



FAIR PRACTICES CODE

Document review and approval

Sr. No.	Author	Reviewer	Particulars
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Version	Committee Meeting date	Placed for approval / Approved by
1	13-11-2019	Risk Management Committee, ASK Financial Holdings Private Limited

Version	Board Meeting date	Placed for approval / Approved by
1	03-12-2019	Board of Directors, ASK Financial Holdings Private Limited

FAIR PRACTICES CODE

The Reserve Bank of India has prescribed broad guidelines on Fair Practices Code for all Non-Banking Finance Companies which sets the fair practices standards while dealing with their customers including prospective clients.

ASK Financial Holdings Private Limited (referred to as the "AFHPL") has formulated this Fair Practices Code in conformity with the Master Direction issued by Reserve Bank of India vide Circular No. **RBI/DNBR/2016-17/44 Master Direction DNBR.PD.007/03.10.119/2016-17** Dated **September 01, 2016**. This sets minimum Fair Practice standards for the Company to follow when dealing with its customers. It provides information to customers and explains how the Company is expected to deal with them on a day to day basis.

This Fair Practices Code shall apply to the all categories of products and services offered by AFHPL.

Objective of the Code

The code has been developed with an objective of:

- Ensuring fair practices while dealing with customers
- Greater transparency enabling customers in having a better understanding of the product and taking informed decisions
- Building customer confidence in the company

Applications for Loans and their processing

- The Company shall ensure that all communication to the Borrower shall be in the vernacular language or a language as understood by the borrower.
- The 'Application Form and annexure thereto shall include necessary information to facilitate the Borrower in making a meaningful comparison with similar terms and conditions offered by other Non-Banking Finance Companies (NBFCs) and taking an informed decision based on the aforesaid comparison.
- The 'Application Form/ appropriate documents' of AFHPL shall also indicate the list of documents required to be submitted by the Borrowers along with the Application form.
- AFHPL shall have a mechanism of giving an acknowledgement for receipt of Application form to its Borrower for availing loans. AFHPL would inform the Borrower about its decision within reasonable period of time from the date of receipt of all the required information in full.

Loan appraisal and terms/ conditions

- AFHPL shall convey to the borrower in writing, either in the vernacular language or a language as understood by the borrower, by way of a sanction letter or otherwise, the amount

of limit sanctioned along with all the terms and conditions including annualized rate of discount/ interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on AFHPL's record.

- Any clause relating to penal interest charged for late repayment will be specified in bold in the Loan Agreement.
- AFHPL at the time of sanction / disbursements of loans will furnish a copy of loan agreement along with all enclosures quoted in the loan agreement to the borrower.

Disbursement of loans including changes in terms and conditions

- or as appropriate if specific to a customer, AFHPL will give Notice to its Borrower(s), of any change in the terms and conditions of the sanction. AFHPL will also ensure that changes in discount/ interest rates and charges are effected only prospectively.
- Decision to recall/ accelerate payment or performance under the Agreement will be in consonance with the respective loan Agreement.
- AFHPL will release all securities of its Borrower only on repayment of all dues by such Borrower, or only on realization of the outstanding amount of the Borrower's availed limit, subject to any legitimate right or lien for any other claim which AFHPL may have against its Borrower. If such right of set off is to be exercised, the Borrower will be given notice about the same with full particulars about the remaining claims and conditions under which AFHPL will be entitled to retain the securities till the relevant claim is settled or paid by the Borrower. Due No-objection certificate will be issued to the customer on fulfillment of said terms within 15 workings days of completion of formalities.

General

- AFHPL will refrain from interference in the affairs of its Borrower except for the purposes provided in the terms and conditions of the respective loan agreement (unless new information, not earlier disclosed by the Borrower, which may come to the notice of AFHPL).
- In case of receipt of request from the Borrower for transfer of Borrowal account, the consent or otherwise i.e. objection of AFHPL, if any, will generally be conveyed to such Borrower within 21 days from the date of receipt of the Borrower's request. Such transfer will be as per transparent contractual terms in consonance with all the applicable laws.
- In the matter of recovery of outstanding dues of its Borrower, AFHPL shall not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans/dues, etc. Training will be imparted to ensure that staff is adequately trained to deal with customers in an appropriate manner.
- AFHPL shall not charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to individual borrowers.

Interest Rate and Other Charges

- AFHPL shall devise appropriate internal principles and procedures for determining interest rates and processing and other relevant charges.

- Interest cost and other relevant charges applied to the Borrower/ Client shall be based on internal credit rating done by the company.
- AFHPL shall adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium etc and determine the rate of interest to be charged for the Facility extended to the Customers. The rate of interest and approach for gradation of risk and rationale for charging Interest rate shall be communicated explicitly in the sanction letter. The same will also be made available on the company's website and be updated whenever there is a change in the relevant rate of interest.
- The rate of interest will be annualized so that the borrower is aware of the exact rates that would be charged to his/her/it's account.

Ombudsman & 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 AFHPL, 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.

In order to make AFHPL's redressal mechanism more meaningful and effective, a structured system is in place. The Company has already formulated an Ombudsman & Grievance Redressal Mechanism and has displayed the same on its notice board. This system will ensure that the redressal sought is just and fair and is within the given frame- work of rules and regulation.

Periodic Review

The Board appointed Risk Committee will periodically (minimum once every 2 years till the time ASKFH is non-systematically important and once every year after ASKFH becoming Systematically important NBFC) review the compliance of this Fair Practices Code and the functioning of the grievance redressal mechanism at various levels of management.

The last review of the Fair practice code was carried out during internal audit for Q4FY22. The observations raised by the internal audit are acted upon and complied with.

Information on the Fair Practices Code

Any enhancement(s) or change(s) in the scope of this code will be uploaded in the website of the Company from time to time.

Mandatory Display Requirements

AFHPL shall ensure that following details are displayed prominently in its offices including branch offices:

- Appropriate arrangement for receiving complaints and suggestions.

- Name, address, contact number and e-mail address of Grievance redressal officer, who can be approached for redressal of the complaint, together with details of the regional office of Reserve Bank of India, under whose jurisdiction the registered office of the Company falls.
- Time frame for resolving customer complaints together with escalation matrix for escalating the complaint, in case the complaint is not resolved to the satisfaction of the customer within the specified time period.
- Ombudsman Scheme and the contact details of the Ombudsman to whom the complaints are to be made by the customer

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