



CRISS FINANCIAL LIMITED

FAIR PRACTICES CODE ("FPC")

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1. Introduction

Criss Financial Limited (“the Company”) is a public limited company registered with Reserve Bank of India (RBI) as an NBFC.

The Company provides secured and unsecured loan to borrowers in rural and semi-urban areas in India. The Company constantly endeavours to deliver quality services to its Borrowers by maintaining highest levels of transparency and integrity.

The Company ensures that the principles of responsible lending, transparency and core values are followed in letter and spirit. The Company follows various guidelines issued by Reserve Bank of India (“RBI”) on Fair Practices Code.

2. Objectives of the Fair Practices Code:

- Lay down the process and guidelines for effective implementation of FPC which is in compliance with the guidelines prescribed by RBI.
- To protect Borrowers from fraud, misrepresentation, deception and unethical practices.
- To ensure that all practices related to lending and recovery of loans are fair and maintain respect for Borrower’s dignity.
- To train all the employees and borrowers on the FPC in an effective manner and to ensure that they follow the FPC at all times.
- To monitor the effective implementation of the FPC and maintain zero tolerance to deviations.

3. Guidelines on Fair Practices Code

3.1. Loan Application:

- a. All communication to the borrower should be in the language understood by the Borrower.
- b. Loan application shall be in the vernacular language.
- c. Borrower shall be provided with acknowledgement for receipt of loan application in vernacular language clearly communicating the timeframe within which loan application will be disposed of.
- d. Loan application shall contain the effective interest rate, processing fee and insurance premium and the borrower shall be informed of the same while taking the loan application so that a meaningful comparison with the terms and conditions offered by other lenders can be made and informed decision can be taken by the borrower.
- e. The loan application form should indicate the documents required to be submitted with the application form.

3.2 Loan Appraisal:

- a. Every loan has to be appraised to understand the Borrower’s business, household income, current indebtedness and thereby assess loan requirement and repayment capacity.
- b. Loan appraisal has to be done mandatorily by the Branch Manager and the appraisal should be documented.

3.3 Loan Terms and Conditions:

- a. Borrowers are explained the terms and conditions of the loan in the language understood by them.

3.4 Loan Sanction and Disbursement:

- a. Company shall issue sanction letter in vernacular language for every loan sanctioned.
- b. Sanction letter shall contain details like loan amount sanctioned, rate of interest, processing fee, insurance premium, loan tenor and repayment frequency along with the documents required to be executed.
- c. Borrower shall submit disbursement request.
- d. Loan shall be disbursed only in the Branch. Loan shall be disbursed by the concerned Loan Officer.
- e. Borrower shall be provided loan repayment schedule/fact sheet in vernacular language. The loan repayment schedule/fact sheet contains all the important terms and conditions of the loan including the annual effective rate of interest, processing fee, insurance premium and other terms and conditions.
- f. Borrower shall also be provided a copy of loan agreement/ document in vernacular language along with a copy of each of all enclosures quoted in the loan agreement/ document.
- g. Company shall give notice to the borrower in the vernacular language in case of any change in the terms and conditions including disbursement schedule, interest rates, etc.
- h. Any change in interest rates and charges are affected only prospectively. The loan documents shall contain a suitable condition on this.
- i. The decision to recall / accelerate payment or performance under the agreement/ document shall be in consonance with the loan agreement/ document.
- j. Company shall release all securities on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim the Company may have against borrower. If such right of set off is to be exercised, the borrower shall 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 till the relevant claim is settled / paid.

3.5 Disbursement of Loans including Changes in Terms and Conditions:

- a. The procedure for loan application shall be simple and loan shall be disbursed as per pre-determined time.
- b. The effective rate of interest (the minimum, maximum and average interest rates, if applicable) charged on each loan product, processing fees and insurance premium shall be prominently displayed in all branches & head office, in the literature issued (in vernacular language) and on the website of the Company.
- c. A statement shall be made in vernacular language and displayed in Branches, HO and in loan cards articulating our commitment to transparency and fair lending practices.

3.6. Disclosures in Loan Document:

- a. All the terms and conditions of the loan be in vernacular language.
- b. Annual effective rate of interest charged on declining balance.
- c. Pricing of the loan involves various components viz; the interest rate model (comprising of cost of funds, risk premium and margin) and quantum of each component, the range of spread of each component for given objective parameters and category of the borrowers. The model indicates the ceiling on the interest rate and charges applicable to microfinance loans.,

- d. Moratorium between the grant of the loan and the due date of the repayment of the first instalment is equal or more than the frequency of repayment,
- e. An assurance that the privacy of borrower data will be respected,
- f. Information which adequately identifies the borrower,
- g. Acknowledgements by the field staff of all repayments including instalments received and the final discharge,
- h. Grievance redressal system and the toll-free customer care helpline number printed on the loan card and displayed at branches, and
- i. Non-credit products issued, if any, shall be with full consent of the borrowers and fee structure shall be communicated in the loan documents.

4. Fair Practices and Ethical Behavior

- a. All dealings of the Company with Borrower shall be open, fair and ethical.
- b. All Employees of the Company shall treat Borrowers with respect and dignity.
- c. Company provides loans to all eligible Borrowers as per the extent RBI guidelines.
- d. Rate of Interest charged by the Company are in accordance with the extent RBI guidelines and the Board approved policies.
- e. The rates of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers shall be disclosed to the borrower in the application form and communicated explicitly in the loan agreement/ document.
- f. The rates of interest and the approach for gradation of risks shall also be made available on the web-site of the Company. The information published on the website shall be updated whenever there is a change in the rates of interest.
- g. The Company will not interfere in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement/ document (unless new information, not earlier disclosed by the Borrower, has come to notice of the Company).
- h. The Company will obtain copies of relevant documents from Borrowers, as per standard KYC norms. Additional documents sought must be reasonable and necessary for completing the transaction.
- i. In case of receipt of any request from the Borrowers for transfer of borrowal account, the consent or otherwise i.e. objection of the Company, if any, should be conveyed within 21 days from the date of receipt of such request. Such transfer shall be as per transparent contractual terms in consonance with the applicable law.
- j. The Company will not bundle products. Only exception to bundling may be made with respect to credit life insurance products (if applicable), which are typically offered bundled with loans. The terms of insurance shall be transparently conveyed to the Borrowers and must comply with RBI & Insurance Regulatory and Development Authority (IRDA) norms. Consent of the Borrower should be taken in all cases. Any insurance is not mandatory, and Borrowers can choose to opt out of insurance if they wish.
- k. Field staff shall be trained to offer such training and also make the Borrowers fully aware of the procedure and systems related to loan / any other products.

5. Avoiding Over-Indebtedness

- a. Branch Managers shall make proper enquiries with regard to current indebtedness of the Borrowers before sanctioning of the loan.

- b. Company will ensure that the loan is provided basis on the assessment of income of the Borrower considering the broad parameters viz., household profile, income and expenses.
- c. Company to submit data to credit information companies (CIC's) on level of indebtedness and ascertain by way of obtaining declaration from the Borrowers, verification of bank account statements wherever available and local enquiries, Credit Bureau checks, etc.
- d. Company assesses the repayment of monthly obligations of household with monthly household income to ascertain the outflow.
- e. Company shall not exceed the indebtedness cap as prescribed by RBI.

6. Policy on Recovery / Collection Practices

- a. The Company will train all employees (field level) on the collection policy and to deal with Borrowers in an appropriate manner.
- b. The Company will ensure that the employees use courteous language, maintain decorum, and are respectful of cultural sensitivities during all interaction with Borrowers.
- c. In the matter of recovery of loans, The Company will instruct the employees not to follow coercive collection practices such as collecting at odd/late hours or during bereavement / sickness of Borrowers, behaving rudely / aggressively, or use of muscle power during collection etc.
- d. The Company will ensure that the employees shall not adopt any harsh practices viz., use of threatening or abusive language, persistently calling the Borrower and/or calling the Borrower before 9:00 AM and after 6:00 PM, harassing relatives, friends, co-workers of the Borrower, publishing the name of the Borrowers, use or threat of use of violence or other similar means to harm the Borrower or Borrower's family/assets/reputation, misleading the Borrower about the extent of the debt or the consequences of non-repayment.
- e. The Company shall ensure that recovery will be made at a designated place decided mutually by the Borrower and the staff. However, field staff is entitled to make recovery at the place of residence or work of the Borrower if the Borrower fails to appear at the designated place on two or more successive occasions.
- f. The Company is responsible/ accountable for any inappropriate behavior of the employees towards the Borrowers.
- g. The Company will have strict vigilance to ensure that staff do not misbehave, disrespect the Borrowers.
- h. Disciplinary action shall be taken against the employees for any misbehavior or deviation against FPC.
- i. The Company will display FPC in all the branch premises, Head Office/ Registered Office and upload on our website.
- j. The Company has put in place grievance redressal mechanism for recovery related grievances. The details of this mechanism shall be provided to the Borrower as part of loan documents.

7. Privacy of Borrower Information

- a. The Company shall respect Borrowers' privacy and shall treat Borrower information as private and confidential.
- b. The Company shall incorporate an adequate disclosure in the loan document on sharing Borrower data with credit bureaus, statutory organizations, group companies and third parties and the acceptance of the Borrower shall be obtained for internal records.

c. The Company will train employees on fidelity and secrecy of Borrower data.

8. Policy on Customer Grievance Redressal Mechanism (GRM)

Company endeavours to be a Borrower centric organization keeping Borrowers at the centre of its policy making and all the policies and procedures are designed to provide efficient and faster services to Borrowers. While the Company has taken all the steps to ensure that Borrower service is given utmost importance, in case there is any 'Grievance' which includes queries, complaints & feedbacks. This grievance redressal mechanism provides for timely redressal of the grievances/hearing of the feedback. Besides, all the grievances and feedback received are reviewed at the highest level of the organization and policies are reviewed and decisions taken to strengthen the delivery mechanism and provide better services.

The Company has put in place Grievance Redressal Mechanism given below, which provides guidelines for receiving, handling and disposal of Borrower grievances, documentation, turn-around-time and escalation matrix for unresolved complaints and periodical review mechanism.

The Company has dedicated Customer Support Service Department (CSS) at Head Office for receiving, handling and disposal of Borrower grievances, documentation and reporting under this policy.

8.1 Objectives:

The objective of this policy is immediately addressing the Borrower grievances by providing efficient services in a fair and transparent manner and to ensure prompt redressal of Borrower grievances and provide a mechanism for review of the implementation of the grievance redressal mechanism at the highest level.

- To provide Borrowers formal and informal channels for feedback and suggestions
- To provide a formal grievance redressal mechanism for Borrowers
- To educate customers on grievance redressal mechanism
- To ensure that Borrowers are protected against fraud, deception or unethical practices
- To handle/resolve complaints speedily and efficiently
- To consistently assess the impact of services in order to provide better services to the Borrowers in timely and efficient manner.

Company follows multi-tier Customer Grievance Redressal Mechanism and the following are the key elements of the Grievance Redressal Mechanism:

Scope	Purpose
Channels to Register Grievance	<ul style="list-style-type: none"> • Walk-ins in Branch Office Recorded in Complaints/Feedback Register • Toll Free Number: 1800-102-5519 • Call, letter or email to the Principal Nodal Officer • RBI's ombudsman
Display	<ul style="list-style-type: none"> • All office premises • Website • Loan Documents

Informing Borrowers about their rights	<ul style="list-style-type: none"> • Loan Documents • Periodic, reminder by staff in Centre Meetings
Resolution in Timely Manner	<ul style="list-style-type: none"> • Escalation Matrix • Categorizing the complaints based on severity and criticality and defining TAT
Reporting and Review Mechanism	<ul style="list-style-type: none"> • Data Analysis: (Trend, Comparison and Key metrics)
Staff Roles and Training	<ul style="list-style-type: none"> • Mandatory Training for Complaints handling and Monitoring
Monitoring Borrowers Grievance Redressal	<ul style="list-style-type: none"> • Proper record maintained and a monthly report shared with CSS • Internal Audit Check: Client Verification to measure client satisfaction. • Regulatory Compliance

8.2 Centralised mechanism for Grievance Redressal:

The Company has a centralized mechanism of grievance redressal which allows the Company to follow-up and process Borrower’s grievances. Irrespective of where the complaint has been received, it will be tracked by the Grievance Redressal team at Head Office.

8.3 Registration of Grievance:

Each Branch has Complaints (Grievance) Register. Borrowers are free to walk into the Branch and register a compliant / query / feedback in the register. Cluster Manager / Area Business Head should check the Complaints register on every visit to the Branch and sign on the complaints register with a date. If any queries or complaints of the Borrowers, which are recorded / registered in the complaints register, unresolved for more than 5 working days by the Branch Manager, Cluster Manger (CM) / Area Business Head (ABH) should report it to CSS at Head Office.

If the Borrower is not satisfied with the response received from the Branch Manager or if the issue is not resolved within 5 working days, the Borrower can reach to CSS dedicated toll free number: ‘1800-102-5519’ or through CSS email ID: css@crissfin.com.

Cluster Mangers are responsible to share details grievance registered in the Branches on a monthly basis to CSS within 10 days from the end of each month.

Borrowers can register their grievances by making telephone calls to a dedicated toll-free number. The phone calls will be received in the Head Office. Recognizing that Borrowers speak various languages, the Company has ensured that the team receiving calls can handle calls in multiple languages.

All calls received by CSS are recorded in a software/spreadsheet for effective tracking. The employee receiving the grievance in CSS shall classify in one of the following categories.

Grievance Categorization:

Level 1:

- Bribe / Agent involvement
- Behaviour
- Collection Troubles
- NEFT Issues

Level 2:

- Concession Request
- Staff negligence
- Advance Collection
- Client Dropouts
- Loan Claim and Settlement

Level 3

- General Queries
- Staff Contact Details
- New/ Next Cycle Loan
- Product and Process related information
- Insurance Related issues

Under no circumstances grievance registration should be refused on the grounds that the Borrower is not able to provide certain details. A grievance / complaint number should be generated for each grievance.

The employee registering the grievance should note the grievance in detail. He or she should also provide the complainant a tentative timeframe in which the complaint is likely to be resolved.

In case a call is in the nature of a general query, the employee attending the call should try to answer it during the call itself. In case the employee attending the call is not able to answer the query, he or she should refer such query to the concerned persons in business team.

8.4 Processing of Grievance:

The employee registering the grievance should forward the grievance to the concerned ABH. The ABH should then ensure that the complaint is resolved by following up with concerned official. Within 5 days of receipt of complaint, ABH should submit a follow-up report to CSS. ABH can contact the complainant, if required. CSS, on the basis of the report, will decide whether any further action is required on such grievance.

CSS will update the complainant within 7 working days of receipt of grievance about its status.

8.5 Closure of Grievance:

CSS should close the complaint on the basis of follow-up discussion with the complainant.

8.6 Escalation of Serious Grievance:

All grievances which are concerned to financial irregularity (bribery, frauds etc.,) should be escalated to the Risk Team and Business Head by CSS.

8.7 Communication of the Grievance Redressal System:

Effectiveness of the Grievance redressal system requires its communication to the Borrowers. Following should be ensured for the effective communication:

1. Details of the Grievance Redressal Mechanism, particularly the toll-free number should be displayed prominently in the Branch Offices.
2. This should be explained to the Borrowers during CGT, GRT and during loan disbursement.
3. Supervisors should inform the Borrowers about the Grievance Redressal Mechanism every time they visit Borrowers during their monitoring visits.
4. Details of grievance redressal system should also be printed on loan card / fact sheet provided to the Borrowers.
5. Field Staff should be trained to ensure that all Borrowers are aware of the Grievance Redressal Mechanism.

8.8 Appointment of Grievance Redressal Officer / Principal Nodal Officer:

The Company has appointed a Grievance Redressal Officer / Principal Nodal Officer who supervises overall process of grievance redressal. He / She will be the senior most appellate authority for grievances in the Company. He / She will also be responsible for reporting to the senior management and ensuring that all grievances received are properly addressed.

The name and contact details of Grievance Redressal Officer / Principal Nodal Officer is displayed in the Company website and all the branches for easy access to Borrower in case of any grievance.

8.9 Escalation Matrix for Borrower Grievances:

Level 1: Branch Office	Borrowers can approach the Branch Manager and report their complaint / grievance by filling the Complaints Register.
Level 2: CSS	If the Borrower is not satisfied with the response received from the Branch Manager or if the issue is not resolved within five (5) working days, Borrowers can escalate the complaint / grievance to CSS: Toll Free No. 1800-102-5519 <i>(9.30 a.m. to 5.30 p.m. on working days (Monday to Saturday)</i> <i>(except 3rd and 4th Saturday)</i>
Level 3: Grievance Redressal Officer (GRO) / Principal	If the issue is not resolved within fifteen (15) days, Borrowers can escalate the complaint / grievance to GRO / PNO: Mr. Vivek Dasyam, Principal Nodal Officer Contact: 89196 68922

Nodal Officer (PNO)	E-mail: vivek.dasyam@crissfin.com (9.30 a.m. to 5.30 p.m. on working days (Monday to Saturday)) (Except 3rd and 4th Saturday)
Level 4: RBI	If the issue is not resolved, Borrower can complain to RBI online on https://cms.rbi.org.in . Or Complaints can also be filed through the dedicated e-mail: crpc@rbi.org.in Or Sent physical complain to the 'Centralised Receipt and Processing Centre' set up at Reserve Bank of India, 4th Floor, Sector 17, Chandigarh - 160017 in the format provided at https://rbidocs.rbi.org.in/rdocs/content/pdfs/RBIOS2021_121121_A.pdf . Or Toll-free No. 14448 (9:30 am to 5:15 pm)

8.10 Review of Grievances:

The senior management of the Company shall periodically review the grievances. The Board of Directors of the Company shall review and discuss the analysis of the grievances atleast one in a year.

9. Dissemination of FPC and GRM

- a. The Company's HR policy has criteria for recruitment of all staff, their training and the reporting structure. The criteria cover minimum qualification, skill sets and their social and behavioral aspects. Each employee is trained on FPC, GRM, Code of Conduct, and the appropriate way of dealing with the Borrowers.
- b. Employee Training: Every employee is trained on the FPC including grievance redressal mechanism. Besides, they are also trained on soft skills so as to behave properly and respectfully with borrowers without adopting any abusive or coercive debt collection / recovery practices. Each employee is trained in a way that the Borrower is given due respect and is treated with dignity and self-esteem. The employees are trained to make necessary enquiries regarding the income and existing debt of the household of the prospective Borrowers.
- c. Utmost importance shall be given to the adherence of the FPC, GRM and Code of Conduct while awarding the promotions to staff.
- d. Disciplinary action shall be taken on staff who do not adhere to the FPC & GRM.
- e. All branches & head office shall prominently display FPC & GRM, in vernacular language.
- f. A copy of this FPC & GRM shall also be uploaded on the website.
- g. Borrower Education: Borrowers shall be educated on the FPC, GRM and escalation matrix for their unresolved complaints, options, choices and responsibilities vis-à-vis financial services.
- h. New Borrowers must be informed about the organization's policies and procedures to help them understand their rights as Borrowers.