

AMBIT FINVEST PRIVATE LIMITED

FAIR PRACTICE CODE

Version	Document Owner*	Approval	Version Description	Regulatory Reference
I	-	Board Meeting - 16.05.2019	Annual Review	RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17
II	Jatin Mandalia (SF Operations) & Vaseem Khan (SME Operations)	Board Meeting - 24.06.2020	Annual Review	Nil

*w.e.f. June, 2020

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1. Background:

Ambit Finvest Private Limited (hereafter referred to as ‘the **AFPL**’/ ‘the **Company**’) is a private limited company incorporated under the provisions of the Companies Act, 1956 and is a Reserve Bank of India (RBI) registered Systemically Important Non-Deposit Accepting or Holding Non-Banking Financial Company (“NBFC-NDSI”). The Company has become a “Systemically Important” Non- Deposit Accepting or Holding Non-Banking Financial Company effective from September 01, 2018.

The Reserve Bank of India (RBI) has issued guidelines on Fair Practices Code for Non Banking Financial Companies (NBFCs) thereby setting standards for fair business and corporate practices while dealing with their customers. Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (“the Directions”) issued by RBI provides that all the applicable NBFCs shall put in place Fair Practices Code based on the guidelines outlined in the said directions.

In terms of the RBI Directions and considering the nature of the business, it is proposed to adopt the following Fair Practice Code (Code) for AFPL lending activities under all categories of products.

2. Objective of the Code:

The Key objective of the Code

- a) Ensuring Fair Practices while dealing with the customers;
- b) Clients are advised and assist in understanding of the key terms and conditions of services provided for their consideration prior to commitment of a transaction.
- c) Monitoring and administration of client accounts is carried out in a fair and transparent manner consistent with the terms and conditions of the facility provided;
- d) Recovery and enforcement, where necessary is conducted following due process of law.

3. Applicability of the Fair Practice Code:

I. Applications for loans and their processing:

- a) The borrower shall be provided with the loan application form inter alia, include broad features, terms and conditions governing the loan, indicating the primary list of documents including KYC documents required to be submitted with the application form. Any other documents required to be submitted with the loan application will be informed to the borrower separately.
- b) Loan application of AFPL will 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.

- c) AFPL shall provide to the prospective borrower an acknowledgement for receipt of all loan applications. The time frame, within which loan applications will be disposed of, will be indicated in the acknowledgement.
- d) All communications to the borrower shall be in English or in vernacular language / the language as understood and confirmed by the borrower.

II. Loan appraisal and terms/conditions:

- a) AFPL shall appraise loan applications considering the risk based approach and credit policy of the Company.
- b) AFPL shall convey in writing to the borrower in English or in vernacular language / the language as understood by the borrower by means of sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof.
- c) The acceptance of the terms and conditions communicated by the borrower shall be preserved by AFPL on its record.
- d) AFPL shall mention the penal interest charged for late repayment in bold in the sanction letter and loan agreement.
- e) AFPL will furnish a copy of loan agreement along with a copy of each enclosures quoted in the loan agreement to all clients at the time of sanction/disbursement of loan.

III. Disbursement of loans, including changes in terms and conditions:

- a) AFPL shall give notice to the borrower in English or in vernacular language / the language as understood by the borrower, of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. Changes in interest rates and charges shall be effected prospectively and a suitable condition in this regard shall be incorporated in the loan agreement.
- b) Decision to recall / accelerate payment or performance under the agreement shall be in consonance with the Loan Agreement.
- c) AFPL shall 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 AFPL 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 AFPL are entitled to retain the securities till the relevant claim is settled/paid.

IV. General provisions:

- a) AFPL will refrain from interference in the affairs of its borrowers except for the purposes provided in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the Borrower, which may come to the notice of AFPL).
- b) In case of receipt of request from the borrower for transfer of borrower's account, the consent or otherwise, i.e. objection of AFPL, if any, shall be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms entered into with

the borrower and in consonance with statutes, rules, regulations and guidelines as may be applicable from time to time.

- c) In the matter of recovery of loans, AFPL shall 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.
- d) AFPL shall ensure that its staff is adequately trained to deal with the customers in an appropriate manner.
- e) AFPL shall not charge foreclosure charges/ pre-payment penalties on floating rate term loans sanctioned for purpose other than business to individual borrowers with or without co-obligant (s).

V. Interest Rate:

- a) AFPL will ensure that it will not charge excessive interest rates to its borrowers.
- b) AFPL would arrive at the interest rate for its clients taking into account the following broad parameters such as risk profile of the client, interest rate trends prevailing in the money market, cost of funds, collateral security offered by client/ structure of the deal and Interest rate charged by competitors.
- c) Interest rates would be on an annualized basis and would be communicated explicitly in the sanction letter so that the Borrower is aware of the exact rates that would be charged to the account
- d) Pursuant to notification no. DNBS.204/CGM (ASR)-2009 dated 2 January 2009 in respect to regulation of excessive interest charged by NBFCs, AFPL has adopted an Interest Rate Policy taking into account relevant factors such as cost of funds, margin and risk premium, etc. to determine the rate of interest to be charged for loans and advances. The Interest Rate Policy also covers the rate of interest and the approach for gradation of risk and rationale for charging different rate of interest to different categories of borrowers and same is published and disseminated on the web-site of the Company.

VI. Responsibility of Board of Directors:

The Board of Directors of AFPL has adopted the appropriate grievance redressal mechanism within the organization. Such a mechanism shall ensure that all disputes arising out of the decisions of lending institutions' functionaries, complaints relating to updating/alteration of credit information and complaints pertaining to outsource services are heard and disposed of at least at the next higher level. The Board of Directors shall also provide for periodical review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such reviews shall be submitted to the Board at regular intervals, as may be prescribed by it.

VII. Grievance Redressal:

- a. All grievances shall be heard and disposed off by a person at least one level higher to the person / designation against / relating to whom the grievance is made. After examining the matter, it will be our endeavor to provide the borrower/applicant with our final or other response, within a period of one month from receipt of such complaint / grievance.

b. In case of any complaint/grievance, the applicant/borrowers may contact through any of the following channels:

c.

Grievance Redressal Officer for Structure Finance business	Grievance Redressal Officer for Retail & SME business
Name: Mr. Jatin Mandalia	Name: Vaseem Khan
E-mail: jatin.mandalia@ambit.co	E-mail: vaseem.khan@ambit.co
Telephone: +91 22 3982 1980	Telephone: +91 6841 0000
Fax: +91 22 3043 3020	Fax: +91 22 3043 3020
Address: Ambit Finvest Private Limited, Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.	Address: A 506-A510, Kanakia Wall Street, Andheri-Kurla Road, Chakala, Andheri East, Mumbai- 400093..

d. For the benefit of our customers AFPL shall display the following information prominently at its branches / places where business is transacted:

- the name and contact details of the Grievance Redressal Officer who can be approached by the public for resolution of complaints against AFPL
- the name and contact details of the Officer-in-Charge of the Mumbai Regional Office of the Department of Non Banking Supervision of Reserve Bank of India to whom the customer may make an appeal if the complaint/ dispute is not redressed within a period of one month:

The Officer-In-Charge,
Department of Non-Banking Supervision,
Reserve Bank of India,
Mumbai Regional Office, 3rd Floor,
Rear Wing, Byculla, Mumbai-400008

VIII. AFPL shall abide by RBI Regulations and shall made suitable process or policy as required from time to time with regard to any lending against collateral of gold jewellery and for repossession of vehicles financed by AFPL.

IX. Disclosures:

In compliance with the guidelines on 'Fair Practices Code', AFPL shall publish and disseminate the Fair Practices Code in English on the web-site of the Company and any borrower or client who wishes to obtain the same in vernacular language may request AFPL to provide a translation thereof.

X. Review & Amendments

This policy shall be reviewed and updated periodically for any changes.

"In case any amendments issued by Reserve Bank of India in form of clarifications, circulars or guidelines or by any other name, which may not be consistent with the current provisions laid down under this Code, then the provisions of such amendments / clarifications, shall prevail upon the provisions contained in the RBI communication and the same shall stand amended accordingly effective from the date as laid down under such RBI communique."