

SINDHUJA MICROCREDIT PRIVATE LIMITED

Regd. Office:- BH-606, Nyaykhand 2 Amrapali, Village Indirapuram, Nyaykhand, Ghaziabad-201014, U. P.

Corporate Office:- 1st Floor, Pushpanjali Complex, Opp. S.K.Puri Check Post, Boring Road, Patna – 800001, Bihar

CIN: U65990UP2017PTC099006, **Email ID:** abhisheka.kumar@sindhujamicrocredit.com

FAIR PRACTICE CODE (FPC)

This has reference to RBI circular No- RBI/2015-16/16 DNBR (PD) C.C. No. 054/03.10.119/2015-16, wherein the Reserve Bank of India (RBI) has revised the guidelines on Fair Practice Code for NBFCs to implement the same

The FPC, as mentioned below, is in conformity with these guidelines on Fair Practice Code for NBFCs as contained in the aforesaid RBI circular. This sets minimum Fair Practice Standards for the Company to follow when dealing with the customers. It provides information to customers and explains how the company is expected to deal with them on a day to day basis.

Application of Code:

This Code applies to the following activities undertaken by company

1. Providing credit services to clients, individually or in groups.
2. Recovery of credit provided to clients.
3. Providing insurance and pension services, remittance services, or any other related products and services.
4. Formation of joint liability groups
5. Business development services including marketing of products or services made or extended by the eligible clients or for any other purpose for the welfare and benefit of clients.

CODE OF CONDUCT

1. INTEGRITY AND ETHICAL BEHAVIOUR

The Company will design appropriate policies and operating guidelines to treat clients and employees with dignity.

The Company will Incorporate transparent and professional governance system to ensure that staff and persons acting on their behalf are oriented and trained to put this Code into practice.

2. TRANSPARENCY

- a. The Company will disclose all terms and conditions to the client for all services offered. Disclosure will be made prior to disbursement in accordance with the Reserve Bank of India's (RBI) fair practices code, in any of the following ways: a) Continuous Group Training for three days, (b) Group recognition Test (c) Loan card/pass book, (d) Loan application Form and (e) through Centre meetings
- b. The Company will communicate all the terms and conditions for all products/services offered to clients in the official regional language or a language understood by them.
- c. The Company will compulsorily disclose the following terms: a) Rate of interest on a reducing balance method b) Processing fee c) Total charges recovered for insurance coverage and risks covered
- d. The Company will follow RBI's guidelines with respect to interest charges and security deposit.
- e. Formal records of all transactions will be maintained in accordance with all regulatory and statutory norms, and borrowers' acknowledgment/acceptance of terms/conditions must form a part of these records.

3. CLIENT PROTECTION

a. Fair Practices

- i. Company will ensure that the provision of micro finance services to eligible clients is as per RBI guidelines.
- ii. Company will obtain copies of relevant documents from clients, as per standard KYC norms. Additional documents sought must be reasonable and necessary for completing the transaction.

b. Avoiding Over-indebtedness

- i. Company will conduct proper due diligence as per its internal credit policy to assess the need and repayment capacity of client before making a loan and will only make loans commensurate with the client's ability to repay.
- ii. If a client has loans from 2 NBFC-MFI, then the Company shall not be the third lender to that client.
- iii. Company will not under any circumstance, breach the total debt limit for any client, as prescribed by RBI or Central/State Government(s).

c. Appropriate interaction and collection practices

i. The Company will have clear guidelines for employee's interaction with clients. The Company will impart training to its staff members to

1. Use courteous language, maintain decorum, and are respectful of cultural sensitivities during all interaction with clients.
2. **Not** indulge in any behaviour that in any manner would suggest any kind of threat or violence.
3. **Not** contact clients at odd hours, as per the RBI guidelines for loan recovery agents.
4. **Not** visit clients at inappropriate occasions such as bereavement, sickness, etc., to collect dues.

ii. The Company will provide a valid receipt for each and every payment received from the borrower.

iii. The Company will not collect shortfalls in collections from employees. An exception can however be made in proven cases of frauds by employees.

d. Privacy of client information

The Company will keep personal client information strictly confidential. Client information may be disclosed to a third-party subject to the following conditions:

Client has been informed about such disclosure and permission has been obtained in writing especially for sharing data with Credit Bureaus and during hypothecation/portfolio sell down/securitization of loans or for any statutory requirement

4. IV GOVERNANCE

The Company will incorporate a formal governance system that is transparent and professional, and adopt the following best practices of corporate governance:

- a. The Company will observe high standards of governance by inducting persons with good and sound reputation as members of Board of Directors.
- b. The Company will endeavour to induct independent persons to constitute at least 1/3rd of the Governing Board, and the Board will be actively involved in all policy formulations and other important decisions.
- c. The Company will appoint an audit committee of the Board with an independent director as chairperson.

- d. The Company will ensure transparency in the maintenance of books of accounts and reporting/ presentation and disclosure of financial statements by qualified auditor/s.
- e. The Company will place before the Board of Directors, a compliance report indicating the extent of compliance with this Code of Conduct, specifically indicating any deviations and reasons therefore, at the end of every financial year.

5. RECRUITMENT

The code covers all MFI staff.

As a matter of free and fair recruitment practice, there will be no restriction on hiring of staff from other MFIs/SFBs by legitimate means in the public domain like general recruitment advertisements in local newspapers, web advertisements, walk-in interviews, etc.

Whenever the Company will recruit from another MFI, it will be mandatory to seek relieving letter from the previous company

The Company will provide relieving letter to the outgoing employee in case he/she has given proper notice, handed over the charge and settled all the dues towards the company, except in proven cases of fraud or gross misconduct by the employee.

6. CLIENT EDUCATION

The Company will have a dedicated process to raise clients' awareness of the options, choices and responsibilities vis-à-vis financial products and services available.

New clients will be informed about the organization's policies and procedures to help them understand their rights as borrowers.

7. DATA SHARING

The Company agrees to share complete client data with all RBI approved Credit Bureaus, as per the frequency of data submission prescribed by the Credit Bureaus.

8. FEEDBACK/ GRIEVANCE REDRESSAL MECHANISM

Customers who wish to send in complaint/feedback over any issue can use the following channels.

Timings: 9 am & 5 pm on week days

LEVEL 1: Branch Level

- a. Clients can contact Branch Manager at the branch or can call him on his official phone number
- b. Clients can register their grievance in the grievance register/suggestion box at branch office

LEVEL 2: Customer Service Help Desk

If the clients don't receive a response from branch office in 3 working days, clients can call our Help Desk Representatives available on the phone to register their complaints.

The phone no. is - **+91 6204755515**

LEVEL 3: Grievance Redressal Officer

If clients are not satisfied with the response received from customer service helpdesk or if they don't receive a response from us within 3 working days, clients can E-mail to Grievance Redressal Officer at **grievance@sindhujamicrocredit.com** or write to us at the below mentioned address.

Grievance Redressal Officer
Sindhuja Microcredit Pvt. Ltd.
Pushpanjali Complex, Opp. S.K. Puri Check Post, Boring Road, Patna - 800001
Landline: 0612-2572498

The Company will ensure to reply within 5 working days

If the complainant is not satisfied with the response or fails to receive response within stipulated time, she can appeal to officer in Charge of the Regional Office of Department of Non-Banking Supervision of the Reserve Bank of India under whose jurisdiction the registered office of Sindhuja falls. The address of DNBS, RBI is given below:

Deputy General Manager
Reserve Bank of India
Department of Non-Banking Supervision (DNBS)
M.G. Road, P.B.No.82, Kanpur-208001
Tel: 0512-230 5972/3831
Fax:0512-230 6246