



Policy on Outsourcing of Financial Services

Vehicle Finance Division

The business model of FIAFL aims at bringing together the best in all the multi-dimensional tasks required in the vehicle finance business and to make the same more effective. Keeping this in view, a conscious decision has been taken by FIAFL that certain activities relating to sourcing, valuation of assets, legal aspects etc. are required to be entrusted to outside experts/agencies to enable FIAFL to provide market leading customer service quality and efficiency in business operations.

The indicative list of activities that are required to be outsourced and in the manner in which they have to be executed are provided in the Annexure.

Any other activity for outsourcing based on the business requirement will be initiated by Branch team capturing the scope of work.

The selection of outsourcing agencies will take into account relevant experience. Considering nature of business and outsourcing of components thereof, FIAFL will be nurturing and developing newer agencies in the market. FIAFL will take due care in identifying the team of outsourcing activities it engages and the concerned branch team shall monitor its performance for continuity of engagement.

A database of outsourcing agencies would be maintained by the Operations Team at Head Office.

The Branch team who is proposing for appointment of the Service provider would do yearly evaluation of their performance and place the same before the Operations team at Head Office.

A central repository of Service Providers will be maintained by the respective HO containing details including:

- Background of the Service Provider
- Details of the services rendered
- Contact details
- Assignments handled
- Scope of work
- Feedback of the user groups based on internal review of quality of work suitably done based on completion of assignment by the user group.
- Disqualifications, if any

Conflict of interest would be checked at the time of appointment of the service provider.



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Annexure

List of Outsourcing Activities

	Activity	Scope
a)	Sourcing of Customers	<ul style="list-style-type: none"> Assist to sell various vehicle loan products for FIAFL and ensure optimal level of customer services. Administer and ensure compliance to all sale objectives. Manage selling of various products in professional manner. Collection of KYC Documents from Loan Applicants Liaison with RTA Office for Hypothecation of vehicle to FIAFL
b)	Credit Information of borrowers	<ul style="list-style-type: none"> Credit Information of borrowers to be taken from RBI registered Credit Information Companies. Presently, FIAFL is a member of _ Credit Information Companies, viz: <ol style="list-style-type: none"> Credit Information Bureau Limited (CIBIL) Equifax Credit Information Services Experian Credit Information Company CRIF High Mark Credit Information Services
c)	Field Investigation	<ul style="list-style-type: none"> Identity check with documents submitted. Address check for Office / Residence of borrowers / guarantors. To locate the missing/absconding Customers/Defaulters and to ascertain their present occupation, income streams etc. To unearth the uncharged properties of the NPA Customers / Defaulters for recovery actions and documentary evidences thereof. To find out the legal heirs of the NPA Customers/ Defaulters, their assets, source of income and modes of expenses, way of life style etc. To ascertain the details of any employment / business of the NPA Customers/ Defaulters. To find out details of Bank accounts being maintained by the NPA Customers / Defaulters To locate the addresses of the missing / absconding NPA Customers / Defaulters including their legal heirs. Any other requirements related to the above for recovery of the FIAFL's dues.
d)	Document Management and Storage	<ul style="list-style-type: none"> Storing and managing hard-copy documents, agreements, files and boxes, in line with company's methodology and systems
e)	File Movement (courier)	<ul style="list-style-type: none"> Courier services of Loan Documents, KYC Documents, borrower correspondence files etc.,
f)	Tele calling to	<ul style="list-style-type: none"> Verification of Loan Application Details,



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	Customers / Prospective Customers	<ul style="list-style-type: none"> • Welcome calling - Post disbursement • Reminder about due dates of repayment (Pre and Post due calling) • Initiate various tele-calling campaigns
g)	Collection of Receivables	<ul style="list-style-type: none"> • Collection of Receivable from borrowers through Cash / cheque pickup and deposit to Bank • Intimation of due dates
h)	Repossession of Vehicles	<ul style="list-style-type: none"> • Repossession of Vehicles pertaining to Delinquent borrowers
i)	Parking of Seized Vehicles	<ul style="list-style-type: none"> • Repossessed vehicles from delinquent borrowers shall be parked / deposited in a designated yard
j)	Valuation of Assets	<ul style="list-style-type: none"> • To help determine the market value of the vehicle. • To help determine the quality of the vehicle. • Inspect the vehicle across a comprehensive checklist and provide a detailed evaluation report, including vehicle & documents details with images and chassis imprint along with refurbishment cost and the present market price of the evaluated vehicle.
k)	Software - Loan Management System	<ul style="list-style-type: none"> • Loan Account management, Core Financial Accounting, Risk Management, Document Management and Customer services • Internal MIS, Performance Measurement
l)	Internal Audit	<ul style="list-style-type: none"> • Reviewing the reliability and integrity of financial and operating information; • Assessing compliance with policies, plans, and procedures; • Assessing compliance with laws and regulations; • Reviewing the means of safeguarding assets and verifying the existence of such assets; • Verifying quality of Assets; • Reviewing and appraising the efficiency with which resources including IT Resources are employed; • Reviewing established systems of internal control to ascertain whether they are functioning as designed; • Investigating and reporting on violations of policies and procedures, errors, fraud or misuse of company assets. • Reviewing specific operations, programs, functions or activities at the request of the management, as appropriate.