



arriba inclusive finance pvt. ltd.

CIN – U65929TG2019PTC129904

**ARRIBA INCLUSIVE FINANCE PRIVATE LIMITED**

**FAIR PRACTICES CODE - ENGLISH**

## FAIR PRACTICES CODE

### INTRODUCTION

Arriba Inclusive Finance Private Limited (AIFPL) is a Company registered under the Companies Act, 2013 on January 21, 2019, having its Registered Office at Jahanara Kareem Complex, 2nd Floor, Plot No.22, Survey No.22, Balanagar, Hyderabad, Telangana – 500037. The Company is incorporated with the main objective of providing financial services as a Non-Banking Finance Company to under-served segments such as small and medium businesses that are unable to access mainstream sources of capital. The Company received the Certificate of Registration (CoR) vide Certificate No.N-09.00481 dated July 29, 2022 permitting the company to commence and carry on the business of NBFC-ND (non-deposit taking).

Arriba Inclusive Finance Private Limited (“the Company”) has framed and adopted a code, which sets out the principles for Fair Practice standards while dealing with borrowers. As per the RBI directives, the Company has adopted and shall implement this Code which has been duly approved by the Board of Directors of the Company. This Fair Practices Code shall apply to all categories of products and services to be offered by the Company. It is intended to be a living document, with periodic review and enhancement as necessary. All of the Company’s interactions with borrowers including loan applicants shall subscribe to the spirit and essence underlying the Code.

### KEY COMMITMENTS

- a) To adhere to the principles of integrity and transparency in the Company’s dealings with the borrowers.
- b) To act fairly and reasonably in all the dealings of the Company with borrowers.
- c) To ensure that the Company’s products and services meet relevant laws and regulations.
- d) To educate borrowers about the products and services of the Company and their financial implications.
- e) To keep borrowers informed through the loan application process and ensure a convenient borrowing experience for them.
- f) To resolve borrowers’ complaints in a quick, efficient, and fair manner.
- g) To avoid unfair and coercive recovery practices.
- h) To give wide publicity to this Code for all stakeholders.

### APPLICATION FOR LOANS AND ITS PROCESSING

- a) All communications with the borrower shall be in vernacular language or a language as understood by the borrower.
- b) The process of applying for a loan shall be convenient to the extent possible.
- c) The loan application form shall indicate the documents required to be submitted along with the application form.
- d) For KYC requirements, only such documents which are in accordance with KYC norms stipulated by RBI shall be collected from the borrower.

- e) The Board of Directors shall adopt an interest rate model for determining the rate of interest to be charged on loans and advances, processing and other charges considering relevant factors such as cost of funds, margin, and risk premium, etc. The rate of interest, and if relevant the approach for gradation of risks, shall be disclosed to the customer in the application form, and the same information shall also be made available on the company website.
- f) The Company shall give acknowledgment for receipt of all loan applications. The time frame within which loan applications will be reviewed and responded to shall be indicated in the acknowledgment to be given to the borrower.
- g) If additional documents or information are required from the borrower, they shall be intimated immediately to avoid delays in turnaround time for decisions.

### **LOAN APPRAISAL AND TERMS & CONDITIONS**

- a) The Company shall follow well-documented policies for loan appraisals, developed based on professional best practices.
- b) The Company shall convey in writing to the borrowers by means of a sanction letter or otherwise, in vernacular language or a language as understood by the borrower, the amount of loan sanctioned along with the terms and conditions. Such terms and conditions shall include information on the annualized interest rate (APR), compounding periods, fees, and prepayment options if any.
- c) A Loan Agreement together with a copy of all enclosures quoted in the loan agreement, shall accompany the sanction letter. It shall hold complete details of the terms and conditions, along with actions that may be taken in the event of late repayments or default.
- d) In the event of application rejection, the applicant will be informed of the decision along with a reason.

### **DISBURSEMENT OF LOAN**

- a) Disbursement of loans shall be made on compliance of all terms and conditions including execution of loan documents governing such sanction.
- b) Any change in the terms and conditions, including rate of interest, repayment schedule, service charges, prepayment charges etc, shall be informed to the borrower in the vernacular language or a language as understood by the borrower, in a timely manner, with changes in interest rates and charges to be applied prospectively.

### **POST-DISBURSEMENT SUPERVISION**

- a) The Company will prepare a Board-approved policy for handling of default cases or late payments and follow it strictly.
- b) In the event of defaults or late payments, the Company shall first assess whether the event was unavoidable due to distress conditions. In such cases, a restructuring of the loan repayment, if feasible and deemed appropriate, may be designed for the purpose of recovery.

- c) For other avoidable cases of default or late payment, the Company shall follow the course of law in recovery of any dues. In no event will any harsh recovery practices be applied by the Company.

#### **GRIEVANCE REDRESSAL**

- a) A Grievance Redressal Mechanism approved by the Board shall be set up in the Company to resolve disputes arising from the applicants / borrowers.
- b) There shall be a periodical review of the compliance of the Fair Practices Code and the functioning of the Grievance Redressal Mechanism. A consolidated report of such reviews will be submitted to the Board at regular intervals.
- c) The Company shall prominently, for the benefit of the borrowers, display at all branches / places of the Company where business is transacted the name and contact details (Telephone / Mobile nos. as also email address) of the Grievance Redressal Officer who can be approached for resolution of complaints against the Company.
- d) If the complaint / dispute is not redressed within a period of one month, the borrower may appeal to the General Manager, Department of Supervision, Reserve Bank of India, 6-1-56, Secretariat Road, Hyderabad – 500004, under whose jurisdiction the registered office of the Company falls.
- e) The public notice should serve the purpose of highlighting to the borrowers, the grievance redressal mechanism followed by the Company, together with details of the Grievance Redressal Officer and of the Regional Office of the RBI.

#### **GENERAL**

- a) The Company shall refrain from interference in the affairs of the borrowers 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).
- b) The Company shall not discriminate between the loan applicants based on gender, caste, or religion.
- c) In the matter of recovery of loans, the Company will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc. For this purpose, the Company shall ensure that the staff are adequately trained to deal with the borrowers in an appropriate manner.
- d) In case of receipt of request from the borrower for transfer of borrower account, the consent or otherwise i.e., objection of the Company, if any, will be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.
- e) The Company shall assign high consideration to maintenance of client confidentiality and privacy. Client information shall be shared externally only for purposes deemed necessary and approved by regulators.
- f) This Fair Practices Code will be given due publicity, by posting on the Company's web site as well as noticeboards of the Company's offices, for the information of various stakeholders.