



ACHIEVERS FINANCE INDIA (P) LTD

FAIR PRACTICE CODE

(Last Amended in the Board dated 25th January 2021)

A) PREAMBLE / INTRODUCTION

The Fair Practice Code (FPC) has been framed by Achievers Finance India (P) Limited (the Company) in response to guidelines issued by Reserve Bank of India vide Circular No. RBI/2011-12/470 DNBS. CC. PD. No. 266/ 03.10.01 / 2011-12 dated March 26, 2012 read with RBI/2012-13/416 DNBS. CC. PD. No. 320/03.10.01/2012-13 dated February 18, 2013 titled “Guidelines on Fair Practices Code for NBFCs” replacing the existing code to enable customers to take informed decisions in respect of the facilities and services offered by the Company. The FPC will 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 financial 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 (Reserve Bank of India, SEBI, IRDA 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 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 having an escalation matrix.
- j. 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.
- k. The Company will communicate in the local language with the customer and in English 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) Disclosures about interest rates and approach for gradation of risk.
- (e) Policy on KYC, Appraisal, insurance, storage of securities, Auction etc.
- (f) Confidentiality.
- (g) Grievance redressal mechanism.
- (h) General Provisions.

(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.
- The NBFCs should devise a system of giving 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

- ☐ The borrower shall be given a loan sanction letter and copy of the loan document together with annexures/ enclosures quoted therein 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 and any other terms and conditions.
- ☐ The penal interest that will be charged for late payment shall be mentioned in bold letters in the sanction letter/ loan document.
- ☐ An acknowledged copy of the sanction letter shall be kept as part of the document.
- ☐ Subject to receipt of all the requisite information and completion of documentation and creation of charge over the security, loan applications shall be disposed of in the normal course on the same day of receipt of the application form complete in all respects. However, if there is any delay in sanctioning the loan beyond the period of 1 day due to reasons like field verification etc, the customer shall be given an acknowledgment for receipt of the application which indicates the time frame within which the loan application will be disposed of. The customer shall be kept informed of the status of his application.

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

- The loan shall be disbursed on executing the necessary documents and completion of the formalities regarding creating a charge over the security offered by the borrower. Any change in the terms and conditions including interest rates, service charges, prepayment charges etc. shall be informed to the borrower in the vernacular or a language known to the borrower. Any changes in interest rates and charges shall be only prospective. A suitable condition in this regard shall be incorporated in the loan document obtained from the borrower.
- The Company should give notice to the borrower either in English or in the vernacular 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) Disclosures about interest rates and approach for gradation of risk

- The Board 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 loans and advances. 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.
- The rates of interest and the approach for gradation of risks shall also be made available on the website of the Company. The information published in the website should be updated whenever there is a change in the rates of interest.
- The rate of interest should be annualised rates so that the borrower is aware of the exact rates that would be charged to the account.

(e) Policy on KYC, Appraisal, insurance, storage of securities, Auction etc.

The Company shall put in place a policy that is duly approved by the Board and covers the following aspects:

- 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.
- Proper appraisal procedure for assessing the value and purity of the jewellery accepted as collateral security.
- Declaration shall be obtained from the borrower confirming ownership of gold jewellery.
- All branches shall have proper storage facility of either Strong Rooms or Safes conforming to ISI Standards of approved make to store the jewellery in safe custody. The sets of keys to the strong room/ safe shall be held separately by two officials and the operations thereof shall be done jointly. The staff shall be imparted training on a continuous basis to ensure that the guidelines covering security issues are strictly adhered to. The gold items shall be periodically inspected by the internal auditors to ensure quality, quantity and proper storage.
- The jewellery accepted as collateral security shall be adequately and appropriately insured. The auction procedure in case of non – repayment shall be transparent. Prior notice to the borrower shall be given before the auction and there shall not be any conflict of interest. The auction process shall ensure that an arm's length relationship in all transactions during the auction is maintained including with group companies and related entities. The details regarding procedure for auction shall be disclosed in the loan document for availing the loan. The auction will be only through auctioneers approved by the Board and the Company shall not participate in the auction. The auction shall be announced to the public by issuing advertisements in at least two newspapers, one in vernacular language and the other in a national daily newspaper.
- Any fraud in the functioning of the Company shall be enquired into by the appropriate authority and suitable punitive measure shall be taken by the appropriate disciplinary authority. Any review of the decision of the disciplinary authority shall be carried out by the Board.



(f) Confidentiality

- Unless authorized by the borrower, the Company will treat all personal information as private and confidential.
- The Company may not reveal transaction details of the borrowers to any other persons except under following circumstances:
 - If the Company is required to provide the information as per regulatory directives to any statutory or regulatory body or bodies.
 - If arising out of a duty to the public to reveal the information.
 - If it is in the interest of the borrowers to provide such information (e.g. Fraud revention).
 - If the borrower has authorized the Company to provide such information to its group/ associate/ entities or Companies or any such person/ entity as specifically agreed upon.

(g) Grievance Redressal Mechanism

Towards ensuring redressal of disputes arising out of decisions of the functionaries of the Company, the following mechanism is put in place:

- The decisions of any official below the Branch Manger shall be heard and disposed of by the Branch Manager.
- If not satisfied with the decision of the Branch Manager, the customer has the option to escalate the matter to Grievances Redressal Cell at the Company's Head Office at Kolkata.
- Customer Grievances Redressal Cell at the Company's Head Office will be headed by the Compliance Officer/ Grievance Redressal Officer. Complaints received directly and appeals against the decisions of Branch Managers on complaints handled by him shall be heard and disposed of.
- The contact details of the Compliance officer/ Grievance Redressal Officer shall be displayed in all the Branches for the benefit of customers. If the complaint/ dispute is not redressed within a period of one month, the customer may appeal to the Officer-in-Charge of the Regional Office of DNBS of RBI as per the contact details displayed in the branch.
- Proper training shall be imparted to staff on an ongoing basis with a view to improving staff behavior and customer service.
- The compliance of the fair practices code as well as the functioning of the Customer Grievances Redressal Cell shall be reviewed by the Directors.

(h) General Provisions

- The Company shall refrain from interfering in the affairs of the borrower except for the purposes provided in the terms and conditions of the letter of undertaking (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.



- iii. Wherever locker facility is extended by the Company through its branches, it shall be ensured that appropriate disclosure are in place to communicate to the customers that the activity is not regulated by the Reserve Bank.

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.