



RBSG CAPITAL PRIVATE LIMITED
(AutoMony)

FAIR PRACTICES CODE



Summary of Policy

Policy Name	Fair Practices Code
Related policies and regulations	Master Direction - Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (updated as on 9 March 2017)
Issue date	<<to be effective from NBFC license date>>
Owner / Contact	Rishab Bafna
Approver	Board of Directors of RBSG Capital Pvt. Ltd. (AutoMony)



A. PREAMBLE

The Fair Practices Code ('FPC') has been devised by RBSG Capital Pvt. Ltd. (AutoMony) with an endeavor to achieve synchronization of best practices when the Company is dealing with its stakeholders such as borrowers, employees, vendors, regulators, etc. AutoMony has a responsibility to ensure that all its Indian affiliates operate in a way that aligns the interests of stakeholders as stated.

The Company's fair lending practices shall apply across all aspects of its operations including marketing, loan origination, processing, servicing and collection activities. AutoMony's commitment to the FPC would not only be demonstrated in terms of employee accountability, monitoring but also in auditing programs, training and technology.

The Board of Directors and the management of the Company are responsible for establishing practices designed to ensure that its operations reflect a strong commitment to fair lending and that all employees are aware of that commitment.

This FPC applies to all categories of products and services offered/to be offered by the Company.

The essence of the FPC lies in the following aspects that AutoMony shall strive to follow in letter as well as in spirit:

- Equal treatment to all and non-discrimination on the basis of religion, caste, sex, descent in any manner;
 - Fair and honest advertisement and marketing of loan products;
 - To provide professional, efficient, courteous, diligent and speedy services;
 - To provide borrowers with accurate and timely disclosure of terms, costs, rights and liabilities as regards their loan transactions;
 - To attempt in good faith to resolve any disputes or differences with borrowers by setting up complaint redressal system within the organization;
 - To comply with all the regulatory requirements;
 - To spread general awareness about potential risks in contracting loans and encourage borrowers to take independent financial advice and not act only on representation from the Company;
 - Seek to use governance structures that provide appropriate levels of oversight in the areas of audit, risk management and potential conflicts of interest and to implement compensation and other policies that align the interests of owners and management.
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- Remain committed to compliance with applicable national, state, and local labour laws; support the payment of competitive wages and benefits to employees; provide a safe and healthy workplace in conformance with national and local law; and, consistent with applicable law, respect the rights of employees to decide whether or not to join a union and engage in collective bargaining.
- Ensure compliances relating to Indian regulations prescribed by the RBI;

B. GUIDELINES ON FAIR PRACTICE CODE

1. Loan proposals and their processing

- a. All communication with borrowers shall be in English or vernacular language as understandable by them;
- b. They shall be given all the necessary information adequately explaining the range of loan products available with AutoMony to suit their needs.
- c. The Company shall provide check list in respect of information/papers required for considering loan application
- d. The Company shall provide all necessary information to borrowers along with the application / proposal as the case may be including but not restricted to fees / charges, if any, payable for processing, the non-refundable nature of fees including in the case of non-acceptance of loan proposal, pre-payment options, foreclosure charges, etc.
- e. The borrower shall be provided with all such information as may be necessary for them to make a meaningful comparison with the terms and conditions offered by other NBFCs and an informed decision can be taken by them.
- f. AutoMony shall also give acknowledgment for receipt of all loan applications (if approved) in the form of sanction letters or otherwise.

TIME FRAME FOR DISPOSAL OF LOAN APPLICATION

Category of Borrower and Size of Limit	Time norms for disposal after Submission of all required papers / information sought by AutoMony.
For all categories of borrowers and for any amount of Loans	Upto 15 business days or such time as mutually agreed upon with borrower.



- g. The borrower would be given the relevant information about the loan product of its choice once the same is finalized by him basis his / her requirement.
- h. The borrower would be explained the processes involved till sanction and disbursement of loan and would be notified of timeframe within which all the processes will be completed ordinarily.
- i. The borrower would be informed of the names and phone numbers of office and the office bearers.
- j. The borrower would be informed about the procedure involved in servicing and closure of the loan availed by them.

2. Loan appraisal terms and conditions

- a. AutoMony shall scrutinize the information submitted by the borrower. Additional data, if any, required shall be called to facilitate disposal of the loan application expeditiously.
 - b. AutoMony shall convey in writing key terms and conditions of the proposed exposure to the borrower by means of sanction letter or any other form of written communication including:
 - The amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the customer on its record;
 - Details of the default interest / penal interest rates (expressed in percentage per annum) and the charges payable by the borrower in relation to loan account and method of application thereof (penal interest charged for late repayment of loan would be mentioned in bold in the loan agreement);
 - Terms and conditions and other stipulations governing the loan facilities extended by AutoMony;
 - All other information which are relevant from the point of view of the transaction and all the parties involved;
 - A copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement would be furnished to the borrower;
 - Disbursal of the sanctioned loan as per the agreed terms;
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- c. All the above information would be part of the loan agreement expressed in writing and shall be duly approved by the customer and countersigned by the authorised officials of AutoMony.
- d. In case of non-acceptance of the loan application, AutoMony shall provide due reasons in this regard to the borrower.

3. Types of Fees/Charges

- a. All the fees / charges / interest would be payable as per mutual agreement.
- b. The borrower would be sufficiently explained that there are no hidden charges that would be recovered in the disguise of any fee / charge.
- c. The individual borrower shall not be charged foreclosure charges / pre-payment penalties on all floating rate term loans sanctioned them.

4. Disbursement of loans including changes in terms and conditions

- a. AutoMony shall intimate the customer of any change/s proposed in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc.
- b. Changes in the interest rates provided that such charges shall be effected prospectively. A suitable condition in this regard shall be incorporated in the loan agreement, as applicable.

5. Post disbursement supervision

- a. Decision to recall / accelerate payment or performance under the agreement shall be in consonance with the loan agreement
 - b. Before taking a decision to recall / accelerate payment or performance under the agreement or seeking additional collateral / security, AutoMony shall give notice to customers in consonance with the loan agreement.
 - c. Intervention into the customers' business affairs shall be in accordance with terms of sanction of loan, loan agreement or when new information comes to AutoMony's knowledge especially if the information relates to developments that may be detrimental to AutoMony's interests with respect to any exposure on the customer.
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- d. AutoMony shall release all collaterals / securities on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim AutoMony may have against customer. If such right of set off is to be exercised, the customer shall be given notice about the same with full particulars about the remaining claims and the conditions under which AutoMony is entitled to retain the securities till the relevant claim is settled /paid.

6. Financial Difficulties

- a. AutoMony will consider cases of financial difficulties of its borrowers positively. AutoMony will undertake reasonable steps to assist the customer in his endeavor to develop a plan for dealing with financial difficulties.
- b. The borrower will be required to identify problems at its end and should let AutoMony know as soon as possible. AutoMony may request for additional / more financial information /commitments to help work together or to understand the customer problems.
- c. This list gives a few examples of what may concern AutoMony:
 - Failure to service interest at prescribed intervals and adherence to the repayment schedule.
 - Non-compliance with conditions set out in the loan agreement.
 - Non-furnishing agreed information on time, etc.

7. Collection of Dues

- a. If the borrower does not adhere to repayment schedule, a defined process in accordance with the laws of the land will be followed for recovery of dues. The process will involve reminding the customer by sending the notice or by making personal visits. In case of default, AutoMony may refer the case to the recovery agent and will inform the customer of the recovery proceedings being initiated.
 - b. AutoMony will investigate all (if any) the grievances / complaints about unfair practices by its representatives/ recovery agents (if appointed). AutoMony's collection policy will be built on courtesy, fair treatment and persuasion. AutoMony believes in fostering customer confidence and building long-term relationship and would put in best efforts to achieve them. Staff deputed by AutoMony for collection of dues will identify himself/herself. Any person authorised to represent AutoMony for these purposes will identify himself/herself and also display the authority letter issued by AutoMony.
 - c. All members of the staff or any person authorised to represent AutoMony in collection or/and security repossession would be subjected to due diligence and they would follow the guidelines set out below:
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- The borrower would be contacted ordinarily at the place of business/occupation and if unavailable, at the place of residence or in the absence of any specified place, at the place of authorised representative's choice.
- Identity and authority to represent would be made known at the first instance.
- Customer privacy and dignity would be respected. The staff of AutoMony would be adequately trained to deal with borrowers in an appropriate manner.
- Interactions would be in a civil manner. AutoMony shall not resort to any undue harassment viz; persistently bothering the borrowers at odd hours, use muscle power for recovery of loans, etc.
- Normally AutoMony representatives will contact between 0900 hrs and 1800 hrs, unless the special circumstances of customer's business or occupation require otherwise.
- Customer's requests to avoid calls at a particular time or at a particular place would be honored to the extent considered reasonable.
- Time and number of calls and key contents of conversation may be documented.
- All assistance shall be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.

8. Prepayment options for the customer

- a. For the fixed rate loans, pre-payment options available to the borrower and the additional interest payable shall be mutually agreed depending upon the facts of each case.
- b. As mentioned above, AutoMony shall not charge foreclosure charges on floating rate term loans if sanctioned to Individual borrower.

9. Information Secrecy

- a. All personal information of the borrower would be treated confidential and would not be disclosed to any third party unless agreed to by the customer in writing. The term 'Third party' excludes all Law enforcement agencies, Credit Information Bureau, RBI, other banks and financial institutions and any other state, central or other regulatory body.
 - b. If AutoMony avails of the services of third parties for providing support services, AutoMony will require that such third parties handle customer's personal and business
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information (if any available to such third parties) with the same degree of confidentiality and security as it would on its own.

10. General

- a. In case of receipt of request for transfer of borrowal account from the borrower, the consent or otherwise i.e. objection of the AutoMony, if any, shall 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.

11. Advertising, Marketing and Sales

- a. AutoMony will make sure that all advertising and promotional material is clear, fair, reasonable and not misleading.
- b. In any advertising in any media and promotional literature that draws attention to any service or product and includes a reference to an interest rate, AutoMony will also indicate whether other fees and charges will apply and that full details of the relevant terms and conditions shall be made available on request.
- c. AutoMony does not envisage engaging any Direct Selling Agencies (DSAs) to market its products/ services.
- d. In the event of receipt of any complaint from the customer that AutoMony representative has engaged in any improper conduct or acted in violation of this FPC, AutoMony shall take appropriate steps to investigate and take appropriate action in a time bound manner.

12. Grievance Redressal Mechanism (GRM)

- a. The Board of Directors of AutoMony will lay down the appropriate grievance redressal mechanism to resolve disputes. Such a mechanism will ensure that all disputes arising out of the decisions of the Company are heard and disposed of at least at the next higher level.
 - b. The customer shall be informed of the customer complaint process / GRM followed by AutoMony. The customer shall first approach Grievance Redressal Officer at the contacts mentioned in **point d**. The customer should be provided with resolution within 7 working days. If the customer is not satisfied with the resolution or not provided with any resolution within 7 working days then he shall be entitled to approach the Compliance Head who shall take up the grievance promptly and try to resolve the matter expeditiously.
 - c. All communication in relation to the GRM shall be in writing or from authorized e-mail ID of the company and the borrower.
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d. AutoMony shall display the following information prominently at its places where business is transacted:

- 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:

Name : Sanjay Sawant
Designation : Grievance Redressal Officer
Telephone Number : 9223338118
E-mail ID : sanjays@automony.in

- The name and contact details (Telephone / Mobile nos. as also email address) of the Compliance Head who can be approached by the public wherein no or unsatisfactory resolution is provided in respect of complaints:

Name : Shirang Date
Designation : Compliance Head
Telephone Number : 9223215862
E-mail ID : shrirangd@automony.in

- 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 (along with complete contact details of the Officer-in-Charge), under whose jurisdiction the registered office of the AutoMony falls. The details of DNBS is as given below

- **Department of Non- Banking Supervision Reserve Bank of India, Mumbai Regional Office:** 3rd Floor, RBI Building, Opp. Mumbai Central Railway Station, Near Maratha Mandir, Byculla, Mumbai – 400 008.
- **Telephone No:** 022 23084121 / 23028436
- **Email ID:** dnbs@rbi.org.in

e. The Compliance Head shall annually review the compliance of the FPC and the functioning of the GRM. A consolidated report of compliance shall be submitted to the Board every year.

C. This FPC shall be put up on AutoMony web-site for the information of prospective borrowers.
