

Fair Practices Code- Invent Assets Securitisation & Reconstruction Private Limited-

Adopted as on 22nd December, 2020

1st Review date: 11th March, 2022- Annual Review

2nd Review date: 17th June, 2022- amendment under the para regarding Management fees, Expenses and Resolution Incentives

3rd Review date: 2nd June, 2023- modified to include review timelines

4th Review date: 16th May, 2024- Annual review

5th Review date: 24th June, 2025 – Annual review – No change

Fair Practices Code

Pursuant to the RBI Circular No. DOR.NBFC(ARC) CC. No. 9/26.03.001/2020-21 dated July 16, 2020, Invent Assets Securitisation & Reconstruction Private Limited (“Company”) has framed and adopted this Fair Practices Code (“the Code”). Objective of the code is to ensure transparency and fairness in operations of the Company.

Acquisition of financial assets

Acquisition of financial assets by the Company shall be in compliance with the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act), applicable RBI guidelines/directives and Acquisition, Settlement & Resolution policy of the Company.

Company shall adopt transparent and non-discriminatory practices in acquisition of financial assets. Financial assets shall be acquired from selling banks or financial institutions including Sponsors on arms’ length basis where acquisition price is determined by the market factors. Company shall not acquire financial assets from its Sponsors on bilateral basis.

Management Fees, Expenses and Resolution Incentives

Management Fees, incentives and expenses charged to the Trusts under management of the Company shall be in accordance with applicable RBI guidelines/directives and Acquisition, Settlement & Resolution policy of the Company.

Company shall ensure that management fees, yield on SRs and upside income shall be calculated and recognized in accordance with Income Recognition norms stipulated by RBI from time to time. Company shall ensure that management fees and resolution Incentives claimed from the Trusts under its management are reasonable and proportionate to the size of the transaction.

Company shall ensure transparency in dealing with existing and prospective investors of security receipts. Company shall adopt fair and transparent practices in acquisition & resolution of financial assets, timely disclosure of information, distribution of recovery proceeds and dissolution of trust.

Resolution of financial assets

For resolution of financial assets Company shall resort to remedies which are legally & legitimately available to it and shall avoid undue harassment of the borrowers. Practices adopted by the Company for recovery of dues and enforcement of security shall be fair, nonprejudiced and in consonance with applicable law. Company shall not initiate any legal or recovery measures including repossession of the security without giving required notice in writing to the borrower. Employees of the Company shall be adequately trained to deal with the borrowers appropriately. In course of recovery of dues, employees and recovery agents shall abide by the guidelines/code of conduct set out in the relevant policies of the Company. Privacy of the borrowers shall be respected, and confidentiality of their information shall be maintained at all times.

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Release of securities

Company shall release all securities on repayment of dues or on realisation of the outstanding amount of loan. Company shall return to the borrower all the securities, documents, title deeds of mortgaged property and issue no-due certificate without any delay after receipt of all the outstanding dues. Company reserves its legitimate rights or lien on the securities for any other claim against the borrower. If Company exercises such right of set off, the borrower shall 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.

Sale of secured assets

Company shall ensure transparency and fairness in sale of secured assets. Invitation for participation in auction of secured assets shall be publicly solicited so as to enable participation of as many prospective buyers as possible. Terms and conditions of such sale wherever required, may be decided in wider consultation with holders of Security Receipts issued under the respective Trust as per applicable terms. The Company shall ensure compliance with Section 29A of Insolvency and Bankruptcy Code, 2016 in dealing with prospective buyers.

Grievance Redressal

Company has established Board approved Grievance Redressal Mechanism to ensure effective and timely redressal of customer grievances. The Grievance Redressal Mechanism also covers the grievances pertaining to the services provided by outsourced agencies and recovery agents appointed by the Company. The Grievance Redressal Mechanism provides for impartial resolution of the grievances within the pre-defined time frame. The complaints received, if any, under the mechanism are reviewed by the Risk Management Committee of the Company on quarterly basis.

Confidentiality of information

Company shall maintain utmost confidentiality in respect of the information acquired by it from investors, seller banks/financial institutions, borrowers during the course of its business. Company shall disclose such information to anyone except when required by law, or there is duty towards public to reveal the information or with permission of the disclosing party.

Outsourcing of activities

As far as possible, Company shall endeavour to carry out key business operations in-house. Activities requiring significant manpower, wider geographical presence or technical expertise may be outsourced to external service providers. Performance of such service providers shall be continuously monitored and reviewed from time to time. Company shall ensure that outsourcing arrangements neither diminish its ability to fulfil its obligations towards its customers and the RBI nor impede effective supervision by RBI. If an outsourced agency is owned/controlled by a director of the ARC, the fact shall be made part of the disclosures specified in the Master Circular.

Compliance and Review of the Code

Company shall ensure that the Code is followed in right earnest. The Board shall review the code and the compliance thereto on an annual basis.