



X

Policy

Regulation

Procedure

(Highest)

Title: Fair Practice Code

AMENDMENT/ABOLISHMENT RECORD

Version	Establishment or Amendment	Effective date	Description of change
00	Establishment	28.6.2012	Formulation of policy
01	Amendment	30.1.2015	Amendment as per RBI guidelines
02	Amendment	22.01.2018	Policy approved in 30 th Board of Director's Meeting held on 30.01.2015 since there is no change in RBI fair & practice code, EC approval is not required.
03	Amendment	01.08.2020	Section 7 and addition of Section 10 & 11

Note: The amendment or abolishment of the document shall be done in accordance with the Policy of Policy Control.

Mumbai, 31st July, 2020

Approved by: Board of Directors

Sd/-

Daisuke Maeda

Managing Director.....

Remarks:

方針	Policy	The fundamental principles/ rules/ philosophy of which the Company shall base on with respect to the business administration and the process of making organizational decisions. 業務執行や組織上の意思決定に際し準拠すべき基本的な原則・規則・原理
規程	Regulation	The complementary details based on Policy. 方針に準拠した補完的詳細事項
細則	Procedure Flow	Operational procedures/ flows/ methods based on Policies and Regulations to manage administrative matters. 方針・規程に基づいた業務の具体的処理のための作業手続きや方法



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CHAPTER 1: INTRODUCTION

AEON Credit Service India Private Limited (ACSI) is a non-deposit taking Non-Banking Financial Company registered with Reserve Bank of India (RBI). ACSI is currently involved in consumer finance business providing various types of retail loans to individual and corporate enterprises.

The Reserve Bank of India (“RBI”) has drafted guidelines on Fair Practice Code for Non-Banking Finance Companies (“NBFC”) which sets out the Fair Practices Standards when dealing with customers and to serve as a part of best corporate practice. Pursuant to the RBI circular number DNBS (PD) CC No. 80/03.10.042/2005-06 dated 28 September 2006 further complemented by RBI Master Circular DNBS (PD) CC No. 232/03.10.042/2011-12 dated 1st July 2011 and revised guidelines issued vide circular no. RBI/2011-12/470 DNBS. CC. PD. No.266/03.10.01/ 2011-12 dated March 26, 2012 , No.RBI/2012-13/416DNBS.CC.PD.No.320/03.10.01/2012-13 and No RBI/2014-15/34/DNBS (PD) CC No.388/03.10.042/2014-15 dated July 01, 2014, ACSI has formulated this Fair Practices Code (“Code”) to lay down the procedures/practices in in relation to its lending activities. This Code shall apply across all aspects of ACSI’s operations including all products and services currently offered by us and those that may be introduced at a later date.

Section 1: Objectives of the Code

The code has been developed with an objective :

- To promote good and fair practice for dealing with the customers.
- To provide greater transparency to enable the customers for having a better understanding of the product and taking informed decisions
- To encourage market forces through competition to achieve higher operating standard.
- To foster the confidence of the customer in the company

Section 2: Company’s Commitment

ACSI shall endeavor to provide its customers and business partners assurance and trust in their daily lifestyle considering that “everything we do we do for our customers”.

ACSI shall ensure that its products and services offered to its customers meet the relevant laws and regulatory requirements and shall explain all financial implications, terms and condition and the products key features clearly and in transparent manner to its customers.



ACSI shall ensure to act fairly and in timely manner attending to its customers' needs, enquiries, and complaints with integrity, highest level of transparency, ethical principles and professionalism.

And also ensure that its customers acknowledge all the documentary information required by the company as per the “**Know Your Customer**” norms and regulations and shall strictly observe the confidentiality and customer's information security.

CHAPTER 2: LOAN TO CUSTOMERS

Section 3: Application for loans and their processing

- a) All communications to the borrower will be in the English or in a vernacular language as understood by the borrower.
- b) Loan application forms 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.
- c) ACSI has devised a system of giving acknowledgement for receipt of all loan applications. Preferably, the time frame within which loan applications will be disposed of is indicated in the acknowledgement.

Section 4: Loan Appraisal & Terms / Conditions.

ACSI shall convey in writing to the borrowers as understood by the borrowers by means of sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions including annualised rate of interest and method of application thereof and keep the acceptance of these terms and condition of the loan amount sanction, its annualised rate of interest and other terms and conditions by the borrowers on its record including the method of loan application and keep the acknowledgement of acceptance by the borrower in our record. ACSI shall mention the penal interest charged for late payment in bold in the loan agreement.

ACSI shall furnish a copy of the loan agreement as understood by the borrower along with a copy each of all enclosures quoted in the loan agreement to the borrowers at the time of sanction or disbursement of loan.



Section 5: Disbursement of loans including changes in terms and conditions

ACSI shall give notice to borrower in the vernacular language or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, fees and charges i.e. service charges, interest rate, prepayment charges etc. ACSI shall also ensure that changes in the interest rates and charges are effected only prospectively.

All Decision to recall/ accelerate payment or performance under the agreement should be in consonance with the loan agreement.

ACSI shall 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 particulars about the remaining claims and the conditions under which ACSI is entitled to retain the securities till the relevant claim is settled / paid.

Section 6: General

ACSI shall refrain from interference in the affairs of the borrower except for the purpose provided in the terms and conditions of the loan agreement (unless information, not earlier disclosed by the borrower has been noticed).

In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise, i.e., objection of the ACSI, if any, shall be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per the contractual terms in consonance with the law.

In the matter of recovery of loans, ACSI shall not resort to undue harassment viz. persistently bothering borrowers at odd hours, use muscle power for recovery of loans etc. and shall also ensure that the staffs are adequately trained to deal with the customers in an appropriate manner.

Section 7: Complaints/Grievances Redressal Mechanism

A complaint will mean an expression of dissatisfaction made to ACSI by any borrower(s) or someone legally representing their interests, about its products, services or complaint-handling process, where a response or resolution is explicitly or implicitly expected. All complaints/disputes arising out of the decisions of the functionaries in relation to the products and services shall be heard and disposed off at least at the next higher level. The Board of Directors shall also provide for periodical review of the compliance of this Code and the



functioning of the grievance redressal mechanism at various levels of management. A consolidated report of such reviews may be submitted to the Board at regular intervals, as may be prescribed by it. ACSI has set up appropriate Grievances Redressal Mechanism within the organisation for the resolution of the Customers complaint against the Company.

ACSI has designated Section Head - Customer Service as the Grievances Redressal Officer (GRO) for the said purpose. To redress the grievances customers may approach the following contact person:

- Customers who wish to lodge any Complaints / Grievances or to provide any feedback may use the following channels between 10:00 am and 6:00 pm, from Monday to Friday (except on national holidays).

Customer Service

Telephone No: +91 22 62266850

Email Id: grievance@aeoncredit.co.in

- If the Complaint is not redressed within a period of one month, the customer may appeal to the Officer-in-charge of the Regional Office of Department of Non-Banking Supervision (DNBS) of RBI under whose jurisdiction the registered office of the ACSI falls. The details of DNBS is as given below :

**To
The Manager,
Reserve Bank of India,
Department of Non- Banking Supervision,
Mumbai Regional Office,
3rd Floor, Near Maratha Mandir,
Opp. Mumbai Central Railway Station,
Byculla, Mumbai-400008
Email Id : dnbsmro@rbi.org.in**

Section 8: Language and Mode of Communication Fair Practice Code

Fair Practice Code preferably in vernacular language or any other language as understood by the borrower(s) should be put up on the website of the company for the information of various stakeholders.

Section 9: Regulation of Excessive Interest Charged

The Board of ACSI has laid down appropriate internal policies and procedures in determining interest rates and processing and processing charges.

ACSI has adopted interest rate model for determining the rate of interest to be charged for loans and advances taking in to account the various relevant factor such as cost of funds, margin, and



risk premium etc. The rate of interest and the approach for gradation 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 and the approach for gradation of risk shall also be made available on the website of the companies. The information published in the website or otherwise published should be updated whenever there is a change in the rate of interest.

The rate of interest should be annualised rate so that the borrower is aware of the exact rates that would be charged to the account.

Section 10: Section in charge

Section in charge of handle this policy shall be Company Secretary Section.

Section 11: Revision & Abolishment

Revision and abolishment of this policy shall be planned and conducted by the Company Secretary Section. Revision and abolishment of this policy requires an appropriate resolution to that effect passed at a Board of Directors' Meeting. The organization shall review this policy annually or as and when required pursuant to the changes in law/ business environment or strategy requirements or developments of Policy control.
