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## FAIR PRACTICE CODE AVASARA FINANCE LIMITED

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<b>Approved by</b>	Board of Directors
<b>Policy Owner</b>	Audit Committee
<b>Version</b>	2.0/2025-26
<b>Name of the Policy</b>	Fair Practice Code
<b>Date of Approval / Latest Review</b>	27/05/2025

## **Background:**

The Fair Practices Code adopted by the Company as per the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 sets minimum Fair Practices standards for the Company to follow when dealing with customers. It provides information to customers and explains how the Company is expected to deal with them on a day to day basis including resolution of grievance mechanisms.

## **Objectives of the Code:**

The code has been developed with an objective of:

- a) Ensuring fair practices while dealing with customers.
- b) Greater transparency enabling customers to have a better understanding of the product and taking informed decisions.
- c) Building customer confidence in the company's practices.

## **Definitions:**

**Applicant** — An applicant being an individual, HUF, partnership firm, company or trust who is resident Indian that makes an application to the Company for availing loan.

**Board** — The Board of Directors of Avasara Finance Limited (hereinafter referred as “Company”).

**Borrower** - Applicant whose loan has been sanctioned / approved and/or in respect of whom the loan amount is being disbursed by the Company to the Applicant.

**Business Day** — a day other than (i) Saturday and Sunday, (ii) a day on which the Reserve Bank of India or the banks in Mumbai / Bangalore are not closed.

## **I. Application for Loans and their processing:**

- a) The company majorly invests and provides loans business entities. Loan products such as working capital loans, Term Loans (short/medium/long term), loan against property, ICDs etc.
- b) The Application form / appropriate documents required for each of these products offered by the company **may be** different depending upon the requirement of each product and will include all information that is required to be submitted by the Borrower. Necessary information will be provided by the Company to facilitate the borrower in making a meaningful comparison with terms and conditions offered by other NBFCs **in respect of similar facilities** and taking an informed decision based on the aforesaid comparison.
- c) The Application Form and other related communication of the Company may also indicate the list of documents required to be submitted by the Borrowers along with the Application form.
- d) Company will inform the borrower about its decision within *reasonable period of time* from the date of receipt of all the required information in full.

## **II. Loan appraisal and terms/conditions and Key Facts Statement for Loans and Advances:**

The Company shall convey in writing to the borrower by way of sanction letter / terms sheet or otherwise the amount of limit sanctioned along with all the terms and conditions including **annualised** interest rates and method of application **of interest** thereof and keeps the acceptance of these terms and conditions by the borrower on Company's record.

Any clause relating to penal interest charged for late repayment, default or deviation from agreed repayment schedule will be specified in a prominent manner in appropriate documentation.

Company at the time of sanction / disbursement of loans, will furnish a copy of the loan agreement **and any other relevant enclosures / annexure quoted in such agreements to the borrower including Key Facts Statement (KFS) for Loans & Advances' for better understanding by the borrower and in order to avoid any eventual disputes.**

**Company will take all due care to communicate to the borrower in a language as understood by them.**

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

a) Through appropriate communication to **respective** borrower, Company will give notice to all its borrowers of any change in the terms and conditions of the sanction. Company will also ensure that changes in interest rates and charges are effected only prospectively.

**b) Company will decide to recall / accelerate payment or performance under the agreement strictly in consonance with the Loan Agreement / accepted terms.**

c) **Company will** release all the securities of its Borrowers only on repayment of all the dues by such Borrower, or only on realization of the outstanding amount in the Borrower's loan account, subject to any legitimate right or lien for any other claim which Company may have against its Borrower. If such right of set off is to be exercised, the Borrower will be given notice about the same with full particulars about the remaining claims and conditions which Company will be entitled to retain the securities till the relevant claim is settled or paid by the Borrower.

## **IV. General:**

a) Company will refrain from interference in the affairs of the Borrower except for the purposes provided in the terms and conditions of the respective loan agreement (unless new information, not earlier disclosed by the Borrower, which may come to the notice of Company).

b) In the case of receipt of request from the Borrower for transfer of Borrower's account, the consent or otherwise, i.e. objection of IC, if any, is generally conveyed to such Borrower within 21 days from the date of receipt of the Borrower's request. Such transfer will be as transparent as per contractual terms in consonance with all the applicable laws.

c) In the matter of recovery of outstanding dues of its borrower, Company will not resort to undue harassment, viz, persistently bothering the borrower at odd hours, use of muscle power for recovery of loans/dues, etc. The staff will be trained to deal with customers in an appropriate manner.

- d) The Company may collect such personal information that it believes to be relevant and required to understand the customer's profiles and conduct its business. The Company shall treat all personal information as private and confidential and shall not divulge any information to a third person unless required by any law or Government authorities including Regulators or Credit agencies or where the sharing of information is permitted by the customer. If company shall avail services of any third party for providing support services, Company shall require that such third parties handle customers' personal information with the same degree of confidentiality.
- e) The Company shall ensure that all advertising and promotional material is clear, and not misleading.
- f) The Company may give information to Credit Bureau / Reference agencies about the personal debts, the customer owes to it if;
  - i. The customer has fallen behind with their payments,
  - ii. Legal proceedings have been initiated against the customer to recover the dues
  - iii. Debts settled through legal recourses against the customer.
  - iv. It is mandated by law/arrangement with Credit Bureau to provide the information of all such customers to such agencies.

## **V. Regulation of excessive interest charged:**

The company has laid down appropriate internal principles and procedures in determining interest rates and processing and other charges. The Interest rate policy is hosted on Company's website which considers the gradation of the risk of the borrower, viz, the financial strength, business, regulatory environment affecting the business, competition, history of the borrower, etc. while determining the rate of interest.

## **VI. Grievance redressal mechanism:**

Borrowers and others who have grievances in respect of decisions of IC's functioning may address their grievances to grievance officer as per escalation matrix below:

### **Level 1: Grievance Redressal cum Nodal Officer(s)**

Borrowers are requested to address all their grievances at the first instance to the Grievance Redressal Officer. The contact details of the Grievance Redressal Officer are:

Name: Mr. Raj Surendra Jain

Designation: Finance Controller

Address: Bandra Hill View Chs, (3rd Floor ), 85, Hill Road Opp. Yoko Sizzlers, Bandra (W), Mumbai City Maharashtra 400050

Email: raj.j@avasarafinance.com

The Grievance Redressal Officer may be reached through the e-mail address above. The Grievance Redressal Officer shall endeavor to resolve the grievance within a period of 21 working days from the date of receipt of a grievance.

## **Level 2: Compliance cum Principal Officer**

If the Borrower does not receive a response from the Grievance Redressal cum Nodal Officer within 21 days of making a representation, or if the Borrower is not satisfied with the response received from the Grievance Redressal cum Nodal Officer, the Borrower may write to the Compliance cum Principal Officer at the e-mail address below. The contact details are provided below.

Name: Vinu Mammen

Designation: COO

Address: Bandra Hill View Chs, (3rd Floor ), 85, Hill Road Opp. Yoko Sizzlers, Bandra (W), Mumbai City Maharashtra 400050

Email: [vinu.mammen@avasarfinance.com](mailto:vinu.mammen@avasarfinance.com)

## **Level 3: Escalation to the Officer-in-charge DNBS, RBI**

If any Customer is not satisfied with the resolution provided by the Grievance Redressal Officer or in case the grievance is not redressed within a period of one month from the date of its first submission, then the customer can write to:

Officer-in-Charge Reserve Bank of India, Department of Supervision (NBFC) Reserve Bank of India, Central Office (Headquarters): Centre I, World Trade Centre, Cuffe Parade, Colaba, Mumbai - 400 005., India

*\*\* Currently based on the size and operations of the Company the Reserve Bank – Integrated Ombudsman Scheme, 2021 does not apply to the Company. The company will modify the said policy as and when the same is applicable to the Company.*

The Board will periodically review the compliance of this Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management.

*A consolidated report of such reviews will be submitted to the Board at regular intervals, as may be prescribed by it.*