days from receipt thereof request subject to clearance of pending dues and completion of all the formalities as prescribed by the Company. In case the request cannot be executed in the time frame stated above due to any reason, the same may be communicated to the borrower.

vi. Confidentiality

- a) Unless authorized by the borrower, the Company will treat all his personal information as private and confidential.
- b) The Company may not reveal transaction details of the borrowers to any other persons except under following circumstances:
 - a. If the Company is required to provide the information to any statutory or regulatory body or bodies;
 - b. If arising out of a duty to the public to reveal the information;
 - c. If it is in the interest of the borrowers to provide such information (e.g. fraud prevention);

If the borrower has authorised the Company to provide such information to its group / associate / entities or companies or any such person/ entity as specifically agreed upon.

Grievance Redressal Mechanism

In the present competitive scenario, excellent customer service is an important tool for sustained business growth. Customer complaints are part of the business life in any corporate entity.

At AEFPL, Customer service and satisfaction are our prime focus. We believe that providing prompt and efficient service is essential not only to attract new Customers, but also to retain existing ones. AEFPL has come up with a lot of initiatives that are oriented towards providing a better Customer experience and an efficient grievance redressal mechanism with a view to providing enhanced experience to our Customers.

The Company has provided for three tier Grievance Redressal Mechanism to resolve any of its customers query / grievance.

Level 1:

The customer may register his/her query/ complaint to the Company which shall be addressed to the Grievance Redressal in connection with any matter pertaining to business practices, lending decisions, credit management, recovery and complaints relating to updation/alteration of credit information. The details of the Grievance Redressal Officer are given as follows:

Name of the Grievance Redressal Officer:	Jaya Sidhwani
Address:	ePayLater, 91 Springboard, 74 Technopark, 74/II, "C" Cross Road, MIDC Central Rd, opp. Gate No 2, Seepz, Andheri East, Mumbai, Maharashtra 400093
Telephone:	9324735062
E-Mail ID:	grievanceofficer@aefpl.in

Level 2:

If the complaint is not resolved within 15 days, the customer shall complaint to the Compliance head of the Company The name and contact of the Compliace Head is as below

Level 3:

If the complaint / dispute is not redressed within a period of one month from date of its receipt, the customer may appeal to:

Deputy General Manager,
Department of Non-Banking Supervision,
Reserve Bank of India,
Post Box No.4528, Mumbai Central Post Office,
Opp: Mumbai Central Rly.Stn.,
Mumbai - 400008,

Points to complied along with the redressal process thereof:

- i. The above information shall also be displayed outside the branches / places where the business of the Company is transacted for the benefit of the customers.
- ii. In case of complaints received, the concerned Relationship Manager would report the matter with full details within 2 days from date of receipt, to Compliance department.
- iii. The Compliance department comprises of Company Secretary / Compliance Officer of the Company shall take all necessary steps to redress and resolve the grievance, and will send a response as soon as possible and in any case not later than a maximum period of 15 days. If the complaint received from the customer is in respect of updation/alteration of credit information, the same shall be responded with 7 working days.
- iv. Any unresolved / not replied grievance shall be escalated to the Company Secretary / Compliance Officer of the Company and in case of complaint relating to updation//alteration of credit information, to the Consumer Protection Committee comprising of Nodal Officer, Compliance Officer and Grievance Redressal Officer , who shall take all necessary steps to redress and resolve the grievance, and will send a response as soon as possible and in any case not later than a maximum period of 15 days of its receipt from the Compliance department.
- v. If the unresolved / not replied grievance is not resolved by the Company Secretary / Compliance Officer/ Consumer Protection Committee within 15 days of its receipt, the same shall be escalated to the Chairman of the Company.
- vi. The Status Report on all complaints shall be placed before the Board of Directors for their review on a quarterly basis by the Company Secretary / Compliance Officer.

Regulation of Excessive Interest charged

The Company has laid down appropriate internal principles and procedures in determining interest rates and processing and other charges. The rate of interest to be charged depends much upon the gradation of the risk of borrower viz. the financial strength, business, regulatory environment affecting the business, competition, past history of the Borrower etc. The rate of interest and total interest amount to be charged over complete tenure of loan will be communicated so that the Borrower is aware of the exact interest liability that would be charged to the Borrower. It shall also be made available on the website of AEFPL or published in the relevant newspapers. The said information published in the website or otherwise shall be updated whenever there is a change in the rates of interest.

The Board of AEFPL has laid out appropriate internal principles and procedures for determining interest rates, processing and other charges.

Review of the Code

The aforesaid policy will be reviewed periodically /revised as and when there are any new changes incorporated by the Company in handling complaints / grievances of the customer which includes introduction of new grievance channels, if any.