

ORRISH FINANCE PRIVATE LIMITED

**RBI REGISTERED NBFC
REGISTRATION NO. B-03.00208**

FAIR PRACTICE CODE

(Updated as on 1st April 2024)

1. Introduction

Orrish Finance Private Limited is a **non-deposit taking non-systematically important NBFC**, holding valid COR as on date, and is engaged in providing **unsecured and secured loans** to SMEs, retailers, small shopkeepers, and personal loans to self-employed, salaried class, as well as **gold loans** and **two-wheeler loans** to meet their financial requirements and fulfill the objective of **financial inclusion**.

The organisation endeavours to review and follow the policy guidelines laid by the **Reserve Bank of India** as amended from time to time, to set up **fair business practices** while dealing with its customers. Accordingly, this **fair practice code** ("FPC or Code") has been amended pursuant to the **Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023**. Further, RBI vide its Notification No. RBI/2019-20/258 DOR (NBFC) (PD) CC. No.112/03.10.001/2019-20 dated June 24, 2020, Notification No. DOR.ORG.REC.65/21.04.158/2022-23 dated August 12, 2022, and Notification No. DOR.CRE.REC.66/21.07.001/2022-23 dated September 02, 2022, has also issued directions for **sourcing of loans** over **Digital Lending Platforms** (Digital lending) and **outsourcing of Financial Services** - Responsibilities of regulated entities employing **Recovery Agents** and **Guidelines on Digital lending** respectively.

Hence, in compliance with the said directions, this Code has been framed, approved, and reviewed by the **Board of the Company** from time to time. The Company shall at all times adopt best business and customer service practices and make appropriate modifications, as necessary, to this Code.

2. Objectives of the FPC

- A. **Promote good and fair practices** by setting up minimum service standards for customer dealings and loan services.
 - B. **Maintain transparency** with customers to make them understand what they can reasonably expect from the company for its services.
 - C. **Promote a fair and cordial relationship** with the customer.
 - D. **Increase awareness** among the borrower.
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3. Application of FPC

- A. FPC shall apply to all the **products and services** provided by the company, at its branches, over the counter, through telephonic calls, via post, email, internet, or by any other method. The FPC shall also apply in case of **outsourcing of services** and lending through **DLA (Digital Lending Application) / LSP (Lending Service Provider)**.

- B. This FPC will apply to all **borrowers** (which as the context permits may include prospective borrowers, borrowers who have applied for a loan with us but whose loan is not sanctioned/disbursed, in addition to borrowers who are in receipt of loan amounts from the Company).
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4. Company's Key Commitments

- A. The Company shall always act **fair** and **reasonable** in dealings with its customers by adhering to the principles of **integrity** and **transparency** at all times.
 - B. The Company shall meet all the **legal and regulatory requirements** and fulfill standards provided in this FPC while soliciting any product or service.
 - C. The Company shall ensure that all advertising and promotional material is **clear** and **not misleading**.
 - D. The Company shall ensure **transparency in communication** and provide information on **interest rates, fees, and charges** in the loan document or on its website.
 - E. The Company may, from time to time, communicate to customers about various features of products/services availed by them, including information about **third-party products/services** or promotional offers, after obtaining prior **written consent** from the customer.
 - F. The Company shall implement a **transparent Code of Conduct** for its **Direct Selling Agencies (DSAs) / Direct Selling Teams (DSTs) / Telecallers** in line with the Code.
 - G. The Company shall always preserve the **privacy** and **confidentiality** of personal information provided by customers.
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5. Application for Loan and their Processing

- A. All communication with borrowers shall be in **English** or the language understood by them.
 - B. Loan Application contains a list of **documents** required to be submitted with the application form.
 - C. At the time of loan sourcing, the company will provide information about the **indicative range of annualized rate of interest (ROI)** for the loan product availed, along with the method of interest calculation (factors affecting interest of the borrower), **pre-payment options, financial**, and other **charges**, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made, and informed decisions can be taken by the borrower.
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6. Loan Appraisal and Terms/Conditions

- A. All the information required for processing the application shall be collected at the time of the loan application itself. In case any additional information is required for **credit and risk assessment**, the customer shall be contacted immediately.
 - B. The company shall conduct due diligence on the **creditworthiness** of the customer, which will be an important parameter for decision-making on the application. The assessment would be in line with the Company's **credit policies**, norms, and procedures.
 - C. The **Rate of Interest (ROI)** and the approach for gradations of **risk** and the parameters for charging different ROI to different categories of customers shall be disclosed to the customer at the loan application and sanction stage and on the website of the Company.
 - D. The company shall convey, in writing to the customer in English or a language understood by the customer, the **Loan Sanctioned** along with the **Terms & Conditions** thereof including **annualized ROI, method of application, EMI Structure**, and any other charges, if any.
 - E. The company shall keep the written acceptance of all these terms and conditions by the customer in its records. **Penal/default charges, late payment charges**, or penalties charged for late repayment shall be highlighted in **bold** to sensitize the customers about consequences of delay in payment of periodic installments and/or any breach of the terms of the loan agreement and sanction letter.
 - F. The company shall provide copies of all the loan documents executed by the customer along with a copy of each of its enclosures as per the Loan Documentation to every customer, subsequent to loan disbursement.
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7. Penal Charges in Loan Account

- A. Penalty, if charged for non-compliance of material terms and conditions of the loan contract by the borrower, shall be treated as '**penal charges**' and shall not be levied in the form of '**penal interest**' that is added to the rate of interest charged on the advances. There shall be no **capitalization** of penal charges, i.e., no further interest computed on such charges. However, this will not affect the normal procedures for compounding of interest in the loan account.
- B. The Company shall not introduce any **additional component** to the rate of interest and will ensure compliance with these guidelines in both letter and spirit.
- C. The Company shall update the existing **board-approved interest rate policy** on penal charges or similar charges on loans.
- D. The quantum of penal charges shall be **reasonable** and **commensurate** with the non-compliance of material terms and conditions of the loan contract without being discriminatory within a particular loan/product category.
- E. The penal charges in case of loans sanctioned to '**individual borrowers, for purposes other than business**', shall not be higher than the penal charges applicable to non-individual borrowers for similar non-compliance of material terms and conditions.
- F. The quantum and reason for penal charges shall be clearly disclosed by the Company to the customers in the loan agreement and most important **terms & conditions/Key Fact**

Statement (KFS) as applicable, in addition to being displayed on the Company's website under **Interest rates** and **Service Charges**.

- G. Whenever reminders for non-compliance of material terms and conditions of the loan are sent to borrowers, the applicable penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefor shall also be communicated.
- H. This paragraph 7 (a) to 7 (g) shall come into effect from **April 01, 2024**. The Company shall carry out appropriate revisions in the policy framework and ensure implementation of the instructions in respect of all the fresh loans availed/renewed from the effective date. In the case of existing loans, the switchover to the new penal charges regime shall be ensured on the next review or renewal date or six months from the effective date of these instructions, whichever is earlier.

8. Disbursement of Loans Including Changes in Terms and Conditions

- A. Disbursement shall be made in accordance with the **disbursement schedule** and/or terms agreed with the customer as per the loan Agreement/ sanction Letter.
- B. The Company shall give notice to the customer in English or a language understood by the customer of any change in the terms and conditions including **disbursement schedule, ROI, service charges, pre-payment charges**, and other applicable **fee/charges**, etc. The Company shall also ensure that changes in ROI and charges are effected only **prospectively** with prior intimation to the customer. A suitable condition in this regard shall be incorporated in the loan agreement.

9. Post Disbursement Practices:

- A. Any decision to **recall/accelerate** payment or performance under the loan agreement or seeking additional securities shall be taken after giving notice to the customer in consonance with the loan agreement.
- B. The Company will release all **securities/collaterals** on repayment of all dues or on realization of the outstanding amount of the loan, subject to any legitimate right or lien for any other claim the Company may have against the customer. If such right of set-off is to be exercised, the customer will be given notice about the same with full particulars about the remaining claims and the conditions under which the Company is entitled to retain the securities until the relevant claim is settled/paid.

10. Responsible Lending Conduct – Release of movable/immovable property documents on repayment/settlement of personal loans:

The Company shall adopt best practices in the release of **movable/immovable property documents** upon receiving full repayment and closure of the loan account to avoid customer grievances and disputes in the future.

To address the issues faced by borrowers and towards promoting responsible lending, the following instructions are issued:

A) Release of movable/immovable property documents:

- a)** The Company shall release all the original movable/immovable property documents and remove charges registered with any registry within a period of **30 days** from the date of full repayment/settlement of the loan account.
- b)** The borrower shall be given the option of collecting the original movable/immovable property documents either from the **banking outlet/branch** where the loan account was serviced or any other office of the Company where the documents are available, as per their preference.
- c)** The timeline and place of return of original movable/immovable property documents shall be mentioned in the loan sanction letters issued on or after the effective date.
- d)** In order to address the contingent event of **demise** of the sole borrower or joint borrowers, NBFCs shall have a well-laid-out procedure for return of original movable/immovable property documents to the **legal heirs**. Such procedure shall be displayed on the website of NBFCs along with other similar policies and procedures for customer information.

B) Compensation for delay in release of movable/immovable property documents:

- a)** In case of delay in releasing original movable/immovable property documents or failing to file the charge satisfaction form with the relevant registry beyond **30 days** from the date of full repayment/settlement of the loan, the Company shall communicate to the borrower the reasons for such delay. In cases where the delay is attributable to the Company, it shall compensate the borrower at the rate of **₹5,000** for each day of delay.
- b)** In case of **loss/damage** to original movable/immovable property documents, either in part or in full, the Company shall assist the borrower in obtaining duplicate/certified copies of the movable/immovable property documents and shall bear the associated costs, in addition to paying compensation as indicated above. However, in such cases, an additional time of **30 days** will be available to the NBFCs to complete this procedure, and the delayed period penalty will be calculated thereafter (i.e., after a total period of **60 days**).
- c)** The compensation provided under these directions shall be without prejudice to the rights of a borrower to get any other compensation as per any applicable law.

C) Applicability:

The instructions in paragraph B above shall be applicable to all cases where the release of original movable/immovable property documents falls due on or after **December 01, 2023**.

11. Collection of Dues:

a) At the time of giving a loan to the customer, the Company shall explain to the customer the **repayment process**, including **installment amount, tenure, bounce charges, penal charges, and periodicity of repayment**. However, if the customer does not adhere to the repayment schedule, a defined process in accordance with the laws of the land shall be followed for the recovery of loan dues. The process will involve reminding the customer by sending them a notice or by making personal visits and/or repossession of security, if any.

b) Additionally, the terms and conditions for enforcing security interest and/or repossession of the property/collateral shall be clearly mentioned in the loan or security-related document. To ensure transparency, the said terms will speak about:

- **Notice period before taking possession;**
- **Circumstances under which the notice period can be waived;**
- **The procedure for taking possession of the security;**
- **Provision regarding final chance** to be given to the customer for repayment of the loan before the sale/auction of the property;
- **The procedure for giving repossession** to the customer; and
- **The procedure for sale/auction of the property.**

c) In the matter of recovery of loans, the Company or its agents will resort only to remedies which are legally and legitimately available to it and will not resort to **intimidation or harassment** of any kind, either verbal or physical, against any person in their debt collection efforts, including acts intended to publicly humiliate or intrude upon the privacy of the debtor's family members, referees, and friends, sending inappropriate messages either on mobile or through social media, making threatening and/or anonymous calls, persistently calling the borrower and/or calling the borrower before **8:00 a.m.** and after **7:00 p.m.** for the recovery of overdue loans, making false and misleading representations, and will not resort to the use of muscle power for recovery of loans, etc. The Company will make all efforts so that its staff is adequately trained to deal with the customers in an appropriate manner.

d) In line with the aforementioned, a **Code of Conduct** shall be adhered to during collections/recovery of dues from customers by the Company's authorized personnel, as provided in **Annexure A**.

12. Grievance Redressal Mechanism:

The Company has laid down the appropriate grievance redressal mechanism within the organization to resolve disputes arising in this regard, ensuring that all disputes arising out of the decisions of the Company's functionaries are heard and disposed of at the next higher level. The **Board of Directors** shall periodically review the compliance of the Fair Practices Code and the functioning of the grievance redressal mechanism at various levels of management. A consolidated report of such reviews shall be submitted to the Board at periodic intervals.

In line with the captioned process, the Company follows a **tier 1 approach** for redressal of customer grievances, as detailed below:

Level 1 – Grievance Redressal Officer:

In case of any service request/complaints, the customer may contact the customer engagement team on any of the below-mentioned contact points:

- **E Mail:** grievance.redressal@orrishfinance.com
- **Contact No:** 7880002243
- **At Branch Level:** Complaint Box
- **Written Request**
Corporate/Registered office address: Office/shop no. 4, 4th floor, Tiara Commercial Complex, A.T. Classic, In front of V.I.P. estate, Khamhardih road, Raipur, Chhattisgarh, 492001.

On receipt of a service request/complaint, an acknowledgement shall be given within **3 working days** by us to the customer via e-mail/letter by post/SMS/any other form of legally valid electronic communication including WhatsApp. The Company shall endeavor to resolve the same within a period of **7 working days**.

However, in case a complaint warrants extensive investigation and/or support from the customer to identify the perpetrator, root cause analysis, or is under litigation (including pending with local police authorities), the TAT for responding and resolving such complaints may be more than **7 working days**.

If the customer is not satisfied with the resolution/response provided by the customer engagement team as above, then the customer shall escalate to **Level 2** as given below.

Level 2 – Grievance Redressal Officer:

a) Customers shall approach for resolution of their service request/complaint at the first instance to the customer engagement team as mentioned in Level 1 hereinabove, and if their request/complaint remains unresolved for a period of **7 days** or they are dissatisfied with the resolution given, they are required to contact the Grievance Redressal Officer (GRO) of the Company:

- **E Mail ID:** Gaurav.goenka@orrishfinance.com

- **Contact No:** 8770414100
- **Name:** Gaurav Goenka
- **Address:** Office/shop no. 4, 4th floor, Tiara Commercial Complex, A.T. Classic, In front of V.I.P. estate, Khamhardih road, Raipur, Chhattisgarh, 492001.

We will make our best efforts to resolve the customer's complaint at this level in **14 working days**.

If the Customer is aggrieved by the GRO or the rejection of the complaint by the GRO Office, the customer can lodge a complaint over CMS portal of RBI Ombudsman at <https://cms.rbi.org.in> or file an appeal withing **30days** of receipt of Award or rejection of complaint to:

Executive Director

Consumer Education & Protection Department
Reserve Bank of India

13. General

- A. No discrimination on grounds of sex, caste & religion in the matters of lending.
- B. The Company will refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the borrower, has come to the notice of the Company).
- C. All personal information of customer and information related to the transactions with the Company shall be treated confidential, shall not be revealed to anyone, except with customer's prior written consent and/or required by laws and regulations.
- D. The Company shall:
 - Provide customer with a copy of this Code, whenever requested;
 - Disclose this Code on the website of the Company; and
 - Conduct periodic training for all customer-facing staff about the fair business practices as mentioned in this Code.

14. Policy for determining rate of interest, processing, and other charges

To ensure that the Customers are not charged excessive interest rates and charges on loans and advances by the Company, the Board of the Company has adopted a Policy for Determining Interest Rates, Processing and Other Charges ("Interest Rate Policy"). Further, the Board of the Company shall undertake a periodical review of the said Policy for Determining Interest Rates, Processing and Other Charges.

Annexure A

Following Code of Conduct shall be adhered to by all authorized personnel of the Company while engaging in any manner with the customer(s) for Collections of loan dues

- A. The code of conduct for collections shall be followed diligently by all staff members of the Collection team and its authorized agents.
- B. Foster customer confidence, long-term relationships, and ensure dignity and respect to customers is maintained.
- C. Courtesy, fair treatment, and persuasion shall be the basis of recovery. Unduly coercive methods in the collection of dues shall not be adopted.
- D. Fairness and transparency in repossession, valuation, and realization of securities shall be maintained.
- E. Customers would be contacted ordinarily at the place of their choice. In the absence of any specified place, at their place of residence and if unavailable there, then at the place of business/occupation. During visits to customer(s) place for dues collection, decency & decorum shall be maintained.
- F. Identity and authority to represent the company shall be made known to the customer(s) at the first instance.
- G. No interference in the affairs of the customer(s). Interaction with them shall be in a civil manner without the use of muscle power for recovery.
- H. Authorized Representatives shall contact the customer usually between 08:00 a.m. and 07:00 p.m. unless the special circumstances of the customer's business/occupation require otherwise.
- I. Customer's request to avoid calls at a particular time/ particular place shall be honored, to the extent possible.
- J. Customer would be provided with all the information regarding dues and necessary notice would be given for enabling discharge of dues.
- K. Reasonable notice would be given before repossession of security and its realization. At all times, as far as reasonably possible, endeavor to resolve disputes/differences regarding dues in a mutually acceptable and orderly manner.
- L. Inappropriate occasions such as bereavement in the family or such other calamitous occasions would be avoided for making calls/visits.
- M. Confidentiality of customer information shall be maintained at all times.
- N. Not send inappropriate messages either on mobile or social media.
- O. Shall not make any kind of false and misleading representations to the customer.
- P. All communications in connection to collections/recovery of dues shall be done only on the contact details provided by the customer.

Annexure B

Prudential measures for Loan sourced over Digital Lending Platforms.

- A. Name of the digital lending platforms engaged as LSP/DLA shall be displayed on the website of the Company.
- B. The Company shall provide a Key Fact Statement (KFS) to the borrower before the execution of the contract in a standardized format for all digital lending products.

- C. The KFS shall, apart from other necessary information, contain the details of APR, the recovery mechanism, details of grievance redressal officer designated specifically to deal with digital lending/LSP related matters and the cooling-off/look-up period.
- D. The digital lending platform shall disclose to the customer that it is interacting for the Company during the course of processing loan applications with the Company. Accordingly, customer communications (such as sanction letter, disbursement confirmation, loan agreement & welcome letter/e-mail) shall also identify the Company as a lender for customer knowledge and ensuring adequate disclosures.
- E. The sanction letter shall be issued to the borrower on the Company's letterhead prior to entering into a loan agreement.
- F. The Company shall ensure that their DLAs or DLAs of their LSPs at onboarding/sign-up stage prominently display information relating to the product features, loan limit, and cost, etc., to make the borrowers aware of these aspects.
- G. A borrower shall be given an explicit option to exit the digital loan by paying the principal and the proportionate APR without any penalty during the cooling-off/look-up period. The cooling-off period shall be determined by the Company. The period so determined shall not be less than three days for loans having a tenor of seven days or more and one day for loans having a tenor of less than seven days. For borrowers continuing with the loan even after the look-up period, pre-payment shall continue to be allowed as per extant RBI guidelines.
- H. Executed/accepted copy of loan agreement shall be sent to the customer as an attachment with the welcome letter/e-mail or pursuant to loan disbursement.
- I. In case of any fraud/suspicious activity detected using the name of the Company, the customer shall immediately inform 'GRO' and also report such platforms/apps to RBI using their Sachet portal (<https://sachet.rbi.org.in>).
- J. Customer shall be communicated with customer service and grievance redressal mechanism as per FPC.
 - a. Note: 1st level approach for redressal of customer grievances shall be respective Digital lending partners.
- K. The Company shall ensure that they and the Lending Service Provider (LSP) engaged by them shall have a suitable nodal grievance redressal officer to deal with LSP/digital lending-related complaints/issues raised by the borrowers and shall also deal with complaints against their respective Digital Lending App (DLA). Further, contact details of grievance redressal officers shall be prominently displayed on the websites of the Company, its LSP, and on DLA.
- L. The Company shall communicate to the borrower, at the time of sanctioning the loan and also at the time of passing on the recovery responsibilities to an LSP or change in the LSP responsible for recovery, the details of the LSP acting as recovery agent who is authorized to approach the borrower for recovery.
- M. Direct Flow of Funds: The Company shall ensure that all loan disbursements and repayments are executed directly between the bank account of the Company (as the Regulated Entity) and the borrower's bank account. Under no circumstances shall disbursements or repayments pass through a pool account or third-party account of the LSP or any other intermediary, except for disruptions covered under specific RBI exemptions.
- N. No Automatic Credit Limit Enhancement: The Company shall ensure that no automatic

increase in the credit limit of a digital loan borrower is permitted unless explicit, recorded consent is obtained from the borrower for each such enhancement.

- O. Data Privacy, Storage, and Consent: The Company and its LSPs shall collect data from borrowers only on a need-to-know basis with explicit, auditable consent.
 - I. Biometric data of the borrowers shall not be stored/accessed by DLAs or LSPs under any circumstances.
 - II. Borrowers shall be provided options to give or deny consent for data storage, restrict disclosure to third parties, and a "right to forget" option to delete their personal data from the systems once the loan relationship ends.
- P. Sourcing via Digital Lending Web Aggregators (DLWAs): If the Company engages Digital Lending Web Aggregators for sourcing, it shall ensure that DLWAs display information in an unbiased manner and explicitly disclose any identity or financial arrangements that may influence their product displays.
- Q. Reporting to Credit Information Companies (CICs): The Company shall ensure that all digital loans structured through any Lending Service Provider (LSP), are accurately reported to Credit Information Companies (CICs) in a timely manner in compliance with RBI regulations.

The Company shall ensure all their DLA and LSP act in accordance with the guidelines as stated in circular dated September 02, 2022, on Guidelines on Digital Lending and circular dated June 08, 2023, on framework for Settlements and Technical write-offs.