



Bussan Auto Finance India Pvt. Ltd.

(Registered & Head Office)

4th Floor, Videocon Tower, E-1, Jhandewalan Extn. New Delhi - 110 055. India • Tel No. : 011-43611111, Fax No. : 011-43611139

FAIR PRACTICES CODE

Effective Date: May 24, 2007

Approval Authority: Board of Directors

Date of Issue: April 09, 2008

Date of 1st Revision: June 21, 2012

Date of 2nd Revision: March 14, 2013

Date of 3rd Revision: March 13, 2015

Date of 4th Revision: July 31, 2018

INTRODUCTION

Pursuant to the Notification issued by the Reserve Bank of India by its Circular No. RBI/2006-07/138 DNBS (PD) CC No.80/03.10.042/2005-06 dated 28th September 2006 (as amended from time to time), Bussan Auto Finance India Private Limited (hereinafter referred to as the "BAF") has formulated this Fair Practices Code to lay down the following procedures/practices in dealing with the business transactions.

BAF has drafted the guidelines on Fair Practices Code (FPC) which sets the fair practice standards when dealing with individual customers and to serve as a part of best corporate practice.

1. NON DISCRIMINATION POLICY

It is, and shall be, the policy of BAF to make available to all eligible qualified applicants, without discrimination on the basis of race, caste, colour, religion, sex, marital status, age (between 18 to 60) or handicap all financial products, either directly or through subsidiaries and / or associates. BAF's policy is to treat all the clients consistently and fairly. The employees of BAF will offer assistance, encouragement and service in a fair, equitable and consistent manner. BAF will also communicate its Fair Practices Code (FPC) to its customers by uploading the FPC on its website. BAF will ensure that the implementation of the FPC is the responsibility of the entire organisation. BAF's fair lending practices shall apply across all aspects of its 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 and internal controls, and optimal use of technology.



2. KEY COMMITMENTS BY BAF

- 2.1 BAF's Board of Directors and the management team shall be responsible for implementing the fair practices hereinafter detailed, and also to ensure that its operations reflect its strong commitment to all the stakeholders & customers/borrowers for offering in a fair and equitable manner, the various financial services and products including lending and that all employees are aware of this commitment. BAF is committed to providing service of the highest quality to its clients.
- 2.2 BAF's policy shall be to treat all the customers consistently and fairly. Its employees will offer assistance, and service in a fair, equitable and consistent manner.
- 2.3 BAF shall ensure that charges / fees are appropriately informed to the customer/borrower. Terms and conditions pertaining to the facility will be conveyed to the prospective borrowers.
- 2.4 This Fair Practices Code applies to the all categories of products and services offered by BAF (currently offered or which may be introduced at a future date) irrespective of whether the same is provided at the Branch, over the phone, on the Internet or by any other method BAF may be currently using or may introduce at a future date.
- 2.5 The key commitments which BAF promises to follow in its dealings with its customers are:
- 2.5.1 BAF shall act transparently, fairly and reasonably in all dealings with its customers by ensuring that:
- 2.5.1.1 Its products, services, procedures and practices will meet the commitments and standards in this FPC.
- 2.5.1.2 Its products and services will meet relevant laws and regulations as applicable.
- 2.5.1.3 Its dealings with its customers will rest on ethical principles of honesty, integrity and transparency.
- 2.5.2 BAF will assist customers in understanding how its financial products and services work by
- 2.5.2.1 Providing information about them in simple Hindi and/or English and/or the local language
- 2.5.2.2 Explaining their financial implications and
- 2.5.2.3 Helping the customer choose the one that meets his / her needs.
- 2.5.3 BAF will make every attempt to ensure that its customers have a trouble-free experience in dealing with it; but in the case of errors or commissions and omissions, BAF will deal with the same quickly and sympathetically.
- 2.5.3.1 Mistakes will be corrected quickly
- 2.5.3.2 Complaints will be handled quickly
- 2.5.3.3 In case a customer is not satisfied with the way a complaint is handled, BAF will guide the customer on how to take the complaint forward



2.5.3.4 BAF will reverse any charges including interest applied to a customer's account due to an error or oversight on its part

3. SALES ORIGINATION

3.1 BAF will guide its customers in choosing products and services which meets his / her requirements. Before the customer relationship is established, BAF will:

3.1.1 Give the customer information explaining the key features of the services in which the customer has shown interest in

3.1.2 Give information on accounts, products and services which may suit the customer's needs

3.1.3 Clearly state the information that BAF require to collect from the customer to comply with any legal and regulatory requirements in force from time to time.

3.1.4 Request for additional information about the customer and his / her family to build a database; but this information may be furnished by the customer only if she / he wishes to do so

3.2 BAF will provide information on the its website and various media that can be used to access its products and services. The customer will also be informed on where further information on this is available.

4. APPLICABILITY

This Fair Practices Code shall apply to the following categories of products and services offered by BAF (currently offered or which may be introduced at a future date)

1. Loans, guarantees and other products in the nature of financial assets.
2. Third party products offered through a network consisting of the branches of BAF, its subsidiaries and associates.

4.1 Applications for loans and their processing

4.1.1 Loan Application forms will 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 will indicate the documents required to be submitted with the application form.

4.1.2 The BAF will devise a system of giving acknowledgement for receipt of all loan applications. Preferably, the time frame within which loan applications will be disposed of will also be indicated in the acknowledgement.

4.1.3 Loan Application form will clearly state the information that the BAF requires to collect from the customers such as basic terms, tenure, rate of interest, EMI etc. to comply with any legal and regulatory requirements. BAF 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 wishes to do so.

4.1.4 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.



4.1.5 All communications to the borrower shall be in the vernacular language or a language as understood by the borrower.

4.2 Loan appraisal and terms/conditions

The BAF will convey in writing to the borrower in the vernacular language or a 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 annualised rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record.

BAF 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 from Customer for loan and advances. The rate of interest and the approach for gradation 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

Rate of interest and the approach for gradation of risk shall also be made available on the website of BAF or published in the relevant newspaper. The information published on the website or otherwise published should be updated whenever there is a change in the rate of interest.

BAF shall layout appropriate internal principles and procedures in determining interest rate, processing fee and other charges and shall be transparent in respect of terms and conditions of the loan.

BAF shall mention high interest/penal interest and charges in bold in the loan agreement.

BAF shall provide copy of the sanction letter and loan agreement or enclosures quoted in the loan agreement to the borrower preferably in vernacular language or a language as understood by the borrower at the time of sanction/disbursement of loan.

All communication with borrower shall be in vernacular language or a language as understood by the borrower.

5. DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS

5.1 The BAF 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. BAF 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.

5.2 Decision to recall / accelerate payment or performance under the agreement will be in consonance with the loan agreement.

5.3 The BAF will release all collaterals 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 will 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 till the relevant claim is settled/paid.

5.4 All communications to the borrower shall be in the vernacular language or a language as understood by the borrower.



6. CONFIDENTIALITY

- 6.1 Unless authorized by the customer, BAF will treat all personal information as private and confidential.
- 6.2 Unless authorized by the customer, BAF will not reveal transaction details to any other entity other than the following exceptional cases:
- 6.2.1 If BAF have to provide the information by statutory or regulatory laws
- 6.2.2 If there is a duty to the public to reveal this information
- 6.2.3 If our interest requires us to provide this information (e.g. fraud prevention) to Banks / Financial Institutions / Our Group and Associate Companies
- 6.2.4 BAF will not use this reason for giving information about customers to anyone else for marketing purposes.

7. MARKETING AND PRODUCT SYNERGY

- 7.1 BAF will ensure that all advertising and promotional material is clear, fair, reasonable and not misleading.
- 7.2 BAF will provide the customers with a full range of financial products the customer is eligible for. Some of these products / services will be its own; some others may be the products of the group or associate companies and also companies with which BAF may have arrangements with.
- 7.3 It will be the endeavour of BAF to bring synergy between the various financial services, financial products, by cross selling these products to its clientele.

8. GENERAL

- 8.1 The BAF shall 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 BAF).
- 8.2 In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise i.e. the BAF's objection, if any, shall 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.
- 8.3 In the matter of recovery of loans, the BAF shall not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc.
- 8.4 BAF shall ensure that the staff are adequately trained to deal with the Customers in an appropriate manner.
- 8.5 BAF shall include in built repossession clause in the contract/loan agreement with the borrowers which must be legally enforceable. To ensure transparency, the terms and conditions of the loan agreement should contain provisions regarding:-
- (a) Notice period before taking possession of vehicle
- (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 borrower for repayment of loan before sale/auction of Vehicle
- (e) The procedure for giving repossession to the borrower
- (f) The procedure for sale/auction of the Vehicle

Copy of such terms and conditions shall also be made available by BAF to the borrowers alongwith loan agreement and enclosures thereof.

9. GRIEVANCES REDRESSAL MECHANISM

9.1 In case of any complaint/grievance, the applicant/borrower/customer will have to inform the BAF in writing by email to customerservice@bafindia.com . The BAF shall immediately take up the matter for redressal.

9.2 If the complaint/grievance addressed to the Customer Service is not taken up or resolved within 10 days or applicant/borrower/customer is not satisfied with response received from the Customer Service, may approach the Nodal officer of thier respective zone.

- Contact details of the Nodal Officers, who can be approached by the applicant/borrower/customer for resolution of complaints against the Company, are as under: -

Nodal Officers	Regional Offices Covered
<p>Nodal Officer, North Zone</p> <p>4th Floor, Videocon Tower, E-1, Jhandewalan Extension, New Delhi - 110055</p> <p>PH: – 011 – 4361 1117</p> <p>Email ID: nodalofficernorth@bafindia.com</p>	<p>Delhi, Jaipur, Ludhiana, Lucknow</p>
<p>Nodal Officer, South Zone</p> <p>12th Floor, Lebara Tower, Door No. 327, Anna Salai, Teynampet, Chennai – 600006, Tamil Nadu</p> <p>PH: 044 – 4041 2605</p> <p>Email ID: nodalofficersouth@bafindia.com</p>	<p>Chennai, Coimbatore, Hyderabad, Vijayawada, Kochi, Calicut, Bangalore</p>
<p>Nodal Officer, West Zone</p> <p>Office No. – 24,25,26, 1st Floor, Shree Ji Arcade, Opp Nitin Company Panchpakhadi, Thane west -400602</p> <p>PH: 022 – 4132 8700</p> <p>Email ID: nodalofficerwest@bafindia.com</p>	<p>Mumbai, Pune, Ahmedabad, Bhopal, Raipur</p>



<p>Nodal Officer, East Zone</p> <p>P-255B, First Floor, CIT Road, Scheme VI (M), Kakurgachi, Kolkata – 700054, West Bengal</p> <p>PH: 033 – 4017 2909 Email ID: nodalofficereast@bafindia.com</p>	<p>Kolkata, Jamshedpur, Guwahati, Bhubaneswar</p>
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9.3 If the complaint/grievance addressed to the Nodal Officer(s) is not taken up or resolved within 10 days or applicant/borrower/customer is not satisfied with response received from the Nodal Officer(s), may approach the Grievance Redressal Officer of the Company.

9.4 BAF shall display the following information prominently, for the benefit of their customers, at its branches/places where business is transacted: -

- Contact details of the Grievance Redressal Officer, who can be approached by the applicant/borrower/customer for resolution of the complaint/grievance against the Company are as under: -

Grievance Redressal Officer
Bussan Auto Finance India Pvt. Ltd.
4th Floor, Videocon Tower
E-1 Jhandewalan Extension
New Delhi-110055
Ph. 011 – 4361 1117
Email: grievanceofficer@bafindia.com

9.5 If the complaint/grievance/dispute is not redressed within a period of one month after the date of representation or complaint to the BAF, the applicant/borrower/customer may approach to NBFC Ombudsman of RBI of their respective zone (*not later than one year after the reply received from the BAF*).

- Contact details of the NBFC Ombudsman are as under: -

NBFC Ombudsman	Area of Operation
<p>NBFC Ombudsman, North Zone</p> <p>C/o Reserve Bank of India, Sansad Marg, New Delhi -110001</p> <p>Tel No. 044 – 25395964 Fax No. 25395488</p>	<p>Delhi, Uttar Pradesh, Uttarakhand, Haryana, Punjab, Union Territory of Chandigarh Himachal Pradesh, and Rajasthan and State of Jammu and Kashmir</p>
<p>NBFC Ombudsman, South Zone</p> <p>C/o Reserve Bank of India Fort Glacis, Chennai 600 001</p> <p>Tel No. 044 – 25395964</p>	<p>Tamil Nadu, Andaman and Nicobar Islands, Karnataka, Andhra Pradesh, Telangana, Kerala, Union Territory of Lakshadweep and Union Territory of Puducherry</p>



Fax No. 044 – 25395488	
NBFC Ombudsman, West Zone C/o Reserve Bank of India, RBI Byculla Office Building, Opp. Mumbai Central Railway Station, Byculla, Mumbai-400 008	Maharashtra, Goa, Gujarat, Madhya Pradesh, Chhattisgarh, Union Territories of Dadra and Nagar Haveli, Daman and Diu
NBFC Ombudsman, East Zone C/o Reserve Bank of India 15, Netaji Subhash Road, Kolkata-700 001 Tel. No. 033 – 22304982 Fax No. 033 – 22305899	West Bengal, Sikkim, Odisha, Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Bihar and Jharkhand

OR

If the complaint/grievance/dispute is not redressed within a period of one month after the date of representation or complaint to the BAF, the applicant/borrower/customer may appeal to the Officer-in-Charge of the Delhi Regional Office of Department of Non-Banking Supervision (DNBS) of RBI, under whose jurisdiction the registered office of the Company falls, which presently is as under: -

General Manager
Department of Non-Banking Supervision
Reserve Bank of India
6, Parliament Street
New Delhi - 110001
Ph. 011-23714456
Email: dnsnewdelhi@rbi.org.in

9.6 The Board of Directors will also provide for periodical review of the compliances of the Fair Practice Code and the functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such views will be submitted to the Board at regular intervals as may be prescribed by it.

For **Bussan Auto Finance India Private Limited**



Koji Arai
Managing Director

