

ASEEM INFRASTRUCTURE FINANCE LIMITED (AIFL or COMPANY)

POLICY FOR FAIR PRACTICE CODE (CODE)

Reviewing & Approving Authority

Authority	Designation
Prepared By	Company Secretary Vice President - Legal
Reviewed By	Chief Executive Officer Chief Financial Officer
Approved By	Board of Directors
Date of approval	November 08, 2023

Version History

Version	Issue Date	Brief Description
V.1	March 24, 2020	New Policy Adopted
V.2	August 26, 2021	Amended to incorporate additional incremental provisions as per RBI Master directions and to be more suited to Company's products
V.3	November 09, 2022	Amended to incorporate clauses as per RBI Master Directions and also updated the details pertaining to Grievance Redressal Officer.
V.4	November 08, 2023	Amended to incorporate additional provisions as per RBI Master Directions

Policy for Fair Practice Code

Fair Practice Code

Fair Practice Code	
Introduction	<p>Reserve Bank of India (RBI) vide its Master Circular DNBR (PD) CC.No.054/03.10.119/2015-16 dated July 01, 2015 (updated from time to time) has advised all the Non-Banking Financial Companies (NBFCs) to frame a Fair Practices Code ("the Code"). RBI has prescribed broad guidelines on fair practices which include processing of application for loans, loan appraisal, disbursement of loans including changes in terms and conditions and certain other conditions which NBFCs need to follow.</p> <p>The requirement further prescribes that the Fair Practices Code so framed and approved by the Board of Directors should be published and disseminated on the website of the NBFC, if any, for the information of the public.</p>
Scope	<p>This Code shall apply across all aspects of AIFL's operations including all products and services currently offered by the Company and those which may be introduced at a later date. AIFL primarily proposes to undertake Infrastructure financing activity and is registered with the RBI as an Infrastructure Finance Company (NBFC-IFC) model.</p> <p>In case of any inconsistency between the provisions of law and this Policy, the provisions of the law shall prevail, and the Company shall abide by the applicable law. Further, in case there are any amendments in the applicable laws, guidelines, circulars ('Regulations') the Policy shall stand amended to align with the applicable amended Regulations.</p>
General:	<ul style="list-style-type: none"> • AIFL shall ensure that employees of AIFL act in an honest and ethical manner while interacting with clients. • AIFL shall refrain from interference in the affairs of the borrower except for the purposes provided for in the terms and conditions of the loan agreement (unless new information not earlier disclosed by the borrower, has come to the notice of AIFL). • However, this does not imply that AIFL's right of recovery and enforcement of security under Law as well as appointment of nominee directors, where required, is affected by this commitment. • In the matter of recovery of loans, AIFL shall not resort to any harassment – such as persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc. AIFL shall ensure its staff is trained for dealing with customers in an appropriate manner. • The Company will not discriminate on the grounds of gender, caste, religion or region in its lending policy and activity. • Company's collection policy shall be built on courtesy, fair treatment and persuasion. • AIFL shall not charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to individual borrowers, with immediate effect. • All communications to the borrower shall be in English or a language as understood by the borrower.

Applications for loans and their processing	<p>(a) Loan proposal of AIFL shall include necessary information pertaining to and customary to the infrastructure project finance/other purposes for which the loan is being sought by the Borrower, AIFL shall ensure that the borrowers are enabled to meaningfully understand the terms and conditions for taking an informed decision. The borrowers shall be duly informed of the documents required to be submitted with the loan proposal.</p> <p>AIFL shall provide acknowledgement for receipt of all loan proposals and shall mention indicative time frame within which loan proposals will be processed.</p> <p>(b) If AIFL cannot provide the loan to the customer, it shall communicate the same to the customer through its appointed representatives or directly to the customer verbally. In case customer requires the same in writing the reason(s) for rejection, the same may be provided in writing by AIFL.</p>
Loan Sanction and terms and conditions	<p>(a) AIFL shall convey to the borrower by means of sanction letter or otherwise, the fate of the loan proposal. In case of the loan being sanctioned, the sanction letter shall inter alia include amount of loan sanctioned along with the terms and conditions including rate of interest and method of application thereof. The acceptance of the sanction letter by the borrower shall be kept by AIFL for its records.</p> <p>(b) AIFL shall mention the penal charges, if any, charged for late repayment in the sanction letter and loan agreement.</p> <p>(c) AIFL shall furnish to the borrower, a copy of loan agreement along with a copy of the enclosures, quoted in the loan agreement.</p>
Disbursement of loans including changes in terms and conditions	<p>(a) AIFL shall give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. AIFL shall endeavor the changes in interest rates and charges that are affected only prospectively.</p> <p>(b) The decision of AIFL to recall / accelerate payment or performance under the agreement should be in consonance with the loan agreement entered into with the borrower.</p> <p>(c) AIFL shall ensure that its interest rate, processing and other charges are determined as per appropriate internal principles and procedures and the same is not excessive. AIFL shall, at the time of disbursal, ensure that the interest rate and processing and other charges on loan and advances are in strict adherence to above referred internal principles and procedures</p> <p>(d) AIFL 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 it 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 AIFL is entitled to retain the securities till the relevant claim is settled/paid.</p>

**Penal Charges in
Loan
Accounts**

On and from January 1, 2024:

- a) Penalty, if charged by AIFL, for non-compliance of material terms and conditions of loan contract by the borrower shall be treated as 'penal charges' and shall not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances.
- b) There shall be no capitalisation of penal charges i.e., no further interest computed on such charges. However, this will not affect the normal procedures for compounding of interest in the loan account.
- c) AIFL shall not introduce any additional component to the rate of interest.
- d) The quantum of penal charges shall be reasonable and commensurate with the non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan / product category.
- e) The quantum and reason for penal charges shall be clearly disclosed to the borrowers in the loan agreement and most important terms & conditions as applicable, in addition to being displayed on REs website under Interest rates and Service Charges.
- f) Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the applicable penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefor shall also be communicated.

Grievance Redressal Mechanism	<p>(a) The implementation of the Code shall be the responsibility of the entire organization. AIFL shall make every effort to ensure that its dealing with customers is smooth and hassle free. Any complaint brought to AIFL's notice by a customer will be handled expeditiously.</p> <p>(b) All disputes / complaints arising out of the decisions of AIFL's functionaries would be heard and disposed of at least at the next higher level after it is brought to their notice.</p> <p>(c) The contact details of the Grievance Redressal Officer ("GRO") and the local office of RBI (which can be approached, if the complaint / dispute is not resolved within a period of one month) will be displayed at all the branches / places where AIFL conducts its business.</p> <p>(d) The grievance redressal mechanism is controlled by the GRO of AIFL. Details of the GRO are mentioned as under:</p> <p>Details of the GRO</p> <p>Name: Mr. Bhawin Shah</p> <p>Contact No.: 91 – 022 69631031</p> <p>Email id: bhawin.shah@aseeminfra.in</p> <p>Detail of Local Office of the RBI</p> <p>Reserve Bank of India (RBI), Mumbai Regional Office, 3rd Floor, Near Maratha Mandir, Byculla, Mumbai Central, Mumbai – 400008</p> <p>Email id: dnbsmro@rbi.org.in</p>
Periodical Review	<ul style="list-style-type: none"> • The Code shall be reviewed once every year and any changes deemed necessary shall be made with the approval of the Board of Directors of AIFL. • The Board of Directors shall periodically review the compliance of the Code and functioning of grievances redressal mechanism. A consolidated report of such reviews must be submitted to the Board, at such intervals, as may be prescribed by the Board. • The Code as approved by the Board shall be hosted on the website of the Company in English language. In the event any client, borrower or stakeholder wish to obtain the same in vernacular language they may request the Company to provide the same.
Related Documents	<p>RBI vide Master Circular DNBR (PD) CC.No.054/03.10.119/2015-16 dated July 01, 2015 (updated from time to time).</p>