

# FAIR PRACTICE CODE OF GROWING OPPORTUNITY FINANCE INDIA (PRIVATE) LIMITED

- Date of Board approval: 24.3.22
- Fair practice code is required under: Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022, dated: 14.3.2022

**Introduction:**

The Reserve Bank of India (RBI) has issued directions on regulatory framework for Micro Finance Loans to Non-Bank Financial Companies-Micro Finance Institution (NBFC-MFI) vide its notification number RBI/DOR/2021-22/89, DoR.FIN.REC.95/03.10.038/2021-22, dated March 14, 2022.

This direction mandates the Company to lay down a fair practices code (“Code”) and the code is applicable to all the offices of the Company and binding on all the employees of the Company.

**Objective of this code:**

- To curb the practice of multiple lending and over-indebtedness
- To maintain transparency in charges, ceilings on margins and interest rates
- To avoid non-coercive methods of recovery

**The Company Commits to:**

- Abide by this directions and other rules, regulations, acts applicable to the Company and regulatory authorities
- Display the code in all its offices and on its website
- Issue this code in a language understood by its borrower

**Fair Practices:****Loan:**

- The Company shall issue collateral-free loans to low-income households, i.e., households having annual income up to Rs.3,00,000.
- The loan shall not be linked with a lien on the deposit account of the borrower
- The Company shall make an assessment of household income of the borrower before processing the loan application
- The Company shall not charge penalty for pre-payment on microfinance loans
- The loan agreement of the Company and all entries in the loan card shall be in a language understood by the borrower
- The loan card of the Company shall contain
  - Information which adequately identifies the borrower
  - Simplified factsheet on pricing
  - All other terms and conditions attached to the loan
  - Acknowledgement by the company of all repayments including instalments
  - Name and contact number of nodal officer to handle the grievances of the borrower

**Transparency in disclosure:**

- The Company shall submit information regarding household income to the Credit Information Companies (CICs).
- Provide timely and accurate data to the CICs and use the data available with them to ensure compliance with the level of indebtedness
- The Company shall display the minimum, maximum and average interest rates charged on microfinance loans in all its offices, in the literature (information booklets/ pamphlets) issued by it and details on its website
- The up-to-date details of the recovery agencies engaged by the Company is hosted on the Company's website

### **Repayment Schedule**

- The Company shall provide the flexibility of repayment periodicity considering the borrowers' requirement and the policy of the Company.
- The Company shall take into account all outstanding loans (collateral-free microfinance loans as well as any other type of collateralized loans) of the household while computing loan repayment obligation of the borrower. The outflows capped at 50 per cent of the monthly household income shall include repayments (including both principal as well as interest component) towards all existing loans as well as the loan under consideration.

### **Pricing of loan**

- The Company shall not charge usurious interest rate to its borrowers
- The Company shall disclose pricing related information to a prospective borrower in a standardised simplified factsheet
- The Company shall explicitly disclose fees to be charged to the borrower in the factsheet
- The borrower shall not be charged any amount which is not explicitly mentioned in the factsheet
- The Company shall inform change in interest rate or any other charge, if any to the borrower well in advance and these changes shall be effective only prospectively

### **Collection methods**

- The company shall make recovery from the microfinance borrowers at a designated/ central designated place decided mutually by the Company and the borrower
- The field officer of the Company shall make recovery at the place of residence or work of the borrower if the borrower fails to appear at the designated/ central designated place on two or more successive occasions
- The Company shall not engage in harsh methods towards recovery i.e, harassing the family and friends of the borrower, threatening the borrower, calling the borrowers at odd hours, use of violence

## **Redressal mechanism**

- The Company has a special mechanism for identification of the borrowers facing difficulties in repayment of dues to the Company and offer guidance to such borrowers on recourse available to them.
- The dedicated mechanism for redressal of recovery related grievances are implemented in the Company and duly communicated to the borrower at the time of disbursement and incorporated in the loan card and same is also posted on the website of the Company.
- The Company shall take responsibility for the inappropriate behaviour by its employees or employees of the outsourced agency and shall provide timely grievance redressal to its borrowers.

### **Level 1: Branch Manager**

Our clients may contact the Branch Manager of the particular location to register his/her query/ complaint/ grievances or suggestions, whose contact number and name are displayed in the Notice Board of the Branch office.

A separate notebook / Complaint boxes are available in all branch offices to register their complaints/suggestions.

The grievance will be addressed within **SEVEN** working days.

### **Level 2: Grievance Redressal Officer (GRO)**

If the grievances are not addressed in above said stipulated days / if the client is not satisfied with the response received from the Branch Manager, the client may contact the Grievance Redressal Officer (GRO) of GOF, whose contact number is displayed in the Branch notice board and Loan Repayment Card.

For Tamil Nadu and Puducherry

The client can register the complaint with

1. Ms. Franzina S through phone number: 044 35101970 email id: [grievance@gopportunity.net](mailto:grievance@gopportunity.net) and Address: # 73, First Floor, 6th Street, Y Block, Anna Nagar, Chennai – 600 040.
2. Mrs.Nirmala Sukumar, Principal Nodal Officer through email: [info@gopportunity.net](mailto:info@gopportunity.net)

### **For Chhattisgarh**

The client can register the complaint with Mr.Prince Siwango Alfred, Nodal Officer through phone number: 9174951728 email id: [rccg@gopportunity.net](mailto:rccg@gopportunity.net), [grievance@gopportunity.net](mailto:grievance@gopportunity.net) and Address: House No. C-109, First Floor, Sector-2, Near Balaji School, Devendra Nagar, Raipur (C.G) – 492001.

The grievance will be addressed within 30 working days from the primary date of the complaint.

**Level 3: Contact Details of RBI Ombudsman for filing complaint through online or physical mode:**

Only in the event of non-receipt of reply, within 30 days from the lodgement of the complaint, from the Company or if the complaint is rejected wholly or partially by the Company, the complaint can be registered with the RBI Ombudsman through an email or website or through an letter addressing to “Centralised Receipt and Processing Centre”, Reserve Bank of India, 4th Floor, Sector 17, Chandigarh – 160017.

Website and Email id of RBI Ombudsman for registration of complaint:

<https://cms.rbi.org.in>; [crpc@rbi.org.in](mailto:crpc@rbi.org.in)

**Review**

The Fair Practice Code shall be reviewed annually or as and when necessary by the Company’s Board of Directors. Any change in the Fair Practice Code shall be immediately updated on the Company’s website.