

**INDIFI CAPITAL PRIVATE LIMITED**  
**(FORMERLY KNOWN AS RIVIERA INVESTORS PRIVATE LIMITED)**

**FAIR PRACTICES CODE**

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**Document History:**

<b>Version No.</b>	<b>Effective Date</b>	<b>Changes</b>
1.0	January 24, 2017	-
2.0	May 15, 2022	-
3.0	September 16, 2022	-
4.0	March 27, 2023	-
5.0	September 23, 2024	Name of Mr Siddharth Mahanot was replaced with Mr Sangram Singh across the document.
6.0	March 28, 2025	a. Updated for various customer protection related provisions from FPC in MD – RBI (NBFC – Scale Based Regulation) Directions, 2023, Digital Lending Guidelines, Key Facts Statement for Loans & Advances, FPC for Lenders – Charging of Interest. b. Rejig of content for sectional clarity

## **FAIR PRACTICES CODE (FPC)**

The Fair Practices Code of Indifi Capital Private Limited (formerly known as Riviera Investors Private Limited) (“the Company”) aims to provide its members with an overview of practices, which will be followed by the Company in regard to the financial services being provided. The Company’s main emphasis is to provide a fair and reliable service to its members while lending and collection of dues. The organization's Fair Practice Code is based on the principle of being aware of the sensitive condition of the members and respecting their dignity while adopting a sensible approach towards recovery of dues.

The Company’s Board of Directors and the Senior Management Team\* are responsible for implementing the fair practices hereinafter detailed and also to ensure that its operations reflect its strong commitment to all the stakeholders for offering in a fair and equitable manner, the various financial services and products including lending and that all employees are aware of this commitment.

\*Senior Management for the purpose of FPC compliance shall comprise of Heads of Departments and all above.

## **THE OBJECTIVES OF THE CODE**

- a. To promote and ensure good practices in dealing with customers.
- b. Greater transparency enabling customers to have a better understanding of the product and taking informed.
- c. To strengthen mechanisms for redressal of customer grievances.

## **APPLICATION FOR LOAN AND THEIR PROCESSING**

- a. All communications to the borrower will be in the language as understood by the borrower.
- b. Loan application form and Key Facts Statement (KFS) (with a unique proposal number) should include necessary information which affects the borrower, so that meaningful comparison with terms and conditions offered by other NBFCs can be made and informed decision can be taken by the borrower. The loan application shall indicate the documents required to be submitted with the application form.
- c. Contents of KFS shall be explained to the borrower and the Company shall provide to the prospective borrower an acknowledgment for the receipt of all loan application. An indicative time frame within which loan applications will be disposed of will be mentioned in such acknowledgement.

## **LOAN APPRAISAL, DISBURSEMENT AND TERMS/ CONDITION INCLUDING KEY FACTS STATEMENT (KFS) FOR LOANS AND ADVANCES**

- a. The Company shall convey in writing to the borrower in vernacular language or the language as understood by the borrower by means of KFS and sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record. As complaints received generally pertain to charging of high interest / penal charges, the Company shall mention the penalties charged for late repayment in bold in the loan agreement.
- b. The Company shall furnish a copy of the loan documents (on company letterhead) including loan agreement, KFS, sanction letter, etc. as understood by the borrower along with a copy of each of all enclosures to all the borrowers at the time of sanction / disbursement of loans.
- c. Company shall provide KFS to all prospective borrowers to help them take an informed view before executing the loan contract as per the standardized format (including a computation sheet of annual percentage rate (APR), and the amortization schedule of the loan over the loan tenor) prescribed by RBI from time to time..

- d. KFS shall be valid (i.e. period available to the borrower, after being provided the KFS by the RE, to agree to the terms of the loan) for at least three working days for loans having tenor of seven days or more, and a validity period of one working day for loans having tenor of less than seven days.

## **CHARGING OF INTEREST AND FEES AND CHARGES**

- a. The Board of the Company shall adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances. The rate 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 or customer in the KFS, application form and communicated explicitly in the sanction letter.
- b. The rates of interest and the approach for gradation of risks shall also be made available on the website of the Company. The information published shall be updated whenever there is a change in the rates of interest.
- c. The rate of interest will be annualized rate so that the borrower is aware of the exact rates that would be charged to the account. Annualized percentage rate (“APR”) i.e. the effective annualized rate charged to the borrower of a loan, shall be the all-inclusive cost to the borrower, including processing fee, documentation charges, etc., but excluding contingent charges like penal charges, late payment charges. Charges recovered from the borrowers by the Company on behalf of third-party service providers on actual basis, such as insurance charges, legal charges etc., shall also form part of the APR and shall be disclosed separately. In all cases wherever the Company is involved in recovering such charges, the receipts and related documents shall be provided to the borrower for each payment, within a reasonable time.
- d. Appropriate internal principles and procedures for determining interest and processing and other charges shall be laid down and be subjected to review keeping in view the business exigencies, regulatory and customer sentiments, market practices etc.
- e. Any fees, charges etc. which are not mentioned in the KFS cannot be charged to the borrower at any stage during the term of the loan, without explicit consent of the borrower.
- f. The Company may, at its sole discretion, allow the prepayment of the loan amount subject to certain conditions and on payment of prepayment penalties/foreclosure charges by the customer. This will be documented clearly in the financing documents, including the loan agreement and KFS.
- g. In case of loans sourced through digital platforms, no fees/ charges shall be charged by the LSP to the borrowers directly.
- h. The Company shall ensure charging of interest from the date of actual disbursement of the funds to the customer. In case of loans being disbursed by cheque, the Company shall ensure interest is charged from the date when the cheque has been handed over to the customer.
- i. In the case of disbursal or repayment of loans during the course of the month, the Company shall ensure charging of interest only for the period for which the loan is outstanding.
- j. The Company shall avoid any instance where one or more installments are kept in advance at the time of disbursement and interest is charged on the full loan amount.

## **PENAL CHARGES IN LOAN ACCOUNTS**

- a. Penalty, if charged, for non-compliance of material terms and conditions of 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 ensure compliance to these guidelines in both letter and spirit.
- c. The Company shall formulate a Board approved 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 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 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/KFS as, in addition to being displayed on the Company's website.
- g. Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefore shall also be communicated.

## **COMMUNICATION REGARDING CHANGE IN TERMS AND CONDITIONS**

- a. The Company shall give notice to the borrower in the language as understood by the borrowers of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc.
- b. The Company shall ensure that changes in interest rates and other charges are effected only prospectively. A suitable condition in this regard shall be incorporated in the loan agreement.
- c. The decision of the Company to recall / accelerate payment or performance shall be in consonance with the terms of the loan agreement.
- d. The Company shall release all securities upon repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim it will have against borrower. In case such right of set off is to be exercised, the borrower shall be given due notice with full particular about the outstanding claims and the conditions under which the Company is entitled to retain the securities till the relevant claim is settled/paid.

## **RELEASE OF MOVABLE/ IMMOVABLE PROPERTY DOCUMENTS ON REPAYMENT/ SETTLEMENT OF LOANS**

### **1. 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 after 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 NBFC where the documents are available, as per her/his 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, the Company 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 Company's website for customer information.

### **2. Compensation for delay in release of movable/immovable property documents**

- a. In case of delay in releasing of original movable/immovable property documents or failing to file charge satisfaction form with relevant registry beyond 30 days after full repayment/ settlement of loan, the Company shall communicate to the borrower reasons for such delay. In case 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 at clause (a) above. In such cases, an additional time of 30 days will be available to the Company 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 herein shall be without prejudice to the rights of a borrower to get any other compensation as per any applicable law

## **COMPLIANCE WITH FAIR PRACTICE CODE FOR LOANS SOURCED THROUGH DIGITAL PLATFORM**

The Company shall ensure that irrespective of whether it lends through its own digital lending platform or through an outsourced lending platform, it adheres to the Fair Practices Code guidelines in letter and spirit. In addition, the Company shall ensure the following in case of loans sourced through digital lending platform:

- a. Names of Digital Lending Applications (DLAs) and Loan Service Providers (LSPs) engaged as agents along with the activities for which they have been engaged shall be disclosed on the website of the Company.
- b. Digital lending platforms engaged as agents shall be directed to disclose upfront to the customer, the name of the Company.
- c. The sanction letter shall be issued to the borrower on the letter head of the Company before execution.
- d. Effective oversight and monitoring shall be ensured over the digital lending platforms.
- e. Adequate efforts shall be made towards creation of awareness about the Grievance Redressal Mechanism, incl communication to the borrower of the detail of lending service provider and/ or agent responsible for recovery.
- f. DLAs and LSPs should have links to Company's website where further/ detailed information about the loan products, the lender, the LSP, particulars of customer care, link to Sachet Portal, privacy policies, etc. can be accessed by the borrowers.

## **GRIEVANCE REDRESSAL**

- a. The Board of Directors of the Company shall lay down an appropriate Grievance Redressal Mechanism within the organization to handle all customer disputes fairly and timely.
- b. The following information will be disclosed in the KFS and displayed prominently, for the benefit of the customers, at all branches/ places of the Company where business is transacted:
  - (i) The name and contact details (Telephone / Mobile nos. as also email address) of the Grievance Redressal Officer and Principal Nodal Officer who can be approached for resolution of complaints against the Company.
  - (ii) Name and contact details of Nodal/Grievance Redressal Officer to deal with FinTech/ digital lending related complaints/ issues raised by the borrowers. These Contact details shall be prominently displayed on the websites of DLAs/LSPs (as applicable).
  - (iii) If any complaint lodged is not resolved within the stipulated period (currently 30 days), he/she can lodge a complaint over the Complaint Management System (CMS) portal under the Reserve Bank-Integrated Ombudsman Scheme (RB-IOS).

## **LOAN FACILITIES TO THE PHYSICALLY/VISUALLY CHALLENGED BY NBFCS**

- a. The Company shall not discriminate in extending products and facilities including loan facilities to physically/visually challenged applicants on grounds of disability.
- b. All branches/offices of the Company shall render all possible assistance to such persons for availing of the various business facilities.
- c. The Company shall include a suitable module containing the rights of persons with disabilities guaranteed to them by the law and international conventions, in all the training programmes conducted for their employees at all levels.
- d. Further, the Company shall ensure redressal of grievances of persons with disabilities under the Grievance Redressal Mechanism already set up by them.

## **GENERAL**

- a. The Company will refrain from interference in the affairs of its Borrower except for the purposes provided in the terms and conditions of the loan agreement of the respective loan agreement (unless new information, not earlier disclosed by the Borrower, has been noticed).
- b. In case the receipt of the request from the borrower for transfer of borrowal account, the consent or otherwise i.e. objection of the Company, if any, shall 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.
- c. In the matter of recovery of loan, the Company shall not resort to undue harassment viz; persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc. As complaints from the customer also include rude behavior from the staff of the Company, the Company shall ensure that the staff are adequately trained to deal with the Customer in an appropriate manner.
- d. A periodical review of the compliance of the Fair Practices Code and the functioning of the Grievance Redressal Mechanism shall be submitted to the Board at regular intervals.
- e. The Fair Practices Code, in vernacular languages shall be put up on the Company's website with the approval of the Board for the information of various stakeholders.

## **POLICY REVIEW**

This policy shall be reviewed by the Board of Directors on a yearly basis or earlier if required due to internal or regulatory changes

***\*\*\*End of Document\*\*\****