



Rupeek Capital Private Limited

Fair Practice Code and Grievance Redressal Mechanism

Version 2.0

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- Customer Grievances

1. Introduction

This Fair Practices Code ('Code') has been formulated by Rupeek Capital Private Limited ("Company") pursuant to the Guidelines on Fair Practices Code for Non-Banking Financial Companies (NBFCs) issued by the Reserve Bank of India (RBI), which forms part of the Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 (Updated as on February 17, 2020). The Company shall make appropriate modifications to the Fair Practices Code to conform to the standards that may be prescribed by RBI from time to time.

2. Objective

- 2.1. Follow good, fair and transparent business practices by setting reasonable standards in dealing with customers;
- 2.2. Encourage market forces, through fair competition, to achieve higher operating standards;
- 2.3. Relate to the customer in such manner so as to promote a fair and cordial relationships and foster customer confidence in the Company;
- 2.4. Conduct recovery and enforcement, where necessary, following due process of law.

3. Definitions

Unless otherwise defined or apparent from context, the following terms shall have the meaning as assigned herein below, and cognate expressions shall be construed accordingly:

Board/BoD	Shall mean Board of Directors of the Company
Code	Shall mean this Fair Practices Code formulated by the Company
Company	Shall mean Rupeek Capital Private Limited
Force Majeure	Shall mean unforeseeable circumstances where the performance of the contract becomes impracticable.

Grievance Redressal Machinery	Shall mean the Grievance Redressal Machinery constituted by the Company
Grievance Redressal Officer	Shall mean the officer appointed by the Company to ensure redressal of the grievances of the customers
Loan-to-Value ratio (LTV)	Shall mean the ratio of loan sanctioned to the value of security pledged
Nodal Officer (NO)	Shall mean the officer appointed in terms with Ombudsman scheme issued by the RBI
Principal Nodal Officer (PNO)	Shall mean the Nodal Officer designated by the Company as Principal Nodal Officer

4. Applicability

- 4.1. The Code is applicable to all persons offering the products and services of the Company or interacting with the customers as an employee or otherwise in any manner and/or by any mode.
- 4.2. The Code is applicable under a normal operating environment except in the event of any force majeure.
- 4.3. The Code is based on ethical principles of integrity and transparency and all actions and dealings shall follow the spirit of the Code.
- 4.4. The Code will continue to apply to any loan product that is developed and provided by the Company to its customers.

5. Responsibilities of the Company

- 5.1. The Company shall at all times do its best to act fairly, reasonably and meet the standard practices prevalent in the industry.
- 5.2. The Company shall abide by all the relevant laws, regulations and meet the ethical principles of integrity and transparency during its interaction with customers.
- 5.3. The Company shall provide a copy of this Code, at request, to the customer. The Code will also be made available on its website and at every branch / office.
- 5.4. The Company shall not discriminate on the grounds of sex, caste and religion in the matter of lending.

- 5.5. The Company shall treat the information relating to customers as strictly confidential and shall not share any information, unless required under law or waived or permitted by the customer.
- 5.6. The Company shall take necessary steps to inform its customers of their right to information regarding their account and the facilities available to them.
- 5.7. The Company shall not indulge in any act which is discriminatory among equals.
- 5.8. The Board of Directors of the Company shall lay out appropriate internal principles and procedures in determining interest rates and processing and other charges.
- 5.9. The Company in the normal course of its business shall endeavor at all times to guide its customers about the process and procedure to be followed for availing a loan.

6. Communications with the Customers/Borrowers

- 6.1. While interacting with customers, the Company shall take all steps as may be required to provide clear information either in English or Hindi or the appropriate vernacular language or a language as understood by the borrower regarding:
 - its various products and services;
 - the terms and conditions, the interest rates/service charges;
 - benefits available to customers and the implications, if any;
 - contact persons for addressing the queries, if any;
- 6.2. The Company shall be clear and not misleading in any of its advertising and promotional materials.
- 6.3. The Company shall inform its customers of all financial information such as rates of interest, charges, method of calculation etc. through brochures, posters or during the course of meeting with the customers etc. prior to entering into any transaction.
- 6.4. The Company shall endeavor to keep its customers informed of any in the terms and conditions of the loan. For this purpose, the Company shall give notice to the borrower through letters or any other form of general or public announcement or displays, in English or vernacular language or any language understood by the borrower of any change in the terms and

conditions including disbursement schedule, interest rates, service charges, prepayment charges etc.

- 6.5. The Company shall communicate to the borrowers, at periodic intervals, through SMS, emails or any other mode of communication, the amount outstanding and the date of repayments.
- 6.6. The Company shall, on its website, if any, disclose the names of digital platforms that offer Company's products.
- 6.7. Further, the Company shall also ensure that the digital platforms, through which the Company's products are offered, also disclose the name of the Company upfront (before entering into an account-based relationship) to the Customer.
- 6.8. The Company shall ensure the appointment of such digital platforms is in accordance with the Outsourcing Policy of the Company. Further, such digital platforms must abide by the Code of Conduct for DSAs/DMA/Recovery Agents. It shall be the responsibility of the Company to oversee their operations and ensure compliance with relevant policies, codes and applicable laws.

7. Loan Terms and Related Documentation

- 7.1. The Company shall ensure that the loan application forms shall include necessary information such as interest rates, loan tenure, nature of security/collateral required, if any, etc. The loan application form shall specifically indicate the documents required to be submitted with the application form.
- 7.2. Each application shall be considered independently on merit, upon scrutiny of all the information, documents required for verifying the title of the property, identity of the person and/or entity and the security to be offered, including guarantees.
- 7.3. The Company shall give an acknowledgement for receipt of all loan applications. The likely time frame within which loan applications will be disposed of shall also be indicated in the acknowledgement.
- 7.4. The Company shall carry out due diligence on the borrower to ascertain the credit worthiness of the borrower, which will be an important parameter in making a decision on the application before sanctioning or rejecting any loan application. For this purpose, the Company shall consider various

parameters in accordance with the Loan/Credit Policy of the Company, inter alia, the following:

- Loan-To-Value (LTV): for determining the adequacy of the value of security/collateral
- Debt to Income Ratio or Installment to Income Ratio: for determining the repayment capacity of the borrower (if needed)

7.5. The Company shall disclose, by such mode and in such manner as deemed fit, to ensure transparency, for all information affecting the interest of the borrower including but not be limited to:

- fees/charges payable for processing the loan application;
- annualized rate of interest & method of application thereof
- the amount of fee refundable, if any, if the loan amount is not sanctioned;
- prepayment options and charges, if any;
- penalty for delayed repayment, in bold, if any;
- conversion charges, if any (switching loan from fixed to floating rate or vice –versa);
- existence of interest re-set clause, if any;
- Auction procedure in case of non- payment
- Name of the digital lending platform engaged by the Company as agent
- Grievance redressal mechanism available in the Company
- Any other matter which affects the interest of the borrowers

7.6. The disclosure shall be done so as to ensure that the borrowers are aware of all interest, charges and fees involved in processing and sanctioning of the loan.

7.7. The Company shall convey in writing to the borrower in English or any other vernacular language as understood by the borrower by means of sanction letter, loan agreement 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.

7.8. Such sanction letter or other mode of communication of the terms shall be in the letterhead of the Company or shall clearly display the details usually contained in the letterhead of the Company.

7.9. The Company shall mention the penal interest charged, if any, for late repayment in bold in the loan agreement.

- 7.10. The Company shall ensure that changes in interest rates and charges are effective from a prospective date. The loan agreement shall also carry an express stipulation in this regard.
- 7.11. The Company shall furnish a copy of the loan agreement as understood by the borrower along with a copy each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction / disbursement of loans.
- 7.12. The Company shall adopt an interest rate model taking into account relevant factors and determine the rate of interest to be charged for loans and advances.
- 7.13. 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 application form and communicated explicitly in the sanction letter and shall also be made available on the website of the Company or published in the relevant newspapers, as the Company may decide.
- 7.14. The decision to recall / accelerate payment or performance under the agreement shall be in consonance with the loan agreement.
- 7.15. In case of lending against gold jewellery, the Company shall obtain PAN cards of customers for all transactions above Rs. 5 (five) lakhs.

8. Guarantee and Security/Collaterals

- 8.1. The Company shall, before sanctioning a loan, satisfy itself regarding the ownership of the gold jewellery or any other security/collaterals.
- 8.2. For the purpose of determining the ownership of gold, the Company may obtain any of the following evidences:
- Proof of purchase of the jewellery, such as purchase bills, receipts etc.;
 - Proof of inheritance, including wills;
 - Proof of receipt of gift, including gift deeds;
 - Proof in forms of wedding photographs or other authentic pictures;
 - In case the customer has a home insurance that covers gold along with other valuables, a copy of the policy and related documents;
 - In case the gifted/inherited jewellery is redesigned or remade, a proof to that respect;

- 8.3. In case it is not feasible to obtain the above-mentioned evidences or the evidences furnished by the customer are not satisfactory, a self-declaration of ownership of the gold jewellery may be obtained.
- 8.4. In case of letter of guarantees executed by the guarantors, the Company shall ensure that the said letter covers their obligations, liabilities and circumstances in which they can be called upon to pay the dues of the principal customer/borrower.
- 8.5. The Company shall appropriately insure the gold jewellery received as collateral.
- 8.6. The Company shall adhere and have in place a proper procedure for assaying the jewellery received.
- 8.7. The Company shall ensure adequate systems and undertakes all possible and reasonable measures to secure the safe custody of gold pledged by the Customers.
- 8.8. The Company shall convey in writing to the borrower in the vernacular language as understood by the borrower by means of sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions including annualised rate of interest and method of application thereof.
- 8.9. The Company shall generate a loan pledge card once the gold is handed over by the Customer. The Pledge card will bear the signature of the authorized official of the company and would also serve as a receipt for the security (gold) pledged by the customer.
- 8.10. The Company shall ensure that the staff is adequately trained to keep the jewellery received in safe custody.
- 8.11. The Company shall review the storage facility/systems on an on-going basis and periodic inspection shall also be carried out either by internal or external auditors to enable strict adherence to the guidelines relating to the systems in place.
- 8.12. The 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 they 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.

9. Collection of Dues

- 9.1. The Company shall provide the customers with all the information regarding their dues and provide reasonable time for payment of the same.
- 9.2. The Company shall while protecting its interest, adopt reasonable and lawful measures to recover its dues from defaulting customers, including use of persuasive methods for the purpose of collection of its dues.
- 9.3. The Company shall ensure that the staff is adequately trained to deal with the customers in an appropriate manner.
- 9.4. The Company shall ensure that the employees of the Company or recovery agents or any other person engaged in collection of dues on behalf of the Company do not resort to undue harassment viz; persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc for the purpose of such collection and comply with the code of conduct for recovery agents formulated by the Company.

10. Process of Recovery

- 10.1. The Company will not, as a matter of fair dealing, normally recall the loan before the initially agreed tenure except in unanticipated or abnormal circumstances where the Company's interests are adversely affected e.g. when the security value diminishes substantially, when the quality of gold is not found to be acceptable, due to any regulatory / government directives etc. In all such cases proper and reasonable notice shall be given to the customer recalling the loan before expiry of the normal tenure. The Company will make all possible soft or persuasive efforts to get the customer to repay the dues without resorting to disposal of the security.
- 10.2. The Company will resort to disposal of security (gold) only as a last resort and that too after adequate and proper notice is served on the customer to repay the dues. Such notice will be as per the terms contained in the sanction letter/ terms and conditions (Pledge Card) and also in compliance with applicable laws and regulatory guidelines. The disposal of the security (gold) will be taken up through auction as per applicable regulations, when the customer does not positively respond to the communications sent by the Company to close the loan account along with interest and other charges.

- 10.3. The Company will deliver the security (gold) to the customer immediately upon settlement of the loan in the same condition as was at the time of sanction of the loan
- 10.4. In case of any default by the borrower, the Company shall serve a notice, through such mode of communication, (physical or electronic) as the Company may deem fit, to the borrower stating the total amount outstanding under the loan/ facility, the period within which such outstanding amount shall be paid by the borrower and the actions that the Company shall take in case of non-repayment within the specified grace period.
- 10.5. Upon expiry of the grace period specified in the notice and upon being satisfied that there are no other means of recovering the outstanding amount, the Company shall proceed with the auction process of the collateral.
- 10.6. The Company shall give a public advertisement of the auction in at least a vernacular newspaper and a national daily newspaper.
- 10.7. The Company shall avoid conflict of interest and ensure that the transactions during auction with related entities is entered into at arm's length.
- 10.8. The Company shall not participate in auction and the auction shall be conducted through auctioneers approved by the Board of Directors.

11. General

- 11.1. The Company shall refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless information, not earlier disclosed by the borrower, has been noticed).
- 11.2. The Company shall not charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to individual borrowers for purposes other than business.
- 11.3. In case of receipt of request from the borrower for transfer of borrowed account, the consent or otherwise i.e. objection of the Company, if any, shall be conveyed within 21 (twenty-one) days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.
- 11.4. The Company shall not make untrue claims and release misleading advertisements as to availability of loans.
- 11.5. The Company shall ensure that documentation across all branches is conducted in a standardized manner.

11.6. The Company shall not indulge in profiteering by charging usurious rates of interest on loans or take undue advantage of adverse market conditions. The rates of interest will be based on variables such as cost of funds, risk premium, loan scheme, loan per gram, profit margin etc. and shall be in conformity with the Interest Rate policy of the Company and Regulatory Guidelines from time to time. It shall also, by and large, be in tune with industry practices and benchmarks.

12. Complaints and Grievances

- 12.1. The Board of Directors of the Company shall lay down the appropriate Grievance Redressal Mechanism within the organization.
- 12.2. The Company shall endeavor to address/respond to all complaints and grievances within a reasonable time and keep the customers informed about the status of their complaints.
- 12.3. The Company shall make available facilities at each of its branches, if any, and offices for the customers to lodge and/or submit their complaints or grievances, if any.
- 12.4. The Company will ensure that its grievance redressal procedure is made available on its website. In case where Company's products are offered through to website of any digital platform or nay other entity, the copy of the executed agreement provided to the Customer must provide details of the Grievance Redressal Mechanism of the Company.
- 12.5. The Company shall not discriminate in extending products and facilities including loan facilities to physically / visually challenged applicants on grounds of disability. Further, the Company shall ensure redressal of grievances of persons with disabilities under the existing Grievance Redressal Mechanism provided herein.

13. Grievance Redressal Mechanism

13.1. Lodging of compliant

- 13.1.1 The Company shall ensure its presence, at all locations where the Company is having its operations and establish a dedicated set-up to address customer grievances/ complaints to ensure prompt grievance redressal.
- 13.1.2 All grievances made by the borrowers will be electronically recorded and maintained by the Company in each of its offices/branches.

13.1.3 The Company shall ensure that the customers quote their application number/sanction number/loan account number in all their correspondence with the Company. Anonymous complaints shall not be addressed under this mechanism.

13.1.4 Certain types of cases might need additional time due to the nature of the activities involved; for e.g. retrieval of documents. The Company shall inform the customers of such delay and provide expected timelines for resolution of the complaint.

13.2. Grievance Redressal Officer (GRO)

13.2.1. The Board of Directors of the Company shall nominate an employee of the Company as the Grievance Redressal Officer ('GRO') of the Company who will be entrusted with the job of redressing the grievances raised by the customers.

13.2.2. The GRO will be available during office hours to receive the grievance of all borrowers. In the event of the GRO not being available, the immediate senior officer in the Company shall attend the borrower.

13.3. Display of resolution process and time frame

13.3.1. The Company shall put on display, the following details, at every branch or places where the business of the Company is transacted as well as at a prominent place on the website of the Company –

(i) The contact details of the customer service centre (toll free number as well as email channel shall be provided) that can be approached by the public for first time resolution of complaints against the Company.

(ii) The name and contact details of the GRO who can be approached by the public for resolution of complaints against the Company, in case the same has not been settled by the customer service centre within 3 (three) days.

13.3.2. In case the complaint/ dispute is not redressed within a period of 1 (one) month by the customer service centre or the GRO, the customer may appeal to the Officer-in-Charge of the Regional Office of DNBS of RBI, under whose jurisdiction the registered office of the Company falls.

13.3.3. Details of the officer in-charge of regional office of DNBS are as follows:

The Officer-in-charge
Department of Supervision (NBFC),
Reserve Bank of India,
10/3/8, Nrupthunga Road,
Bengaluru-560 001, India.
080- 22180385

13.4. Nodal Officer/Principal Nodal Officer

On achieving an asset size of Rs. 100 crores, the Company shall:

- 13.4.1 Appoint Nodal Officers (NOs) at all of its offices and inform all the offices of the ombudsman appointed by the RBI (Ombudsman) about such appointment. Such NOs shall be responsible to represent the Company to the respective Ombudsman or the appellate authorities in case of complaints filed against the Company.
- 13.4.2 Designate one of the NOs as Principal Nodal Officer (PNO), in case more than one NO fall under the jurisdiction of an Ombudsman.
- 13.4.3 Display the name and contact details of the NOs/PNOs and salient features of the Ombudsman Scheme of the RBI at its branches/offices or places where the business of the Company is transacted.

14. Review of the Code

The Board of Directors shall conduct periodical review of the compliance of the Fair Practices Code and the functioning of the Grievance Redressal Mechanism at various levels of management. The GRO shall periodically review the compliance of this Code and a consolidated report of such review may be submitted to the Board.

15. Change Control Record

Version No.	Change Request by	Memorandum of Change	Approval date
2.0			[•]

