

FAIR PRACTICES CODE

OF



R-SECURED

FINANCE & CAPITAL PVT. LTD

RSECURED FINANCE & CAPITAL PRIVATE
LIMITED

SUMMARY OF THE POLICY

Document Name	Policy Guidelines on Fair Practices Code
Issue and Effective Date	29/04/2024
Owner/Contact	Compliance Department
Approver	Board of Directors

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1. Introduction

RSecured Finance & Capital Private Limited (the “**Company**” or “**Rsecured**”) is a non-Deposit taking non-Systemically important Non- Banking Finance Company registered with the Reserve Bank of India (“**RBI**”) engaged in the business of facilitating Loan and advances.

The Reserve Bank of India (RBI) has issued guidelines on Fair Practices Code for **Non-Banking Financial Companies (NBFCs) through Circular no. DNBR (PD) CC.No.054/03.10.119/2015-16 dated July 01, 2015, and Chapter V of Master Direction - Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016** which lays down standards for fair business and corporate practices while dealing with their customers.

Rsecured has adopted this Fair Practices Code (“**Code**”) to provide the customers an effective overview of practices in terms vide Circular no. DNBR (PD) CC.No.054/03.10.119/2015-16 dated July 01, 2015, laying down standards for fair business and corporate practices while dealing with their customers and which will be followed by the Company in respect of the financial facilities and services offered by the Company to its customers.

The Code will facilitate the customers to make informed decisions in respect of the financial facilities and services to be availed by them and will apply to any loan that the Company may sanction and disburse.

The Code would be made available on the website of the Company in English and vernacular languages. The Code will be displayed by the Company in all its branch office premises in English and vernacular languages.

2. Objective of the Code

RSFCP has put in place the FPC with an endeavor to achieve synchronization of best practices when the Company is dealing with its stakeholders such as customers, employees, clients, etc. The Company’s Fair lending practices shall apply across all aspects of its operations including marketing, loan origination, processing, and servicing and collection activities. RSFCP’s commitment to the FPC would be demonstrated in terms of employee accountability, monitoring and auditing programs, training and technology.

This Code has been developed to:

- a. Promote good, fair, and trustworthy practices by setting minimum standards in dealing with the customers.

- b. Increase transparency to enable the customers to have a better understanding of what they can reasonably expect of the services.
- c. Encourage market forces, through competition, to achieve higher operating standards;
- d. Promote a fair and cordial relationship between the customers and the Company.

3. Definitions

- a. **"Board"** means Board of Directors of the Company.
- b. **"Company"** means **RSecured Finance & Capital Private Limited**.
- c. **"Directors"** means individual Director or Directors on the Board of the Company.
- d. **"FPC"** means Fair Practices Code.

4. Our Key Commitments and Declarations

We shall act efficiently, fairly, and diligently while dealing with all our customers by:

- a. Meeting the commitments and standards in this Code for the financial products and services, we offer, and the procedures and practices our staff follow;
- b. Ensuring that all the financial services comply with all the relevant laws and regulations;
- c. Providing professional, courteous, and speedy services;
- d. Providing accurate and timely disclosure of terms and conditions, costs, rights, and liabilities as regards to the financial transactions.
- e. To apply the ethical principles of honesty, integrity and transparency in its functioning.
- f. To comply with all the regulatory requirements in good faith.
- g. Ensure compliances relating to Indian regulations prescribed by the Reserve Bank of India ('RBI')

We shall help the customer understand how our financial products and services work, by:

- h. Giving verbal and written information/communication about the financial schemes in Hindi and/or English and/or local vernacular language or a language understood by the borrower;
- i. Ensuring that our advertising & promotional literature is clear and is not misleading;
- j. Explaining financial implications of the transactions;
- k. Helping the customer to choose the financial scheme.

We shall deal quickly and proactively with things that go wrong by:

- l. Correcting mistakes quickly;
- m. Attending customer complaints quickly;
- n. Telling our customers how to take their complaint forward if the customers are still not satisfied with our assistance;
- o. Reversing any charges that we apply due to our mistake.

5. Non-Discrimination Policy

We will not discriminate between our customers on the basis of gender, race or religion.

6. Key Elements of Fair Practice

The FPC will be applicable to the following broad areas:

1. Loan applications and processing thereof
2. Loan appraisal and terms/conditions
3. Disbursement of loans including changes, if any, in terms and conditions.
4. Post disbursement supervision/monitoring
5. Other general provisions
6. Confidentiality of Information
7. Language and Mode of Communicating Fair Practice Code
8. Regulation of Rate of Interest

FINANCE & CAPITAL PVT. LTD

A. Applications for loans and their processing:

- a) Loan application forms issued by the Company shall include necessary information which affects the interest of the Applicant/Borrower to enable the Applicant/Borrower to take an informed decision. The loan application form shall indicate the documents required to be submitted along with the loan application form.
- b) The Company shall issue an acknowledgment receipt for all loan applications. Loan applications shall be disposed of within Forty Five (45) days or such extended time as may be mutually agreed between the Applicant/Borrower and the Company from the date of receipt of the application form completed in all respects and the same shall be stated on the acknowledgment issued.
- c) If any additional details / documents are required, the same shall be intimated to the

Applicant/Borrower immediately.

- d) The Company shall inform the prospective Applicant/Borrower about the entire loan life cycle that includes the processes involved in loan sanction, disbursement and recovery.
- e) The loan application form shall also mention the documents required that an applicant will be required to submit with their application form.
- f) All communications to the applicant or borrower shall be in the language as understood by the applicant or borrower.

B. Loan appraisal and terms/conditions:

- a) The Company shall conduct a due diligence on the credit worthiness of the borrower, which will be an important parameter for taking decision on the application. The assessment would be in line with the Company's credit policies, norms and procedures in respect thereof.
- b) The borrower would be informed by means of a written sanction letter, the amount of the loan sanctioned or otherwise. The said letter shall contain the terms and conditions including the annualized rate of interest and the method of application thereof and keep the acceptance of these terms & conditions by the borrower on its record.
- c) The Company shall obtain an acceptance from the borrower on the said Loan Agreement / sanction letter with the borrowers' signature under the caption **"WE / I ACCEPT ALL THE TERMS AND CONDITIONS WHICH HAVE BEEN READ AND UNDERSTOOD BY US/ME"**. The Company shall maintain a record of such acceptance.
- d) The Company shall invariably be bound to furnish a copy of the loan agreement along with a copy of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction/ disbursement of loans. The Company shall ensure that the loan agreement and all enclosures furnished to all borrowers contain the terms and conditions and the rate of interest.
- e) The Company shall mention the penal interest charged for late repayment in bold in the loan agreement.
- f) The borrower shall also be informed about the terms and conditions including annualized rate of interest and method of application thereof.

- g) The Company shall also furnish a copy of the Loan Agreement along with a copy of each enclosure quoted in the Loan Agreement to each borrower at the time of disbursement of loan.
- h) If the Company rejects any loan application, it shall communicate the reason(s) for such rejection in writing to the applicant.

C. Disbursement of loans including changes in terms and conditions:

- a) The Company shall, at the time of disbursal, ensure that the interest rate, processing and other charges on loan and advances are in strict adherence to above referred internal principles and procedures. Interest rate model has been made available on the website of the Company (www.rsecuredfinance.com)
- b) The disbursement will be done immediately upon compliance of all the terms and conditions of the sanction letter by the borrower.
- c) The Company shall give a notice to the borrower in case of any change in the terms and conditions including disbursement schedule, interest rates, service charges, pre-payment charges etc.

D. Post Disbursal Supervision:

- a) Any decision to recall/accelerate payment or performance shall be in consonance with the loan agreement.
- b) All securities offered by the borrower shall be released on repayment of all dues or on the realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim, the Company may have against the 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 or paid.
- c) The Company shall adhere to guidelines issued by RBI along with other regulatory aspects as regards to repossession of security. To ensure transparency, the terms and conditions of the contract/loan agreement shall also contain provisions regarding:
 - i. notice period before taking possession;
 - ii. circumstances under which the notice period can be waived;
 - iii. the procedure for taking possession of the security;
 - iv. a provision regarding final chance to be given to the borrower for repayment of

- loan before the sale / auction of the property;
- v. the procedure for giving repossession to the borrower; and
- vi. The procedure for sale / auction of the property.

E. General Guidelines 1

- a) The Company shall not interfere in the affairs of the borrower except for the purposes provided in the loan agreement unless new information not earlier disclosed by the borrower has come to the notice of the Company.
- b) In the matter of recovery of loans, the Company shall not resort to undue harassment like bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc.
- c) The Company will call delinquent customers between 07:00 hrs to 21:00 hrs unless special circumstances of the borrower's business require to call them otherwise outside the hours mentioned.
- d) The Company may arrange for enforcing security charged with it of the delinquent borrower, if required, with an aim only to recover dues and will not be aimed at whimsical deprivation of the property.
- e) The Company shall ensure that the entire process of enforcing its security, valuation and realization thereof be fair and transparent.
- f) In case of receipt of a request from the borrower for transfer of the borrower account, the consent or otherwise i.e. objection of the Company, if any, shall be conveyed within twenty (21) days from the date of receipt of such request. Such transfer shall be as per transparent contractual terms in consonance with law.
- g) The company shall ensure that the staffs are adequately trained to deal with the customers in an appropriate manner.
- h) The Company shall not charge foreclosure charges/pre-payment penalties on all floating rate term loans sanctioned to individual borrowers.

F. Confidentiality of Information

- a. All the personal information of the Company's customers shall be treated as private and confidential by the Company and all of its employees.

- b. Except under the following circumstances, the Company shall not disclose any transaction detail of the borrower to any third party:
 - i. When the Company has an obligation under any statutory or regulatory laws to provide such information to any statutory body, law enforcement agency, CIBIL, the RBI or any other state, central or regulatory body, including courts and tribunals with jurisdiction.
 - ii. When the customer has given due consent to the Company to share such financial data.
 - iii. When sharing of such information will be in public interest.

G. Language and Mode of Communicating Fair Practice Code

- a. The Company shall upload this Fair Practices Code in the vernacular language or a language as understood by the borrower on its website for the reference of its various stakeholders.
- b. The Company shall ensure that all additions or changes to this Code uphold the spirit of the RBI's guidelines on Fair Practices Code.

H. Regulation of Rate of Interest

- a. The Company's Board shall adopt an interest rate model considering assorted factors such as the cost of funds, risk premium, margin, etc., to determine the interest rates for its different loan products and advances and ensuring that the interest rates, processing and other charges are not excessive.
- b. The Company has also drafted a separate "Interest Rate Policy" to lay down the principles and guidelines for determining its interest rates and other charges.
- c. The Company shall also disclose to its borrower in the application form, the rate of interest and approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers. The same shall also be communicated explicitly to the borrower in the Loan Sanction Letter.
- d. Information regarding the rate of interest and the approach for risk gradation, or any changes thereof shall also be made available on the Company's website or otherwise published should be updated whenever there is a change in the rates of interest.
- e. The rate of interest shall be annualised rate as a measure to inform the borrower about the exact rates applicable to their borrower account.

7. Responsibility Of the Board of Directors

The Company's Board of Directors shall be responsible to lay down a proper grievance redressal mechanism to handle the complaints/grievances of its borrowers/customers. The purpose of such robust mechanism will be to ensure that all the disputes relating to the Company's lending decisions and other functions are heard and disposed of promptly, at least at the higher level.

8. Grievance Redressal Mechanism

The Board of Directors of the Company shall be responsible to lay down a proper grievance redressal mechanism to handle the dispute arising out of the internal decision making. The purpose of such a robust mechanism will be to ensure that all the disputes relating to the Company's lending decisions and other functions are heard and disposed of promptly atleast at the next higher level.

The company also lay down the proper grievance redressal mechanism to handle complaints/grievances of its borrowers/customers.

The Company shall display the information pertaining to its grievance redressal mechanism, details of its Grievance Redressal Officer and the information of the Regional Office of the RBI prominently at its websites, office/place of business for resolution of complaint of its customers.

Further, the Company has also laid down a comprehensive robust Grievance Redressal Mechanism for the speedy disposal/ remedy of its customers' complaints/grievances. The same has been adopted, and approved, by the Board in detail under the Grievance Redressal Policy.

9. Escalation Process

If the customer is not satisfied with the customer care channel, they can raise their concerns by following the escalation procedure explained hereinafter. In order to escalate a complaint to the next level, the customer will be required to share their ticket/ complaint number.

Further, the turnaround time mentioned under each escalation stage shall apply only when

the aforesaid escalation matrix is followed

The Company shall provide for a Three-Stage Grievance Redressal Mechanism to resolve any of its customers query or grievance:

<p>Level 1 Grievance Redressal Officer</p>	<p>If the customer is not satisfied or the complaint remains unresolved from the Customer cell then the customer may file complaint within 10 working days to</p> <ul style="list-style-type: none"> <input type="checkbox"/> Mr. Kranthi Reddy <input type="checkbox"/> Email at kranthi.eamani@gmail.com <input type="checkbox"/> Contact at 9989988797 <input type="checkbox"/> WhatsApp : 9989988797
<p>Level 2 Compliance Officer of the Company</p>	<p>If the customer is not satisfied or complaint remain unresolved from GRO then customer may file complaint within 15 working days to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Mr. Prathap Reddy <input type="checkbox"/> Email at -rsecuredfinance@gmail.com <input type="checkbox"/> Contact at 9989078797 <input type="checkbox"/> WhatsApp : 9989078797
<p>Level 3</p>	<p>If the complaint is not satisfied or compliant remains unresolved within 30 days, customers may appeal to The Regional Director, Reserve Bank of India Department of Supervision (Regulatory Service Group NBFC) Regional Office, 6-1-56, Secretariat Road, Saifabad, Hyderabad – 500004</p>

10. Force Majeure

The various commitments outlined and made by **RSecured Finance & Capital Private Limited** shall be applicable under the normal operating environment. In the event of any Force Majeure circumstances, the Company may not be able to fulfill the objectives under the FPC to the entire satisfaction of the borrowers, the stakeholders and the public in general. The managing director has the right to, at his own discretion, changes the terms of

this policy, in the best interest of the company.

11. Feedback & Periodic Review

a) The Company shall request the customer to provide feedback on the services rendered. This can be done through direct contact by staff, or via email to director@rsecuredfinance.com, on its website, letters to Head Office or through specific customer satisfaction surveys that may be conducted from time to time.

A periodical review of the Code and the functioning of the grievance's redressal mechanism at various levels of management would be undertaken by the Company and a consolidated report of such reviews shall be submitted to the Board of Directors of the Company at regular intervals.

The Company shall abide by this Code following the spirit of the Fair Practices Code and in the manner, it may be applicable to its business.

Note:

ನೀವು ಕನ್ನಡದಲ್ಲಿ ಈ ತಾಕಯುಮೆಂಟ್ ಅನ್ಯನಹೆಂದಲಯಬಯಸಿದರೆ, ದಯವಿಟ್ಟು director@rsecuredfinance.com ನಿಮ್ಮ ನೋಂದಿಗೆ ಸಂಪರ್ಕಿಸಿ. 7 ಕೆಲಸದ ದಿನಗಳ ನಂತರ ಈ ತಾಕಯುಮೆಂಟ್ ಕನ್ನಡದಲ್ಲಿ ಲಭ್ಯವಾಗುತ್ತದೆ.

മലയാളം ഭാഷയിൽ ഈ പ്രമാണം ലഭിക്കണമെന്നു മെക്കിൾ, ദയവായി director@rsecuredfinance.com എന്ന വിലാസത്തിൽ ഈ അഭ്യർത്ഥനയുമായി ബന്ധപ്പെടുക. 7 പ്രവർത്തിദിവസങ്ങൾക്കുള്ളിൽ ഇത് നിങ്ങൾക്കു നൽകാൻ താമസലഭ്യമാക്കും.

మీరు ఈ పత్రాన్ని తెలుగులో పొందాలనుకొంటే, దయచేసి director@rsecuredfinance.com కమెయిల్ పంపండి. మేము 7 పన్నరోజులలోపైందు బాటులో ఉంచుత్రము.

உங்களுடைய ஆவணங்களை தமிழில் ததரிந்து தகொள்ளை, எங்களின் மின்னஞ்சல் மூலமொகவு ம்ததொரை புதகொள்ளை லொம் director@rsecuredfinance.com வொரத்தில் 7 நொட்களும் உங்களுக்கு உதவுவதில் நொங்கள் மகிழ்ச்சி அடைகிறொம்.

আপনি যদি এই নিবন্ধটি বাংলাতে চাইতে বা আতিরসতি director@rsecuredfinance.com এষা গাত যাগ করি। আমরা 7 কাষনিবতসরমতযে এটি আপিরকাতে উপলব্ধ করতযপতরখুনিহব।

ଯଦିଆପଣଏହିପ୍ରଲେଖଓଡ଼ିଆଭାଷାଲେଖାହାନ୍ତିଲେଆମକୁdirector@rsecuredfinance.com
ଲେଲଯାଗାଲଯାଗକେନ୍ତୁ । ଆଲମଖୁସିେସହିେଏହିପ୍ରଲେଖଆପଣକୁଓଡ଼ିଆଭାଷାଲେଖକସପ୍ତାହମଧ୍ୟଲେଉପେକ୍ତୁକଲେକ୍ତୁ

ସଦିଆପୁଦିଅସମୀୟାତପ୍ରଲେଖଦିଚାଲେତତଲେଖିଗ୍ରହକଦେଆମାେଗତସଂଲସାଗେକ୍ଷାକେକ
director@rsecuredfinance.com ଆଦମଆଲପାିକାକଦିିେିାଲିସହାୟକଦେସୁଧିହମ।

ଜରତୁହାଲାମରାଠୀମଧ୍ୟେହାକାଗଦପତ୍ରହବାଅସେଲତରକୃପଯାଆମଚ୍ୟାଶୀସଂପକକସାଧା
director@rsecuredfinance.com ବର. 7
ଦଦବସାଂଚ୍ୟାଆତଆପଲ୍ୟାଲାତେତପଲକ୍ଷକରୁନଦେଞ୍ଚାତଆହାଲାଆନନ୍ଦହୋଇଲ।

ଜିତମାରେଆଠିକ୍ଷମୁନ୍େଟଗଞ୍ଜରାତୀଭାଷାମାଂଜିଠତୌତୌତୌକୃପାକରୀ director@rsecuredfinance.com
ଧାତେଆମାରୀସାଂପକକକରୀ. ତମନେକାମକାଞ୍ଜନା 7 ଦିବସମାଂଓପବ୍ୟକରାବିଶ.

