



## **RICHCREDIT FINANCE PRIVATE LIMITED**

### **FAIR PRACTICES CODE**

Richcredit Finance Services Limited is a Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI). The Company has framed and adopted the Fair Practices Code ("the Code") which sets the fair practice standards while dealing with individual customers and legal entities. The Code has been prepared based on the Chapter IV, Section II of the RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated October 17, 2016, as amended from time to time.

The Company shall adopt all the best practices prescribed by RBI from time to time and shall make appropriate modifications if any necessary to this Code to conform to the standards so prescribed. The Company's policy is to treat all the customers consistently and fairly. The employees of the Company will offer assistance, encouragement and service in a fair, equitable and consistent manner. The Company will ensure that the implementation of the Code is the responsibility of the entire organization. The Company's fair lending practices shall apply across all aspects of its operations including marketing, loan origination, processing, and servicing and collection activities.

#### **1. OBJECTIVES OF THE FAIR PRACTICES CODE:-**

The Code has been adopted:

- a. To promote good and fair practices by setting minimum standards in dealing with customers
- b. To increase transparency so that the customers can have better understanding of what they can reasonably expect of the services;
- c. To encourage market forces through competition, to achieve higher operating standards;
- d. To promote a fair and cordial relationship between customers and the Company;

#### **2. APPLICABILITY:-**

The Code shall apply to all employees, its agents/representatives /third-party vendors/service providers of the Company and other persons authorized to represent it in the course of its business.

#### **3. NON-DISCRIMINATION POLICY:-**

The Company will not discriminate between its customers on the basis of gender, physical ability, race or religion. The Company will also not discriminate visually impaired or physically challenged applicants on the ground of disability in extending products, services, facilities, etc. However, this does not preclude the Company from instituting or participating in schemes framed for different sections of the society.

#### **4. LANGUAGE OF THE COMMUNICATION:-**

All required communications by the Company to the borrower will be in the language as understood by the borrower (English or Vernacular language).

## **5. APPLICATIONS FOR LOANS AND THEIR PROCESSING:-**

- a) Loan application forms shall include the relevant information which affects the interest of the borrower so that informed decision could be taken by the borrower. The loan application form shall also indicate the list of documents required to be submitted with the application form.
- b) Receipt of completed application forms will be duly acknowledged by the Company and will also indicate the approximate time frame within which the customer can expect to hear from the Company regarding his/ her loan application.

## **6. LOAN APPRAISAL AND TERMS AND CONDITIONS:-**

- a) All loan applications will be assessed as per the Company's internal credit policies and appraisal process;
- b) Upon approval of the loan a sanction letter indicating the amount of loan sanctioned, the applicable annualized rate of interest, method of application of the same along with other important terms and conditions will be conveyed in writing to the borrower;
- c) The Company will mention the penal interest charged for the late payment in bold in the loan agreement. A suitable provision in this regard has been incorporated in the loan agreement;
- d) After the execution of the loan agreement, all the borrowers will be furnished a copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement.

## **7. DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS**

- a) Any changes in the terms and conditions (which are impacting the borrower) including rate of interest rate, service charges, prepayment charges, repayment/ disbursement schedule etc. shall be informed to the borrower in writing;
- b) Changes in interest rates and other charges (which are averse to the borrower) shall be with prospective effect only;
- c) Decision to recall any loan / accelerate payment shall be done in accordance with the terms and conditions of the loan agreement;
- d) All underlying securities shall be released, as per the request of the borrower, after the full repayment of the loan along with all other charges as per the terms of the loan agreement and subject to exercise of any right of lien/set off, for which a notice shall be given to the borrower with full details.

## **8. PRIVACY AND CONFIDENTIALITY**

1. Credit Reference Agencies/ Credit Information Companies (CICs)
  - a) The Company may share details of the loan and repayment track record of its borrowers to the Credit Information Companies as per the regulatory directions/ guidelines or the Company's internal policies.
  - b) The Company may share information with the Credit Information Companies about the personal debts the customer owes it if:
    - I. The customer has fallen behind his/her payments
    - II. The amount owed is not in dispute
    - III. The customer has not made payment following our formal demand for repayment of dues.
  - c) At the same time, the Company representatives will explain to the customers the role of the CICs and the effect the information they provide can have on customer's credit score and ability to get credit.

- d) The Company will give information about the customer's account to the CICs if the customer has given his/her permission to do so OR the statutory/ regulatory requirements prescribe so.
- e) The Company will provide relevant information given to the CICs if demanded by the customer.

## 2. Sharing of information

- a) The Company may provide such information to its group/associate entities or companies for which it has obtained consent/ permission from its customer under loan application/ sanction letter/ most important terms & conditions/loan agreement.
- b) The Company will treat the personal information of customer even when the customer is no longer a customer as private and confidential. We will not reveal the data or information of customer to anyone except as provided above and in the following exceptional cases:
  - I. Required by law;
  - II. Duty towards public to reveal information;
  - III. The Company's interest requires giving information;
  - IV. The Company has consent/ permission from the customers;
- c) The Company's representatives will inform the customer about his rights/ liabilities under the Laws of India for accessing the personal records that the Company holds about him/her;
- d) The Company will not use customer's personal information for marketing purposes unless the customer specifically authorizes us to do so.

## 9. GENERAL PROVISIONS

- a) The Company shall refrain from interference with the business of the borrowers except under the terms and conditions of the loan agreement (unless new information, not disclosed earlier, by the borrower has come to the notice of the Company);
- b) Where the borrower insists on transferring the loan, the consent or otherwise the objection if any, would be conveyed within 21 days from the date of receipt of such request of the borrower. Such transfer will be as per the terms and conditions of the loan in consonance with law;
- c) For recovery of loan, the Company will not resort to undue harassment and will follow procedures adopted internally by the Company within the applicable legal framework;
- d) The Company shall not charge foreclosure charges/ pre-payment penalties on any floating rate term loan sanctioned for purposes other than business to individual borrowers,
- e) The Company will ensure that the staffs are adequately trained to deal with the customers in appropriate manner.

## 10. GRIEVANCE REDRESSAL MECHANISM

The Company has in place Board approved grievance redressal mechanism. Such a mechanism ensures that all the disputes arising out of the decisions of the lending business are heard and disposed of at least at the next higher level. The same is displayed on the website of the Company [https://www. https://richcredit.in](https://www.richcredit.in) may be referred to for details pertaining to grievance redressal process and escalation matrix followed by the Company.

The grievance redressal mechanism will also address the complaints pertaining to outsourced services provided by the agencies on behalf of the Company as required under the RBI Circular DNBR. PD.CC. No. 090/03.10.001/2017-18 dated November 09, 2017,

The Board of Directors shall provide for periodical review of the compliance of the Fair Practices Code and the functioning of the grievance's redressal mechanism at various levels of management.

**Richcredit Grievance Redressal Officer (GRO) Details:**

**Name: Mrs. Sarika**

Address: 1/50, 2nd Floor, Ganga Appartment, Lalita Park, Laxmi Nagar, Delhi-110092

Email: grievance.redressal@richcredit.in

Phone: +91-8287720485

A consolidated report of such reviews shall be submitted to the Board at regular intervals, as may be prescribed by it.

**11. INTEREST CHARGES**

- a) To ensure that the customers are not charged excessive interest rates and charges on loans and advances by the Company, the Board of Directors of the Company has adopted a Policy on Interest Rate Model and Policies & Procedures on Determining Interest Rates, which has been put up on the Company's website for the benefit of its customers.
- b) The information regarding the Interest Rate Model of the Company will be also disclosed in the application form and sanction letter.

**12. REVIEW**

The Board will be updated for periodical review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management, and a consolidated report of such reviews shall be submitted to the Board at regular intervals, as and when required. The Code shall be reviewed annually by the Board of Directors, and any other regulatory changes in this regard will stand updated in the Code from time to time.

