



APAC FINANCIAL SERVICES PRIVATE LIMITED
(“APAC FS” or “the Company”)
FAIR PRACTICES CODE (“FPC”)

Fair Practices Code

Introduction

This Fair Practice Code has been prepared in compliance with the “Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016” as issued by the Reserve Bank of India (“RBI”) and aims to provide our borrowers an effective overview of the practices followed by the Company and to enable borrowers to take informed decisions in respect of the financial facilities and services offered by the Company. The Code covers the general principles on adequate disclosures on the terms and conditions of the loan and the procedures to be followed when dealing with the borrowers. The Code applies to all categories of products and services offered by APAC Financial Services Private Limited (“**APAC FS**” or “**Company**”).

If at any point a conflict of interpretation / information between this Policy and any Regulations, Rules, Guidelines, Notifications, Clarifications, Circulars, Master Circulars/ Directions by the **RBI** arise then, interpretation of such Regulations, Rules, Guidelines, Notification, Clarifications, Circulars, Master Circulars / Directions issued by RBI shall prevail.

Objectives of the Code

The following are the primary objectives of this Code:

- i. To make all our financial products available to all eligible qualified applicants, without discrimination on the basis of race, caste, colour, religion, sex, marital status, age, sexual orientation or handicap.
- ii. Promote fair and transparent practices by setting minimum standards in dealings with borrowers.
- iii. Foster a fair and cordial relationship between the borrowers and the Company. The Company will also communicate its FPC to its customers by making it available to everybody on its website and displaying on all the branches of Company.
- iv. To ensure compliance with regulatory requirements with regard to customer interface.
- v. To strengthen mechanisms for redressal of customer grievances.

Key Commitments

The Key Commitments which the Company promises to follow in its dealings with its customers are:

The Company will communicate its FPC to its customers by making it available to everybody on its website and displaying the FPC at all of its branches. A copy of the said FPC would be made available on request and would be provided in English and/or in the local language prevalent in the particular state in which the Company operates.

The Company’s Board of Directors and the management team are responsible for implementing the fair practices hereinafter detailed and ensuring that its practices reflect its strong commitment to all the stakeholders for offering in a fair and equitable manner, the various financial services and products and that all employees are aware of this commitment.

The Company will make every attempt to ensure that its customers have a trouble-free experience in dealing with it; but in the case of errors of commission and omission, the Company will deal with the same quickly and sympathetically.

Applications for loans and their processing

The Company is in the business of lending and offers various products (loan and loan related products). Application forms for each of the products offered by the Company would be different depending on the requirement for information for each product.

All communications to the borrower shall be in English and/or in the language as understood by the borrowers. The borrowers will have the option to receive all the correspondences, loan documents, recall notices etc relating to loan in English or a language understood by the borrowers. For this purpose the borrowers need to indicate his/her/its preference in the loan application form by selecting the appropriate option.

At the time of any application for loan product, the Company will provide information about the interest rates applicable, as also the fees/charges, if any, payable for processing, pre-payment options & charges, if any, and any other matter which affect the interests of the borrower.

All relevant information pertaining to the loan/loan facility which affects the interest of the borrowers with regard to the financial facility that is being applied for will be made available in the relevant loan application form(s) or through term sheet/ sanction letters, 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. The loan application form will also indicate the details of the various documents required to be submitted together with the duly completed application form.

The rate of interest applicable to the borrowers shall be based on a number of factors such as profile of the borrowers, loan amount loan category, financial strength of the borrowers, security/collateral offered, Company's cost of funds, etc. The Board of the Company shall lay out appropriate internal principles and procedures in determining interest rates and processing and other charges for loans and advances taking into account relevant factors such as cost of funds, margin, competition landscape and risk premium. 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 rate of interest would be annualised rate so that the borrowers are aware of the exact rates that would be charged to the account.

The Company shall give an acknowledgement for receipt of all loan applications. Applicants are required to insist for an acknowledgement in this regard. The acknowledgement would also indicate the approximate timeframe within which the applicant should contact the Company at its registered office to ascertain the status of the loan application.

The Company shall verify the loan applications within a reasonable period of time and if additional details / documents are required, it shall inform the borrowers accordingly.

Loan appraisal and terms/conditions

Normally, all particulars required for processing the Loan Application shall be collected by the Company at the time of application. In case the Company needs any additional information, the borrower shall be informed appropriately.

The Company shall ensure that there is proper assessment of credit applications made by the borrowers. The assessment would be in line with the Company's internal credit policies, norms and procedures.

The Company will convey in writing to the borrower by means of sanction letter or otherwise in English and/or in the language as understood by the borrower, the amount of loan sanctioned along with the terms and conditions including annualized rate of interest, and method of application thereof including EMI structure, if any, prepayment charges and keep the acceptance of these terms and conditions by the borrower in Company's record. The Company will furnish a copy of the loan agreement in English and/or in the language as understood by the borrower along with a copy each of all enclosures quoted in the loan agreement at the time of sanction/disbursement of the loan.

The rate of interest applicable to customers is dependent on factors such as cost of funds, loan amount margin and risk premium plus a spread which is determined on the risk profile of the case which vary on account of a number of factors such as borrowers background, industry risk profile, financial strength of the co-borrower, loan repayment capability, credit history, collateral offered or not, costs associated with underwriting and servicing the loan, etc. The penal interest, if any, to be charged by the Company for late repayment, etc shall be mentioned in bold in the loan agreement, sanction letter, etc. A written acceptance of such terms and conditions shall be retained by the Company.

Disbursement of loans including changes in terms and conditions

- i. The Company will give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. The Company will also ensure that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard will be incorporated in the Sanction letter/loan agreement.
- ii. The Company will furnish a copy of the loan agreement, either electronically or physical paper copy, to all the borrowers upon disbursement of the loan. In case customer does not receive a copy electronically or by post then customer will be informed to collect from the local branch
- iii. The decision of the Company to recall / accelerate payment or performance under the agreement shall be in consonance with the loan documents executed by the borrower with the Company.
- iv. The Company will release all 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 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 information about the remaining claims and the conditions under which the Company is entitled to retain the securities till the relevant claim is settled/paid. In the event of full and final payment of the loans along with other dues, if any, "No outstanding dues" certificate shall be issued by the Company within 1 month from the date of receipt of request from the borrower / customer.

Applicant with Disability (ies)

The Company shall not discriminate in extending products and facilities including loan facilities to the physically / visually challenged applicants on the grounds of disability. They shall be treated at par with the other applicants and their application shall be dealt on merit as per the credit process and policy of the Company. All possible assistance will be provided to the applicants with the disability (ies) to enable them to understand, select and avail appropriate product or loan facility.

General

- i. The Company will refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the borrower, has come to the notice of / been noticed by the Company).

- ii. In case of receipt of a request from the borrower for transfer of the loan account, the consent or otherwise i.e. objection of APAC, if any, shall be conveyed within 21 days from the date of such receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.
- iii. In the matter of recovery of loans, the Company will resort only to remedies which are legally and legitimately available to it and will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc. The Company will make all efforts so that its staff is adequately trained to deal with customers in an appropriate manner.
- iv. As a measure of customer protection and in order to bring in uniformity with regard to prepayment of various loans by borrowers of banks and NBFCs, the Company shall not charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned for the purpose other than business to “Individual borrowers” with or without co-obligant.
- v. The Company shall not discriminate on grounds of sex, caste and religion including physically/visually challenged applicants on grounds of disability in the matter of lending. However, this does not preclude the company from participating in credit – linked schemes framed for weaker sections of the society.

Responsibility of Board of Directors towards an effective Grievance Redressal Mechanism

The Board of Directors of the Company will also lay down an appropriate grievance redressal mechanism within the organization.

Such a mechanism shall ensure that all disputes arising out of the decisions of its functionaries are heard and disposed of at least at the next higher level.

Review of the Fair Practices Code

Compliance with respect to all aspects of the FPC and the Grievance Redressal Mechanism shall be reviewed by the Board annually unless regulatory changes requires a review of the policy sooner.

Force Majeure

The various commitments outlined and made by APAC are applicable under a normal operating environment. In the event of Force Majeure, the Company may not be able to fulfill its commitments under the FPC to the entire satisfaction of its customers or the other stakeholders.

Outsourcing

Outsourcing of any activity by the Company does not diminish its obligations, as the onus of compliance with regulatory instructions rests solely with the Company. Wherever the Company engages digital lending platforms as their agents to source borrowers and/ or to recover dues, APAC must follow the following instructions:

- a. Names of digital lending platforms engaged as agents shall be disclosed on the website of the Company.
- b. Digital lending platforms engaged as agents shall be directed to disclose upfront to the customer, the name of the Company on whose behalf they are interacting with him.
- c. Immediately after sanction but before execution of the loan agreement, the sanction letter shall be issued to the borrower on the letter head of the Company.
- d. A copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement shall be furnished to all borrowers after disbursement of loans
- e. Effective oversight and monitoring shall be ensured over the digital lending platforms engaged by the Company.
- f. Adequate efforts shall be made towards creation of awareness about the grievance redressal mechanism.

Grievances Redressal Mechanism

The implementation of the FPC shall be the responsibility of the Company. The Company shall make every effort to ensure that its dealing with borrowers / customers is smooth and hassle free. Any complaint brought to the notice of the Company by a borrower / customer will be handled expeditiously.

All disputes / complaints arising out of the decisions of the Company's functionaries would be heard and disposed of at least at the next higher level after it is brought to their notice. Therefore, the following 'Grievances Redressal Mechanism' is put in place.

Step 1: Branch/Place (where Business is transacted) Level Review

A customer should either make a written complaint addressed to the relevant Branch Manager (contact details for the Company's branches / Place where business is transacted are on the Company's website, call the Company at [+91 22 6666 8169 during office hours (9:30 a.m. to 6:00 p.m.)], or email the Company at complaint.apac@apacfin.com with:

- i. Account number;
- ii. Brief summary of complaint;
- iii. Complete contact address/phone number of the complainant.

The Branch/ place where Business is transacted will strive to provide an initial response to the customer's complaint within 7 days of the complaint being lodged.

Step 2: Grievance Redressal Officer Review

In case the customer is not satisfied with the response received at Step 1, i.e. the Branch/place where business is transacted, he /she can escalate the complaint to APAC's Grievance Redressal Officer, whom the Company has appointed for the implementation of customer service and complaint handling. The Grievance Redressal Officer's complete contact details are given on the following page:

Ms. Shraddha Dighe

Address (office): First Floor, Ashford Centre,
Shankar Rao Naram Marg,
Lower Parel - West, 400 013,
Mumbai, Maharashtra
Email id: shraddha.dighe@apacfin.com
Landline No (91) 22 6666 8169.

The Grievance Redressal Officer can be contacted during office hours (9:30 a.m. to 6:00 p.m.) on any of the working days of the Company.

Once the complaint is escalated, the complaint will receive a response within 7 working days of it reaching the Grievance Redressal Officer.

Step 3: Joint Chief Executive Officer Review

In case the customer is still not satisfied with the response or has not received a response from the Company within 15 days from the date of his/her initial complaint, he/she may contact the Company's Joint Chief Executive Officer at the email id ceo.apacnbfcc@apacfin.com or phone number (0)22-6666 8169. during office hours (9:30 a.m. to 6:00 p.m.)

APAC Financial Services Private Limited

After examining the matter, it would be our endeavour to provide the borrower / applicant with our final or other response, within a period of two (2) weeks and within a maximum period of four (4) weeks from receipt of such complaint/grievance.

If the complaint does not receive a response from the Company within a period of 1 month or if a customer is dissatisfied with the response received at all levels, the complainant may approach the Reserve Bank of India at the following address with CC to ceo.apacnbfcb@apacfin.com:

The General Manager
Reserve Bank of India
DNBS, Mumbai Regional Office,
RBI Building, 3rd Floor,
Opp. Mumbai Central Railway Station,
Mumbai-400 008.
Tel: - 022 23084121/2302 8436
e-mail- helpdnbs@rbi.org.in

Integrated Ombudsman Scheme

The Integrated Ombudsman Scheme, 2021 is effective from November 12, 2021. The Scheme adopts 'One Nation One Ombudsman' approach by making the RBI Ombudsman mechanism jurisdiction neutral. It integrates the existing three Ombudsman schemes of RBI namely, (i) the Banking Ombudsman Scheme, 2006; (ii) the Ombudsman Scheme for Non-Banking Financial Companies, 2018; and (iii) the Ombudsman Scheme for Digital Transactions, 2019. Relevant details are published in the Company's website <https://apacfin.com/>

The Board shall review the compliance with the FPC and the functioning of the grievance redressal mechanism at periodic intervals. A consolidated report of such reviews shall be submitted to the Board of Directors at regular intervals.