

# **Micrograam Marketplace Private Limited**

Fair Practices Code

March 2018

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## **1. Introduction**

MicroGraam Marketplace Private Limited (“MicroGraam” or “the Company” or “Company”) is a Peer-to-Peer (P2P) lending platform that empowers rural entrepreneurs with access to loans from socially minded investors.

The Company has formulated this Fair Practices Code (“the Code” or “Code”) in conformity with the Reserve Bank of India’s (“RBI”) Master Directions on Non-Banking Financial Company – Peer to Peer Lending Platform (Reserve Bank) Directions, 2017, updated from time to time. Micrograam shall adopt all the best practices prescribed by the RBI from time to time and shall make appropriate modifications as necessary to this Code to conform to the standards so prescribed. This Policy is approved by the Board of Directors and shall be published on the Company’s website f public benefit.

## **2. Purpose**

The purpose of Fair Practices Code for Micrograam is:

- To make available to all eligible qualified applicants, without discrimination on the basis of race, caste, colour, religion, sex, marital status, age or handicap all financial products, either directly or through subsidiaries and / or associates.
- To offer assistance, encouragement and service to all its clients in a fair, equitable and consistent manner.
- To act fairly and reasonably in all dealings with its customers by ensuring that:
  - Its products, services, procedures and practices meet the commitments and standards in this Code.
  - Its products and services meet relevant laws and regulations in letter and spirit as applicable.
  - Its dealings with its customers rest on ethical principles of honesty, integrity and transparency.

## **3. Applicability of the Code**

This Fair Practices Code shall apply to the following categories of products and services offered by the company (currently offered or which will be introduced at a future date).

- Loans, guarantees and other products in the nature of financial assets facilitated through our P2P Platform.

The Code shall be applicable to the above irrespective of whether the same is provided physically, over the phone, on the internet or by any other method whatsoever, existing or futuristic.

#### 4. Key Commitments

The key commitments which the Company promises to follow in its dealings with its customers are:

- 4.1. The Company shall make every attempt to ensure that its customers have a trouble-free experience in dealing with it; but in the case of errors, the Company shall deal with the same quickly and sympathetically.
  - Mistakes shall be corrected quickly.
  - Complaints shall be handled quickly.
  - In case a customer is not satisfied with the way a complaint is handled, the Company shall guide the customer on how to take the complaint forward.
  - The Company shall reverse any charges including interest applied to a customer's account due to an error or oversight on its part.
- 4.2. The Company shall guide its customers in choosing products and services which meets his / her requirements.
  - a. Before the customer relationship is established, the Company shall:
    - Give the customer information explaining the key features of the services and products the customer has shown interest in.
    - Give information on accounts, products and services which will suit the customer's needs.
    - Clearly state the information that the Company requires to collect from the customer to fulfill its 'Know Your Customer' norms and to comply with legal and regulatory requirements in force from time to time.
    - Request for additional information about the customer and his / her family to build a database; but this information will be furnished by the customer only if she / he wish to do so.
  - b. The Company shall provide information on the various channels that can be used to access its products and services.
  - c. The Company shall guide its customers on their rights and responsibilities specific to the mode of operation under which the product is taken.
- 4.3. The Company shall ensure that all advertising and promotional material is clear, fair reasonable and not misleading.

Micrograam shall obtain adequate declaration and affirmations from the lenders in relation to the risks associated with the proposed transactions viz., loan repayment, etc. including the risk of no guaranteed returns and the likelihood of loss of entire principal in case of default by a borrower.

- 4.4. Micrograam shall display the following caveat on its platform:

*“Reserve Bank of India does not accept any responsibility for the correctness of any of the statements or representations made or opinions expressed by the NBFC-P2P, and does not provide any assistance for repayment of the loans lent on it”.*

- 4.5. The company shall ensure that the staff are adequately trained to deal with the participants (i.e. the person who has entered into an arrangement with the

company to lend on it or to avail of loan facilitation services provided by it) in an appropriate manner for/ during the loan recovery and shall not resort to harassment viz., persistently bothering the borrowers at odd hours, using coercive methods for recovery of loan, etc.

4.6. Micrograam shall not reveal any information relating to the participants to any third party without the consent of the participants except in the following circumstances:

- If the Company has to provide the information by statutory or regulatory laws,
- If there is a duty to the public to reveal this information or in public interest (e.g. fraud prevention).
- If customer has given consent / concurrence to provide/ share such information to its group / associate / entities or companies or external entities for providing other products or services.

## **5. Review of the Code**

The Board of Micrograam shall periodically review its compliance to this Fair Practices Code, in light of change in regulatory compliance and business reasons. The developments/ changes, if any shall be communicated to the customers and relevant stakeholders as and when necessary.