

AVANSE GLOBAL FINANCE IFSC PRIVATE LIMITED
Fair Practice Code

VERSION CONTROL

Version	Date of Adoption	Change reference	Owner	Approving Authority
1	November 30, 2023	New Policy	Compliance	Board

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

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1. Introduction:

Avanse Global Finance IFSC Private Limited ("Company") is a Company incorporated under the Companies Act, 2013 and a Finance Company registered under International Financial Services Centres Authority (Finance Company) Regulations, 2021 (As amended from time to time) providing loans to aspiring students for higher education studies abroad. The organization endeavours to review and follow the policy guidelines laid down by Regulator to set up fair business practices while dealing with its customers. Accordingly, this Fair Practice Code ("FPC" or "Code") has been formulated pursuant to Banking regulations to the extent applicable to Finance Company registered under the International Financial Services Authority (Finance Company) Regulations, 2021

Hence, in compliance with the said regulations, this Code has been framed, approved and reviewed by Board of the Company from time to time. The Company shall at all times adopt best business and customer service practices from time to time and make appropriate modifications, as necessary to this Code.

The fair lending practices shall apply to its entire business operations including marketing, loan origination, processing, servicing and collection activities. Its commitment to FPC will be demonstrated in terms of employee accountability, training, counselling, monitoring, auditing programs, internal controls, optimal use of technology and empathy to service the needs of its customers. At the same time, we will remain cognizant of our customer's need for privacy and confidentiality for their personal data.

2. Objectives of Code:

- (a) Promote good and fair practices by setting minimum service standards in dealing with the customer;
- (b) Increase transparency so that the customer can have a better understanding of what they can reasonably expect from the services of the Company;
- (c) Encourage market forces, through competition, to achieve higher operating service standards; and
- (d) Promote a fair and cordial relationship with the customer.
- (e) Follow transparent, fair, ethical and legally tenable practices while conducting business.
- (f) Provide all necessary information and inputs to customers / prospective customers and promote a mutually beneficial long term relationship

3. Application of Code:

- a) This Code shall apply to all the products and services offered by the Company using various channels/methods of offering.
- b) This code will be applicable to all our customers (which as the context permits shall include prospective customers, customers who have applied for loan with us but loan not sanctioned / disbursed in addition to the customers who are in receipt of loan amount from the Company).

4. Company's Key Commitments:

- a) The Company shall always act fair and reasonable in dealings with its customer(s) by adhering to the principles of integrity and transparency at all times.
- b) The Company shall meet all the legal and regulatory requirements and fulfil standards provided in this Code while soliciting any products and services.
- c) The Company shall ensure that all advertising and promotional material is fair clear, and not misleading.

- d) The Company shall ensure transparency in communication and provide information on interest rates, fees and charges in the loan document and the same should be displayed on the website of the Company.
- e) The Company may, from time to time, communicate to customer about various features of products/services availed by them including information about third party products/services or promotional offers after obtaining prior written consent from the customer.
- f) The Company shall implement transparent Code of Conduct for its Direct Selling Agencies (DSAs) / Direct Selling Teams (DST's) /Tele callers in line with the Code.
- g) Where any information is to be provided to a Client, the Company will provide that information directly to the client unless it has received written instructions from the client assigning details of another person for the purpose.
- h) The Company shall always preserve the privacy and confidentiality of personal information provided by Customer.
- i) The Company undertakes to abide by all applicable laws, regulations and guidelines passed / issued by the Regulators (IFSCA, SEZ and other applicable authorities) and other competent authorities such as Government, Local Authority etc.
- j) The Company undertakes not to take advantage of any unintentional or clerical error made by the customer while transacting business.

5. Applications for loans & their processing:

- a) Standard schedule of fee/ charges relating to the loan application depending on the segment to which the accounts belong will be made available to all the prospective borrowers in a transparent manner, along with the loan application, irrespective of the loan amount. Likewise, amount of fee refundable in the event of non-acceptance of the application, prepayment options and any other matter which affects the interest of the borrower will also be made known to the borrower at the time of application.
- b) The loan application form will contain the list of documents required to be submitted along with the application form.
- c) Every loan application completed in all respects shall be duly acknowledged by our authorized personnel. The turnaround time (**TAT**) for disposing the loan applications completed in all respects shall be **30** working days from the date of receipt of the last leg of information / data from the customer to process / appraise his / her loan application. In case any additional information is required for credit, and risk assessment, the customer shall be immediately contacted. The said time frame for disposal of applications is indicative and applicable from the date of receipt of loan application, which is complete in all respects.
- d) The time frame for disposing loan applications shall be indicated to the customer.
- e) All communications to the customer will be in the English or a language as understood by the customer.
- f) In the case of all customers seeking loans, the Company would in 30 working days convey in writing, the main reason/s which, in the opinion of the Company after due consideration, have led to rejection of the loan applications.

6. Loan appraisal and terms/conditions:

- a) As a standard process, all information required for processing the application shall be collected at the time of loan application itself.
- b) The Company shall conduct a due diligence on the credit worthiness of the customer, which will be an important parameter for taking decision on the application. The assessment would be in line with the Company's credit policies, norms and procedures in respect thereof.

- c) The Company shall convey in writing to the customer in English or a language as understood by the customer, the Loan Sanctioned along with the Terms & Conditions thereof including annualized RoI, EMI Structure or any other regulatory information required to be provided to the customer.
- d) The Company shall keep the written acceptance of all these terms and conditions by the customer in its records.
- e) The Company shall provide copies of all the loan documents executed by the customer along with a copy of each of its enclosures as per the Loan Documentation to every customer, at the time of sanction/disbursement of loans.
- f) The Company shall mention the penal charges in **bold** in the loan agreement.
- g) Appropriate internal principles and procedures for determining interest and other charges shall be laid down and be subjected to review keeping in view the business exigencies, regulatory and customer sentiments, market practices etc.
- h) All Terms and Conditions will be fair and will set the customers rights and responsibilities clearly and in plain language, the Company will use legal or technical language only where necessary.

7. Disbursement of loans including changes in terms and conditions:

- a) Disbursement shall be made in accordance with the disbursement schedule and/or terms agreed with the customer as per the loan Agreement/ sanction Letter.
- b) The Company shall give notice to the customer in English or a language as understood by the customer of any change in the terms and conditions including disbursement schedule, RoI, service charges, pre-payment charges, other applicable fee/charges etc. The changes in RoI and charges are effected only prospectively with prior intimation to the customer.

8. Post Disbursement Practices:

- a) Any decision to recall / accelerate payment or performance under the loan agreement or seeking additional Information/ comfort, shall be taken after giving notice to the customer in consonance with the loan agreement.
- b) The Company will release all securities/collaterals, if any 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 customer. If such right of set off is to be exercised, the customer will be given notice about the same with full particulars about the remaining claims and the conditions under which the Company is entitled to retain the securities till the relevant claim is settled/paid.

9. General

- a. The Company would refrain from interference in the day-to-day affairs of the customers except for what is provided in the terms and conditions of the loan sanction documents (unless new information, not earlier disclosed by the customer, has come to the notice of the Company). This, however, does not imply that the Company's right of recovery and enforcement of security under law as well as appointment of nominee directors, where required, is affected by this commitment.
- b. The Company would not discriminate on grounds of sex, caste and religion in the matter of lending. However, this does not preclude the Company from participating in credit-linked schemes framed for weaker sections of society.
- c. In the matter of recovery of loans, the Company shall not resort to undue harassment such as persistently bothering the borrowers at odd hours and use of muscle power.
- d. In case of receipt of request for transfer of customer account, either from the customer or from a bank/financial institution, which proposes to take- over the account, the consent or otherwise i.e., objection of the Company, if any, would be conveyed within 21 days from the date of receipt of request.

10. Collection of Dues:

- a) At the time of giving a loan to the customer the Company shall explain to the customer the repayment process including instalment amount, tenure, bounce charges, penal interest and periodicity of repayment. However, if the customer does not adhere to the repayment schedule, a defined process in accordance with the laws of the land shall be followed for recovery of loan dues. The process will involve reminding the customer by sending him / her notice or by making personal visits and / or repossession of security if any.
- b) Additionally, the terms and conditions for enforcing security interest and/or re-possession of the property collateral (As and when allowed by the applicable regulations) shall be clearly mentioned in the loan or security related document. To ensure transparency, the said terms will speak about: (a) notice period before taking possession; (b) circumstances under which the notice period can be waived; (c) the procedure for taking possession of the security; (d) provision regarding final chance to be given to the customer for repayment of loan before the sale / auction of the property; (e) the procedure for giving repossession to the customer; and (f) the procedure for sale / auction of the property.
- c) Company would resort to the usual measures as per laid down guidelines and extant provisions and would operate within the legal framework.
- d) In line with the aforesaid, a Code of Conduct which shall be adhered during collections/recovery of dues from the customers by Company's authorized personnel is provided in **Annexure A**.

11. Grievance Redressal Mechanism:

The Company shall also lay down the appropriate grievance redressal mechanism within the organization to resolve disputes arising in this regard. Such a mechanism shall ensure that all disputes arising out of the decisions of the Company's functionaries 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.

Great services help companies to drive the customer acquisition, retention and service efficiency. In line with the said philosophy, the Company follows a two (2) tier approach for redressal of customer grievances, as detailed below:

1. Level 1:

- (a) In case of any service request / complaints, the customer may contact the customer engagement team on any of the below mentioned contact points:
 - **Email: wecare.global@avanse.com**
 - **Toll Free Number for customers calling from India: 1800-266-0200**
 - **Contact Number for customers calling from Abroad: (+91) 22-6680 6464**
 - **Written request to the below mentioned address:**
Unit No GA 09, Ground Floor, Pragya Accelerator, Block 15T, Gift SEZ, Gandhinagar, Gujarat India, 382355
- (b) On receipt of service request / complaint, an acknowledgement shall be given within 2 working days by us to the customer via e-mail/ letter by post/ SMS/any other form of legally valid electronic communication including WhatsApp. The Company shall endeavour to respond to the same within a period of 10 working days.
- (c) However, in case where a complaint warrants extensive investigation and/or support of the customer to identify the perpetrator, root cause analysis, or under litigation (incl. pending with local Police authorities), the TAT for responding and resolving such complaints may be more than 10 working days.
- (d) In case the customer is not satisfied with the resolution/response provided by the customer engagement team/s as above, then customer shall escalate to Level 2 as given below.

2. Level 2

It may be noted that the customers shall approach for resolution of their service request/complaint at the first instance to the customer engagement team as mentioned in Level 1 hereinabove, and if their request / complaint remains unresolved for a period of 10 days or they are dissatisfied with the resolution given, they are required to contact Grievance Redressal Cell of the Company:

Kind Attn: Grievance Redressal Manager
Avanse Global Finance IFSC Private Limited
Unit No. GA 09, Ground Floor,
Pragya Accelerator, Block 15T, GIFT
SEZ, Gandhinagar, Gujarat 382355
Email: grievanceredressal.global@avanse.com
Telephone : 1800-266-0200

General:

- (a) The Company shall periodically review this Code basis its business and regulatory requirements.
- (b) Periodic reports on the customer complaints (entailing the number and nature of the complaints received, ageing of complaints, adherence to TATs, root cause details of the complaints in which service deficiencies are found) shall be submitted to the Board of Directors / at regular intervals.

Confidentiality

- a. The Company will ensure the confidentiality of the information / data shared by the customer/ borrower as per the consent provided under the Confirmation and Declaration section of the loan agreement with exceptional instances as illustrated (non-exhaustive) below
 - If the Company have to provide the information by statutory or regulatory laws,
 - If its interest requires us to provide this information (e.g. fraud prevention).

Regulation of Interest Rate

We shall adopt an interest rate model taking into account relevant factors as called out in our interest rate policy which also covers Interest rate model, interest rate range, pricing strategy and company's approach for gradation of Risk.

The information published in the website or otherwise published shall be updated whenever there is a change in the rates of interest.

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

Annexure A

Following Code of Conduct shall be adhered by all authorized personnel of the Company while engaging in any manner with the customer(s) for Collections of loan dues:

1. The code of conduct for collections shall be followed diligently all staff members of the Collection team.
2. Foster customer confidence, long term relationship and ensure dignity and respect to customers is maintained.
3. Courtesy, fair treatment and persuasion shall be the basis of recovery. Unduly coercive methods in collection of dues shall not be adopted.
4. Fairness and transparency in repossession, valuation and realization of securities shall be made.
5. Customers would be contacted ordinarily at the place of their choice. In the absence of any specified place, at their place of residence and if unavailable there, then at the place of business / occupation. During visits to customer(s) place for dues collection, decency & decorum shall be maintained.
6. Identity and authority to represent Company shall be made known to the customer(s) at the first instance.
7. No interference in the affairs of the customer (s). Interaction with them shall be in a civil manner without use of muscle power for recovery.
8. Authorized Representatives shall contact the customer usually between 08:00 a.m. and 19:00 p.m. unless the special circumstances of the customer's business /occupation require otherwise.
9. Customer's request to avoid calls at a particular time / particular place shall be honoured, to the extent possible.
10. Customer would be provided with all the information regarding dues and necessary notice would be given for enabling discharge of dues.
11. Reasonable notice would be given before repossession of security and its realization.
12. At all times, as far reasonably possible, endeavour to resolve disputes / differences regarding dues in a mutually acceptable and orderly manner.
13. Inappropriate occasions such as bereavement in the family or such other calamitous occasions would be avoided for making calls/visits.
14. Confidentiality of customer information shall be maintained at all times.
15. Demeanour that suggests criminal intimidation or resorting to harassment (verbal or physical) including acts intended to publicly humiliate or intrude the privacy of debtors/family members/friends, referees is strictly prohibited.
16. Not send inappropriate messages either on mobile or social media.
17. Shall not make any kind of false and misleading representations to the customer.
18. All the communications in connection to collections/recovery of dues shall be done only on the contact details provided by the customer.
19. Necessary caution shall be taken to ensure that minors are not contacted for financial transactions. More importantly communications related to collections/recovery of dues shall be with the customers /loan applicants (i.e. person attaining majority).