

CORPORATE GOVERNANCE

At Alwar General Finance, we recognize the importance of good corporate governance. Alwar General Finance maintained comprehensive corporate governance for years.

Fair Practice Code Introduction

RBI has drafted the guidelines on Fair Practices Code for Non-Banking Finance Companies which sets the Fair Practices Standards when dealing with customers and to serve as a part of best corporate practice.

Our policy is to treat all the customers consistently and fairly. Our employees will offer assistance, encouragement and service in a fair, equitable and consistent manner. We will also communicate our Fair Practices Code to our customers by placing the same on Notice Board of the company and on the company's website in due course after receipt of Certificate of Registration from the Reserve Bank of India.

We shall ensure that charges / fees are appropriately informed to the borrower. Terms and conditions pertaining to the loan / facility will be conveyed to the prospective borrowers. We commit that disputes arising out of the lending decisions will be appropriately resolved by a grievance redressal mechanism set up by us.

The Company's Board of Directors and the management team is responsible for establishing practices designed to ensure that our operations reflect our strong commitment to fair lending and that all employees are aware of that commitment.

Key Comments

Applications for loans and their processing

- Loan application forms should 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. All communications to the borrower shall be in the vernacular language or a language as understood by the borrower.
- The NBFCs should devise a system of giving acknowledgement for receipt of all loan applications. Preferably, the time frame within which loan applications will be disposed of should also be indicated in the acknowledgement
- Loan Application form will clearly state the information that the company requires to collect from the customer to fulfill the KYC norms and to comply with legal and regulatory requirements. We may request for additional information about the customer and his/ her family to build a database; but this information is furnished by the customer only if she/ he wish to do so.

Loan appraisal and terms/conditions-

- The company should convey in writing to the borrower in the vernacular 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 and keep the acceptance of these terms and conditions by the borrower on its record.
- Company will also 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 all the borrowers at the time of sanction / disbursement of loans.

Alwar General Finance Company Private Limited

GST: 08AABCA4988P1ZX

Regd. Office: 148, Navjeevan Tower, 3rd Floor, Alkapuri, Alwar- 301001, Rajasthan

Ph. No. 0144-2704769, +91-8875006911, Website – www.agfcpl.com, E-mail- info@agfcpl.com

Disbursement of loans including changes in terms and conditions

- The company will give notice to the borrower any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. We will also ensure that changes in interest rates and charges are affected only prospectively. A suitable condition in this regard should be incorporated in the loan agreement.
- Decision to recall / accelerate payment or performance under the agreement should be in consonance with the loan agreement.
- The company will release all securities, if taken, 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 company 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 company is entitled to retain the securities, in case taken, till the relevant claim is settled/paid.

Confidentiality

- Unless authorized by the customer we will treat all personal information as private and confidential.
- Unless authorized by the customer, we will not reveal transaction details to any other entity including other than the following exceptional cases-
 - If we have to provide information by statutory or regulatory laws
 - If there is a duty to the public to reveal this information.
 - If our interest requires us to provide this information such as for fraud prevention to Banks/ Financial Institutions / Our group and Associate companies.
 - We will not use this reason for giving information about customers to anyone else for marketing purposes.

General

- The company should 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 the lender).
- In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise i.e. objection of the NBFC, if any, should 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.
- In the matter of recovery of loans, the company should not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc. Company will ensure that the staffs are adequately trained to deal with the customers in an appropriate manner.

Responsibility of Board of Directors

The Board of Directors of company should also lay down the appropriate grievance redressal mechanism within the organization to resolve disputes arising in this regard. Such a mechanism should ensure that all disputes arising out of the decisions of lending institutions' functionaries are heard and disposed of at least at the next higher level. The Board of Directors should 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 may be submitted to the Board at regular intervals, as may be prescribed by it.

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Complaints about excessive interest charged

The Board of Directors would lay down appropriate internal principles and procedures in determining interest rates and processing and other charges.

In this regard the guidelines indicated in the Fair Practices Code about transparency in respect of terms and conditions of the loans are to be kept in view.

Regulation of excessive interest charged by the company

- The Board of company shall adopt an interest rate model taking into account relevant factors such as, cost of funds, margin and risk premium etc and determine the rate of interest to be charged for loans and advances. 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 rates of interest and the approach for gradation of risks shall also be made available on the web-site of the companies or published in the relevant newspapers. The information published in the website or otherwise published should be updated whenever there is a change in the rates of interest.
- The rate of interest should be annualized rates so that the borrower is aware of the exact rates that would be charged to the account.

Grievance Redressal Officer

- The company would display on the notice board and website, if any of the company the following information prominently, for the benefit of their customers, at their branches / place where business is transacted.
- The name and contact details [Telephone / Mobile nos. and also email address] of the Grievance Redressed Officer [as per shared contact info on the website] who can be approached by the public for resolution of complaints against the Company.
- 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 (complete contact details), under whose jurisdiction the registered office of the company falls.

Clarification regarding repossession of vehicles financed by NBFCs

Company would build in re-possession clause in the contract/loan agreement with the borrower which must be legally enforceable. To ensure transparency, the terms and conditions of the contract/loan agreement should also contain provisions regarding:

- Notice period before taking possession;
- Circumstances under which the notice period can be waived;
- The procedure for taking possession of the security
- A provision regarding final chance to be given to the borrower for repayment of loan before the Sale / auction of the property;
- The procedure for giving repossession to the borrower; and
- The procedure for sale / auction of the property.

A copy of such terms and conditions must be made available to the borrower in terms of circular wherein it was stated that company may invariably furnish a copy of the loan agreement along with a copy each of all the borrowers at the time of enclosures quoted in the loan agreement to all the borrowers at the time of sanction / disbursement of loans, which may form a key component of such

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contracts/ loan agreements.

FURTHER ASSISTANCE

Complaints

In case of any complaint/grievance, the applicant/borrowers will have to inform in writing. The Officials shall immediately take up the matter for redressal.

GRIEVANCES REDRESSAL MECHANISM

All disputes arising in relation to the products and services shall be heard and disposed off at least at the next higher level. Company will review the compliance of fair practice code on quarterly basis and report to Reserve Bank of India the results of review.

Feedback and Suggestions

We request our customers to provide feedback on our service to help us to improve our services.

Monitoring

We have a Nodal Officer to ensure compliance of the Code.

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