AUTOTRAC FINANCE LIMITED

CREDIT INFORMATION (SUBMISSION AND USAGE) POLICY

Version – 3.0

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1. Introduction

1.1 Autotrac Finance Limited (**'AFL' or 'the Company'**) is registered with the Reserve Bank of India (**'RBI'**) as a Type II Non Deposit taking Non-Banking Financial Companies (**'NBFC-ND'**) having registration no. N-14.03433.

1.2 The RBI, Department of Non-Banking Regulation vide its **Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016** bearing no DNBR.PD.007/03.10.119/2016-17 dated September 1, 2016 **('the Master Directions')** and updated from time to time, has mandated all non-systematically important NBFC-ND (other than those which are purely into investment activities without any customer interface) to become member of all Credit Information Companies (CICs) and submit data (including historical data) to them.

1.3 Further, the **Credit Information Companies (Regulation) Act, 2005 ('the Act') read with Credit Information Companies Regulations, 2006, ('the Regulations') and Credit Information Regulation Rules, 2006 ('the Rules')** mandates formulation of appropriate policies and procedures for ensuring accuracy, completeness and protection of data.

1.4 Further, the RBI vide its circulars titled **'Data Format for Furnishing of Credit Information to Credit Information Companies and other Regulatory Measures'** bearing no DBOD.No.CID.BC.127/20.16.056/2013-14 dated June 27, 2014 has mandated certain best practices to be adopted by each credit institution while formulating the policies and procedures under the Act.

1.5 This Policy has been framed to establish the framework for ensuring compliance with the aforementioned requirements.

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2. Definitions

2.1 "Borrower" means any person who has been granted loan or any other credit facility by a credit institution and includes a client of a credit institution;

2.2 "Credit institution" means a banking company and inter alia includes a non-banking financial company as defined under clause (f) of Section 45-I of the Reserve Bank of India Act, 1934 (2 of 1934).

2.3 "Client" includes—

- a guarantor or a person who proposes to give guarantee or security for a borrower of a credit institution; or
- a person—
  - who has obtained or seeks to obtain financial assistance from a credit institution, by way of loans, advances, hire purchase, leasing facility, letter of credit, guarantee facility, venture capital assistance or by way of credit cards or in any other form or manner;
  - who has raised or seeks to raise money by issue of security as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), or by issue of commercial paper, depository receipt or any other instrument;
  - whose financial standing has been assessed or is proposed to be assessed by a credit institution or any other person or institution as may, by notification, be directed by the Reserve Bank of India ('RBI');

2.4 "Credit information company" (CIC) means a company formed and registered under the Companies Act, 1956 (1 of 1956) and which has been granted a certificate of registration under sub-section (2) of Section 5 of the Act;

2.5 "Specified user" means any credit institution, CIC being a member under sub-section (3) of Section 15 of the Act, and includes such other person or institution as may be specified by regulations made, from time to time, by the RBI for the purpose of obtaining credit information from a CIC;

2.6 "Credit information" means any information relating to—

- the amounts and the nature of loans or advances, amounts outstanding under credit cards and other credit facilities granted or to be granted, by a credit institution to any borrower;
- the nature of security taken or proposed to be taken by a credit institution from any borrower for credit facilities granted or proposed to be granted to him;
- the guarantee furnished or any other non-fund based facility granted or proposed to be granted by a credit institution for any of its borrowers;
- the creditworthiness of any borrower of a credit institution;
- any other matter which the Reserve Bank may, consider necessary for inclusion in the credit information to be collected and maintained by credit information companies, and, specify, by notification, in this behalf;

2.7 "Credit scoring" means a system which enables a credit institution to assess the creditworthiness and capacity of a borrower to repay his loan and advances and discharge his other obligations in respect of credit facility availed or to be availed by him;

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3. Membership of CICs

3.1 As prescribed under Section 15(1) of the Act read with RBI's circular titled **'Membership of Credit Information Companies (CICs)'** bearing no. DBR.No.CID.BC.59/20.16.056/2014-15 dated January 15, 2015, the Company shall become a member of all Credit Information Companies ('CIC') holding certificate of registration granted by the RBI.

Currently, there are following four CICs and AFL shall seek membership with each of such CICs.

- Credit Information Bureau Limited
- Equifax Credit Information Services
- Experian Credit Information Company
- CRIF High Mark Credit Information Services

3.2 The Company shall authorize one personnel to act as the Nodal officer for dealing with the CICs for matters such as registration, seeking and furnishing credit information, etc.

3.3 The Company shall ensure strict adherence to the operating guidelines issued by each CIC.

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4. Roles and Responsibilities as a Credit Institution

4.1 Collection and Maintenance of Data, Information and Credit Information

The Company shall collect all such relevant data in respect of its borrower or client, as it may deem necessary and appropriate for maintaining an accurate and complete data, information and credit information in respect of such borrower or client. In this regard, Form II prescribed by the Rules shall be used which is attached hereto as **Annexure 1.**

4.2 Accuracy and Completeness of Data

Before furnishing credit information to a CIC or making disclosure thereof to anyone else in accordance with the provisions of the Act, the Company shall ensure that the credit information is accurate and complete with reference to the date on which such information is being furnished or disclosed. In this regard, following maker checker procedure shall be adopted:

- The maker shall collate data to be reported as on date of reporting and check for changes in the credit information, if any, that has not been recorded in the system
- The maker to sign off the data as accurate and complete as on the date of furnishing
- The checker to review the data prepared and sign off the data as accurate and complete as on the date of furnishing.

If following the aforementioned procedure is not possible for any reason beyond the control of the Company, then while furnishing the credit information to the CIC or making disclosure thereof to anyone else, a remark shall be made with reference to the date upto which the accuracy and completeness of the credit information has been verified and found to be correct.

After furnishing the credit information to a CIC or making disclosure thereof to anyone else, in accordance with the Act, if the Company discovers of its own, or is informed about, any inaccuracy therein, it shall:

a. Within Seven working days, send the intimation to the CIC or the individual, as the case may be, of such inaccuracy;
b. take immediate steps to correct such inaccuracy;
c. forward the corrected particulars of the data or information or credit information, as the case may be, to the CIC or the individual, as the case may be, within period of twenty one days from the date of discovering such inaccuracy or receipt of such information; and
d. If, for any reason beyond its control, it is not possible for the Company to take immediate steps as mentioned above, it shall inform the CIC or the individual, as the case may be, of the steps taken by it for correction of the inaccuracy and also the reasons for its inability to comply with the requirement within the stipulated timeframe.

If in opinion of the Company, correction of any inaccuracy, error or discrepancy as referred above is likely to take further time on account of any dispute raised by the borrower in respect thereof with the Company or before a court of law, or any forum, or tribunal, or any other authority, in such cases, following procedure shall be followed:

- If the disputed data has not yet been furnished - then while furnishing such data to a CIC or making disclosure thereof to anyone else, in accordance with the Act, an appropriate remark shall be included to reflect the nature of the inaccuracy, error or discrepancy found therein and

the pendency of the dispute in respect thereof. Such remark shall also be disclosed in any subsequent disclosure of such disputed data.

- If the disputed data has already been furnished – the Company shall inform the CIC or the individual, as the case may be, to include the remark about such inaccuracy, error or discrepancy and the pending dispute in respect of the data, information or credit information received by them from the Company.

4.3 Submission of Data

The Company shall on receipt of notice as per Section 17(1) of the Act, submit data to all CICs of which it is a member, within such period as may be specified in the notice

AFL shall report data in uniform format recommended by the RBI i.e. "Uniform Credit Reporting Format (Consumer)" and "Uniform Credit Reporting Format (Commercial)", attached herewith as **Annexure 2**.

The Company shall rectify the rejected data and upload the same with the CICs within Seven working days of receipt of the rejection report.

4.4 Updation of Data

The Company shall continue to update the data, information or credit information already furnished to the CIC on account of following changes:

- Change in the liability of the borrower or his guarantor;
- On account of write off in full or in part of the amount of outstanding dues;
- Repayment thereof by the borrower or his guarantor;
- Release of the guarantor;
- Any scheme of arrangement entered into between the Company and the borrower;
- Final settlement of the amount payable by the borrower pursuant to any scheme of arrangement with the Company; or
- Any such other reason

Such updation shall be carried out promptly or in any event, by the end of each reporting period not exceeding thirty days and shall be continued until termination of the respective account relating to such credit information.

4.5 Protection of Data

The Company shall adopt such procedure and measures in relation to the daily operations as may be necessary to safeguard and protect the data, information and the credit information maintained by it against any unauthorized access to or misuse of the same. In this regard, following security measures shall be adopted:

Prevention against unauthorized access to data

- Adopt the minimum standards for physical and operational security including site design, fire protection, environmental protection;
- Keep round the clock physical security;
- Issue instructions for removing, labeling and securing the removable electronic storage media at the end of the session or working day;
- Physical access to the critical systems should be granted on dual control basis;

- Prepare comprehensive succession plan for the key personnel so as to ensure that non-availability of a person does not disrupt the system;
- Paper based records, documentation and backup data containing all confidential information shall be stored in secured and locked containers or filing system, separately from all other records;
- Provide the guidelines for the use and access of information systems by external contractors;
- Creation of firewalls and stress testing of systems through ethical hacking to evaluate and ensure its robustness;
- Protecting systems against obsolescence;
- Adopting procedure for change of software and hardware ;
- Providing for disaster recovery and management plan;
- Access to records should be granted only to authorized persons on need to know basis;
- Ensure and control, access to the data, information and credit information, terminals, and networks, by means of physical barriers including biometric access control and logical barriers by way of passwords and to ensure that the passwords used in this behalf are not shared by anyone else than who is authorised in this behalf and the passwords are changed frequently on irregular intervals;
- Protection against pilferage of information while passing through the public and private networks;
- Ensure maintenance of log made for accessing to data, information or credit information including -
  - the data relating to identity of all such persons whosoever had accessed or attempted to access the data information or credit information and the date and time of such access, the identity of the borrower whose data or credit information were so accessed; and
  - the provision relating to preservation of the records and entries pertaining to such log for minimum period of two years and to ensure that the same is available for examination by auditors, or the officials of the RBI authorised in this behalf, as the case may be.

Security measures for deletion and disposal of data

- Best practices in relation to the deletion and disposal of data, especially where records or discs are to be disposed of off-site or by external contractors should be followed;
- Ensure the maintenance and review of records and entries of log, on a regular and frequent basis to detect and investigate any unusual or irregular patterns of use of or access to data including creation of the audit trails and verification thereof;
- Ensure that the system adopted for the purpose is sufficiently adequate to protect against any unauthorized modification or deletion of the data, information or credit information maintained.
- Take necessary steps while handing over systems for maintenance to prevent unauthorized access or loss of data, information and credit information maintained.

In addition to the above, the Company shall adhere to data security measures laid down in the Board approved Cyber Security Policy.

4.6 Preservation and Destruction of Credit Information and Personal Data

The Company shall preserve the credit information maintained by it under the Act for a minimum period of 7 years.

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5. Roles and Responsibilities as a Specified User

5.1. Permissible Use of the credit information

As part of the credit appraisal processes, credit information shall be sought from one or more CICs so that the credit decisions for both retail and corporate borrowers are based on information available in the system. Credit information received from a CIC shall be used for the following purposes:

- To review and evaluate risk of the customers;
- To make effective credit decisions;
- To deter concurrent borrowers and serial defaulters;
- To keep adverse selection of customers to the minimum;
- To effectively discharge its statutory and regulatory functions;

5.2. Access to, and modification of, the credit information

- If the borrower applying for credit requests the Company to furnish him a copy of the credit information obtained from the CIC, it shall on receipt of such request, follow below given procedures:
  - Request for furnishing the credit information should be received formally either by way of signed letter or by way of an email
  - Request received to be reviewed by authorized official
  - Subject to satisfactory identification by the authorized official, credit information to be furnished on payment of charges as actual.

- If the borrower requests for updating the information whether by making an appropriate correction, or addition or otherwise, and on such request the Company shall intimate the CIC who had furnished such credit information.

- In case the Company receives the updation request from any CIC, it shall take prompt action to ensure updating the credit information.

- The Company shall ensure prompt action in relation to sending intimation, updating credit information with proper co-ordination with the CIC to ensure the information is updated within thirty days of being requested to do so.

5.3. Denial of Services

In case of denying credit to a potential borrower on the basis of his credit information report, the Company shall within thirty days of its decision -

- send a written intimation to such borrower, or the client about the rejection ;
- include in such intimation the specific reasons for rejection;
- forward a copy of the credit information report relied upon for such decision; and
- also provide the name and address of the CIC which had provided the credit information report.

The Company shall not deny credit services to borrowers with no credit history. In such cases, the Company must adhere to credit assessment procedures provided in the Board approved Credit risk assessment policy.

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5.4. Customer grievances

Customer grievance redressal should be given top priority especially in respect of complaints relating to updation/alteration of credit information.

In this regard, the Company must adhere to the Board approved Fair Practice Code which provides for customer grievance redressal mechanism adopted by the Company.

In addition to the above, the Company must form a Consumer Protection Committee under the Board which shall be responsible for following functions:

- Addressing any complaint which has been escalated to the Committee by the Grievance Redressal Officer
- Periodic review of grievance redressal mechanism being followed by the Company
- Suggesting suitable modifications to the grievance redressal mechanism based on the experience gained

5.5. Verifying Accuracy and Ensuring Protection of Data

The Company shall take such requisite steps as it may deem necessary for ensuring and verifying the accuracy and completeness of data, information or credit information received from a CIC before using the same in relation to a borrower and to ensure protection thereof from unauthorised access, or use.

In this regard, following procedure shall be followed:

- Identify the level of officers authorised to access the data, information and credit information received from a CIC;
- Ensure data, information and credit information is received through secured medium.
- The authorized officer to satisfy itself about the identity of the respective borrower, or the client whose credit report is to be taken into account based on identity documents collected during the KYC process;
- Authorised officer should ensure to take note of any remark included by a CIC in respect of any credit information;

5.6. Length of preservation of credit information:

- The Company shall retain credit information collected, maintained and disseminated by them for a minimum period of seven years.

6. Obligation for Fidelity and Secrecy

6.1 The Company shall ensure that the no credit information received by it is disclosed to any other person or for any other purpose than as permitted or required under the law.

6.2 The Company shall adopt following procedures to ensure that the managers, officers, employees are obliged to fidelity and secrecy in respect of credit information under their control or to which they have access:

- The employees, authorized personnel, agents, contractors and other persons who deal with or have right to access data, information and credit information shall sign a covenant agreeing to

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adhere to Company's policies in procedure with respect data privacy and comply with their confidentiality obligation.

- With a view to ensure compliance of fidelity and secrecy obligation, the Company may consider steps such as
  - Undertaking test at end of each year to test knowledge of CICRA Policy requirements
  - Undertaking internal audit of their system to review logs to check disclosure of unauthorized data

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7. Manner, purpose and solicitation of personal data

7.1 "Personal Data" means such other data relating to an individual other than what a credit institution, or a CIC, or a specified user, is permitted to collect as per the provisions of the rules made under the Act.

7.2 The Company shall not collect, or publish or disclose, personal data except for the purposes relating to its functions:

- as per the provisions of the Act, or its activities incidental or relating to such functions; or
- in relation to its capacity and function as an employer of an individual who is or has been in their employment.

7.3 In case of collection of personal data, the Company shall take such steps as are, in the circumstances, reasonable to ensure that, before such data is collected or, if that is not practicable, as soon as practicable after such data is collected -

- the individual concerned is informed of the purpose for which such data is being collected, or disclosed, or used, as the case may be; and
- such data maintained by the Company is protected against any loss, or unauthorized access, or use, or modification or disclosure, thereof.

7.4 Length of preservation of personal data

- The Company shall retain personal data collected, maintained and disseminated by them for a minimum period of seven years.

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