

Fair Practice Code

INTRODUCTION

ACG Leasing Limited is a non-deposit taking Non-Banking Finance Company registered with Reserve Bank of India (“RBI”). The company is presently in the business of providing different types of loans which includes Personal Loans etc., to its various customers. Such credit facilities are extended to “Individual” types of customers.

ACG Leasing Limited (“the Company”) has put in place the Fair Practices Code (“FPC”) as per the RBI guidelines and it has been duly approved by the Board of Directors. The FPC sets out the principles for fair practices, transparency & adequate disclosures while dealing with its customers.

The commitments outlined in this FPC adopted by the company are applicable under normal operating environment; however, under situations beyond the control of the Company, it may not be possible for us to fulfil the commitments made thereunder.

1. KEY COMMITMENTS

The Company's key commitments to customers:

- a) Act fairly and reasonably in all their dealings with customers by:
 - Meeting the commitments and standards specified in the Code, for the products and services which the Company offers and, in the procedures, and practices its staff follows;
 - Making sure that Company's products and services meet relevant laws and regulations applicable to it;
 - Company's dealings with customers will rest on ethical principles of integrity and transparency
- b) Help customers understand how company's product work by explaining their financial implications
- c) Deal quickly and sympathetically with things that go wrong by:
 - Correcting mistakes;
 - Handling customer's complaints;
 - Telling customers' how to take their complaint forward if they are still not satisfied
- d) Publicize the Code, put it on Company's website and have copies available for customer on request.

2. INFORMATION

- a) The Company shall help its customer choose products and services, which meet their needs and give them clear information explaining the key features of the services and products they are interested in

- b) Inform customers about the documents and information the Company needs from them to establish customer's true identity and address and, other documents to comply with legal and regulatory requirements via a -vis extent "Know Your Customer" guidelines

3. APPLICATIONS FOR LOAN & THEIR PROCESSING

- a) The company has a lending platform "Loanontip" which is a mobile and web-based platform and a cutting-edge Fintech product which has been developed and designed to make individual's personal financing needs easier and faster. Our customers can avail loan facility from us via this android based mobile application anytime, anywhere and the entire process starting from the registration – to - Loan Application - to - Application Processing - to - Loan disbursement directly to the bank account of the user, is completely online
- b) All communications to the borrower shall be in the vernacular language or a language as understood by the borrower
- c) The loan application forms of the Company 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 indicates the documents required to be submitted with the application form
- d) It issues a written acknowledgement for each application after receipt of the complete information as per the standard application format. Additional information and support documents may occasionally be found necessary in course of processing a customer/borrower application
- e) Applications complete in all respects are processed within a reasonable time frame. In case the proposal is not approved by the Company, the borrower is intimated accordingly

4. LOAN APPRAISAL AND TERMS & CONDITIONS

The Company will convey in the form of SMS/mail to the borrower in the vernacular language or a language as understood by the borrower, the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof and keeps the acceptance of these terms and conditions by the borrower on its record. The penalty interest which will be charged for late repayment and / or any other default on the part of the customer is mentioned in FAQ section only.

As per the Company's risk assessment model & requirements, we provide various signing options like Aadhar based OTP authentication, Digital signing, Simple consent like Checkbox & Click Warp acceptance on loan agreement & terms & conditions depending on customer profile.

5. DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS & CONDITIONS

- a) The Company will give notice to the borrower in the vernacular language or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. The Company will also ensure

that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard will be incorporated in the loan agreement

- b) Decision to recall / accelerate payment or performance under the agreement will be in accordance with the loan agreement
- c) The borrower shall enter into an agreement containing all standard and specific terms and conditions with Company, execute the requisite documents, before seeking disbursement

6. INTEREST RATE MODEL & RATE OF INTEREST CHARGES

The average yields and the rate of interest under each product is decided from time to time, giving due consideration to the following factors;

- a) The cost of funds on the borrowings, as well as costs incidental to those borrowings, taking into consideration the average tenure, market liquidity and refinancing avenues etc;
- b) Operating cost in our business and maintaining shareholders' expectations for a reasonable, market-competitive rate of return;
- c) Inherent credit and default risk in our business, particularly trends with sub-groups / customer segments of the loan portfolio;
- d) Risk profile of customer - stability in earnings and employment, financial position, past repayment track record with us or other lenders, external ratings of customers, credit reports, customer relationship, future business potential, results from digital verifications etc.
- e) Industry trends - offerings by competition

| Sr. No | Factor | Description |
|--------|------------------------------------|--|
| 1 | Weighted Average cost of borrowing | The Company borrows funds through banks. Weighted average cost of borrowing of such funds is taken for benchmark calculation. |
| 2 | Fund raising cost | It includes loan processing fees and brokerage charged by bank to the company. |
| 3 | Opex Cost | It includes license cost, loan origination cost, employee expenses, marketing/advertisement expenses and other operational costs |
| 4 | Risk Premium | Base risk premium to cover business related risks and would vary by business, customer segment, geography, sourcing channel etc. |
| 5 | Base ROA | Base Return on assets is the minimum return expected by the company on its assets. |

- f) Risk categorisation of borrowers

7. GENERAL

- a) The Company will 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 Company)

- b) In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise i.e. objection of the Company, if any, will 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
- c) In the matter of recovery of loans, the Company will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc. To avoid rude behaviour from the staff of the Company, the Company shall ensure that the staff are adequately trained to deal with the customers in an appropriate manner
- d) The Company shall not charge foreclosure charges/ pre-payment penalties on floating rate term loans sanctioned to individual borrowers

8. GRIEVANCE REDRESSAL MECHANISM

- a) The company shall set up a board of directors approved grievance redressal forum within the organization comprising Business Heads, and Heads of Operations to resolve disputes. This forum will ensure that all the disputes arising out of the decisions of the Company's functionaries are heard and disposed of at least at the next higher level
- b) There will be a periodical review of the compliance of the Fair Practices Code and the functioning of the grievance's redressal mechanism at various levels of management. A consolidated report of such reviews will be submitted to the Board at regular intervals as prescribed by board of directors
- c) The following information / public notice shall be displayed prominently, for the benefit of the customers, at all branches/ places of the Company, where business is transacted:
 - i. the name and contact details (Telephone / Mobile nos. as also email address) of the Grievance Redressal Officer who can be approached for resolution of complaints against the Company
 - ii. if the complaint / dispute is not redressed within a period of one month, the customer may appeal to the General Manager of DoS of RBI, New Delhi Or to the NBFC Ombudsman, New Delhi
- d) The public notice will serve the purpose of highlighting to the customers, the grievance redressal mechanism followed by the Company, together with details of the Grievance Redressal Officer and of the Regional Office of the RBI

9. POSTING ON WEBSITE

Fair Practices Code, preferably in the vernacular language or a language as understood by the borrower is put up on the website of the Company for the information of various stakeholders.

Interest policy

Loanontip offers attractive personal loan interest rates upto for personal loans start from Rs.1500 that can help you meet a range of financial requirements. On verifying the required personal loan documents, you may get collateral-free loans at flexible tenure and instant loan disbursal. With Loanontip Personal Loan, you do not have to worry about any hidden fees or charges. Here are more details on the interest rate and other fees & charges for personal loans([Loan Product of the company](#))