

FAIR PRACTICES CODE

INTRODUCTION

The Fair Practices Code is aimed at providing to the customers effective overview of practices, which will be followed by the Company in respect of the financial facilities and services offered by the Company to its customers. The Code will facilitate the customers to take informed decisions in respect of the financial facilities and services to be availed by them and will apply to any loan that the Company may sanction and disburse.

1. Objective of the Code

This Code has been developed to:

- promote good, fair and trustworthy practices by setting minimum standards in dealing with the customers;
- increase transparency to enable the customers to have a better understanding of what they can reasonably expect of the services.
- encourage market forces, through competition, to achieve higher operating standards;
- promote a fair and cordial relationship between the customers and the Company.

2. Our Key Commitments and Declarations

We shall act efficiently, fairly and diligently in our dealings with all our customers by:

- Meeting the commitments and standards in this Fair Practices Code for the financial products and services we offer and the procedures and practices our staff follow;
- Ensuring that all the financial services meet relevant laws and regulations;
- Providing professional, courteous and speedy services;
- Providing accurate and timely disclosure of terms and conditions, costs, rights and liabilities as regards financial transactions.

We shall help the customer understand how our financial products and services work by:

- Giving verbal information about the financial scheme in Hindi and/or English and/or local vernacular language as understood by the borrower;
- Ensuring that our advertising & promotional literature is clear and is not misleading
- Explaining financial implications of the transactions;
- Helping the customer to choose the financial scheme.

We shall deal quickly and proactively with things that go wrong by:

- Correcting mistakes quickly;
- Attending customer complaints quickly;
- Telling our customers how to take their complaint forward if the customers are still not satisfied with our assistance;
- Reversing any charges that we apply due to our mistake.

3. Non-Discrimination Policy

We will not discriminate between our customers on the basis of gender, race or religion

4. Applications for loans and their processing:

- a) All communications to the borrowers shall be made in vernacular language or a language as understood by the borrower.
- b) Loan application forms issued by the Company shall 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 an informed decision can be taken by the borrower.
- c) The Company shall, subject to receipt of all the requisite documentation and information, all loan applications dispose off all loan applications, within 30 days, from the date of receipt of the application form, complete in all respects. In any case customer will be kept informed by the sales person with regards to the status of his application from time-to-time. The customer may also contact customer company's customer service team at the prescribed telephone number or email id to obtain an update on the status of application.
- d) If any additional details/ documents are required, the same shall be intimated to the borrowers immediately.

5. Loan appraisal and terms conditions:

- a) The Company shall conduct a due diligence on the credit worthiness of the borrower, which will be an important parameter for taking decision on the application. The assessment would be in line with the Company's credit policies, norms and procedures in respect thereof.
- b) The borrower would be informed by means of a written sanction letter, of the amount of loan sanctioned. The said letter shall contain the terms and conditions and the method of application thereof.
- c) The Company shall obtain authentication from the borrower on the loan agreement with the borrowers' signature under the caption. "the contents of this agreement were read out, explained and interpreted to the borrower/co-borrower, in their respective vernacular language".
- d) The Company shall invariably be bound to furnish a copy of the loan agreement, along with a copy of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction disbursement of loans. The Company shall ensure that the loan agreement and all enclosures furnished to all borrowers contains the terms and conditions and the rate of interest in the form of a Term Sheet, which shall be annexed to the Loan Agreement. Further, the Company shall mention the penal interest charged for late payment and the pre-payment charge in the loan agreement.

6. Disbursement of loans including changes in terms and conditions:

- a) The Company shall frame appropriate internal principles and procedures for determining and ensuring that the interest rates and processing and other are not excessive. The Company shall, at the time of disbursement, ensure that the interest rate and processing and other charges on loan and advances are in strict adherence to above referred internal principles and procedures.
- b) The disbursement will be done immediately upon compliance of all the terms and conditions of the sanction by the borrower.
- c) The Company shall give a notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, pre-payment charges etc.

7. Post Disbursement Supervision:

- a) Any decision to recall/accelerate payment or performance under the loan agreement shall be in consonance with the Loan Agreement.
- b) All securities offered by the borrower shall be released on repayment of all due or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim the Company may have against the 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.

8. General

- a) The Company shall not interfere in the affairs of the borrower except for the purposes provided in the Loan Agreement, unless new information not earlier disclosed by the borrower has come to the notice of the Company.
- b) In the matter of recovery of loans, the Company shall not resort to undue harassment like bothering the borrowers at odd hours, use of muscle power for recovery of loans etc. The Company shall ensure that its staff is adequately trained to deal with the customer in an appropriate manner.
- c) The Company will call delinquent customers between 0700 hrs to 2100 hrs unless special circumstances of the borrower's business require to call them otherwise outside the hours mentioned.
- d) The Company may arrange for enforcing security charged to it of the delinquent borrower, if required, with an aim only to recover dues and will not be aimed at whimsical deprivation of the property.
- e) The Company shall ensure that the entire process of enforcing its security, valuation and realisation thereof be fair and transparent.

9. Complaint Redressal Mechanism

- a) The telephone number for recording the grievances of the customers and the e-mail ID where customer can send their grievances via e-mails shall be prominently indicated in the website of the Company
- b) After examining the matter, the Company will endeavour to send the customer its response within four weeks and intimate the customer how to escalate the complaint to higher level, if he is not satisfied with the response.

- c) The Company shall request the customer to provide feedback on the services rendered. This can be done through direct contact by staff or through specific customer satisfaction surveys that may be conducted from time to time.
- d) A periodical review of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management would be undertaken by the Company–

10. Policy for Determining Interest Rates, Processing and Other Charges

To ensure that there the customers are not charged excessive interest rate and charges on loans and advances by the Company, the Board of the Company has adopted a Policy for Determining Interest Rates, Processing and Other Charges ("Interest Rate Policy") and the same has been put up on the Company's website www.arogyafinance.com . The changes in the interest rates are also displayed on the website on a regular basis. Further the Board of the Company also undertakes periodical review of the Interest Rate Policy.

The Company shall abide by this Fair Practices Code, following the spirit of the Code and in a manner applicable to its business.