



Regd. No. U65910UP2002NPL027113  
(Providers of financial services to the rural poor)

## CASHPOR MICRO CREDIT

### CASHPOR's CLIENT PROTECTION CODE/GUIDELINES

This client protection code states do's and don'ts for CASHPOR and all its employees/supervisors/managers as a measure of client protection:

1. **We shall** display this Client Protection Code in all our branches and other offices, in plain view.
2. **We shall** endeavor to provide micro finance services to all eligible clients, as per RBI guidelines.
3. **We shall** educate clients, staff, and any persons acting on their behalf on the Code of Conduct and its implementation.
4. **We shall** disclose all terms and conditions to the client for all products/services offered, prior to disbursement, in any of the following ways:
  - a) Individual sanction letter
  - b) Loan card
  - c) Loan schedule
  - d) Passbook
  - e) Through Group/Centre meetings (Details can be printed on a paper and all borrowers can sign on the same as acknowledgement of their acceptance)
5. **We shall** communicate all the terms and conditions for all products/services in the official regional language or a language understood by clients.
6. **We shall** disclose the following terms:
  - a) Rate of interest on a reducing balance method
  - b) Processing fee
  - c) Any other charges or fees howsoever described
  - d) Total charges recovered for insurance coverage and risks covered
7. **We shall** communicate in writing, charges levied for all financial services rendered.
8. **We shall not** collect fee on non-credit products/services without prior declaration to the client.
9. **We shall** declare all interest and fees payable as an all-inclusive APR and equivalent monthly rate.
10. **We shall** follow RBI's guidelines with respect to interest charges and security deposit.
11. **We shall** obtain copies of relevant documents from clients, as per standard KYC norms. Additional documents sought must be reasonable and necessary for completing the transaction.
12. **We shall not** bundle products, except for credit life, life insurance & live-stock insurance products. The terms of insurance should be transparently conveyed to the customer and must comply with RBI & IRDA norms. Consent of the client must be taken in all cases.



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- 13. We shall** conduct proper due diligence to assess the need and repayment capacity of client before making a loan and must only make loans commensurate with the client's ability to repay.
- 14. We shall not** be the 3<sup>rd</sup> lender to a client if the client has loans from 2 other lenders (irrespective of the source of loan).
- 15. We shall not** breach the total debt limit for any client, as prescribed by the RBI or Central/State Governments.
- 16. We shall** ensure that all employees follow company guidelines for interaction with clients.
- 17. We shall** ensure that all staff and persons acting for us or on our behalf:
  - a) Use courteous language, maintain decorum, and are respectful of cultural sensitivities during all interaction with clients.
  - b) **DO NOT** indulge in any behavior that in any manner that would suggest any kind of threat or violence to clients.
  - c) **DO NOT** contact clients at odd hours, as per the RBI guidelines for loan recovery agents.
  - d) **DO NOT** visit clients at inappropriate occasions such as bereavement, sickness, etc., to collect dues.
- 18. We shall** provide a valid receipt for each and every payment received from the borrower in whatever form decided from time to time keeping in mind the convenience of the client.
- 19. We shall** follow approved company procedure to deal with client default sensitively.
- 20. We shall** follow the debt restructuring mechanism adopted by the MFI for borrowers under liquidity stress.
- 21. We shall** keep personal client information strictly confidential.
- 22. We shall** disclose client information to a third party only under the following conditions:
  - a) Client has been informed about such disclosure and permission has been obtained in writing.
  - b) The party in question has been authorized by the client to obtain client information from the MFI.
  - c) It is legally required to do so.
  - d) This practice is customary amongst financial institutions and available for a close group on reciprocal basis (such as a credit bureau).
- 23. We shall** follow company approved process to raise clients' awareness of the options, choices, and responsibilities vis-à-vis financial products and services available.
- 24. We shall** inform all new clients about the organization's policies and procedures.
- 25. We shall** inform clients about the existence and purpose of feedback mechanisms and how to access them.