

Ramesham Securities & Credit (India) Limited

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Fair Practice Code

1. INTRODUCTION

Policy Name – v1.0

Ramesham Securities & Credit (India) Limited

Ramesham Securities & Credit (India) Limited (henceforth referred to as the "Company" or "Ramesham") is a Non-Banking Financial Company – Investment and Credit Company (NBFC-ICC) registered with the Reserve Bank of India (RBI) and categorized under the Base Layer. The Company believes in conducting its affairs in a fair and transparent manner by maintaining the highest levels of integrity, honesty, and ethical behaviour while dealing with its customers. This Fair Practices Code is framed in accordance with the applicable directions and guidelines issued by the Reserve Bank of India from time to time.

2. SCOPE

The Fair Practices Code (FPC) will govern the lending operations of the Company to ensure responsible business conduct. It sets out the minimum standards for customer relationships, increased transparency, and prompt grievance redressal.

3. APPLICABILITY

This Policy is applicable for all financial products and services offered by Ramesham, including credit facilities offered directly or through third-party agents, outsourced agencies, or online/offline channels.

4. FAIR PRACTICES CODE (DEFINITIONS)

For the purposes of this Fair Practices Code, the following expressions shall have the meanings set forth below:

- **Annualised Percentage Rate (APR):** The annual cost of credit to the borrower, which includes the interest rate and all other charges associated with the credit facility.
- **Company:** Refers to Ramesham Securities & Credit (India) Limited.
- **Customers:** Refers to borrowers, including applicants for credit facilities, and includes entities or persons that have availed a loan from the Company.
- **Credit Facilities:** Refers to loans, lines of credit, working capital and other similar facilities, whether funded and unfunded.
- **Digital Lending Application (DLA):** Digital Lending Application or DLA means a web-based or mobile-based application with user interface facilitating digital lending services, operated either by the Company or by a Lending Service Provider engaged by the Company.
- **Floating Rate Loan:** Floating Rate Loan means a loan facility where the rate of interest is subject to periodic reset or variation based on benchmark rates or other factors specified by the Company.
- **Grievance Redressal Officer:** Grievance Redressal Officer or GRO means the officer designated by the Company for handling and resolution of customer complaints and grievances in accordance with applicable regulatory requirements.
- **Key Facts Statement (KFS):** Key Facts Statement (KFS) means a standardized statement containing key information relating to a loan facility, including APR, fees, charges, recovery mechanism, grievance redressal details and other material terms, provided to the borrower in a simple and understandable format in accordance with applicable RBI guidelines.
- **Lending Service Provider (LSP):** Lending Service Provider or LSP means an agent, service provider or third party engaged by the Company to undertake one or more lender functions in customer acquisition, servicing, collection, recovery or any other activity relating to digital lending.
- **Outsourcing Arrangement:** Outsourcing Arrangement means an arrangement between the Company and a third party service provider under which activities relating to lending, servicing, collection, recovery, customer support or other financial services are performed on behalf of the Company.
- **Penal Charges:** It means charges levied by the Company for non-compliance by the borrower with the material terms and conditions of the loan contract,
- **Recovery Agent:** Recovery Agent means any person, agency or service provider engaged by the Company, directly or indirectly, for recovery of dues, collection activities, repossession of security or enforcement of loan obligations.

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5. APPLICATIONS FOR CREDIT FACILITIES AND THEIR PROCESSING

- All communications to the customer shall be in the vernacular language or in a language understood by the customer and in English.
Example: If a customer in Karnataka primarily speaks Kannada, the loan terms and primary communications must be in Kannada & English
- Loan application forms shall include necessary information affecting the interest of the customer, enabling a meaningful comparison with terms offered by other NBFCs. The loan application form shall also indicate the documents required to be submitted with the application form.
- An acknowledgement for receipt of all loan applications shall be given through SMS/ Email/ WhatsApp or Physical Copy, indicating the timeframe within which loan applications will be disposed of.
- In case of a loan application being rejected, the customer shall be informed of the same through SMS/Email or Whatsapp

6. LOAN TERMS AND CONDITIONS

- The Company shall convey in writing to the customer, in a language understood by them, the amount of loan sanctioned, the terms and conditions, the annualized rate of interest, and the method of application. The acceptance of these terms and conditions by the borrower shall be kept on the Company's record.
- The Company shall provide a KFS to all prospective borrowers before executing the loan contract. The KFS will have a validity period of at least three working days for loans having a tenor of seven days or more, and at least one working day for loans having a tenor of less than seven days, to allow the borrower to make an informed decision.
- Each KFS shall carry a unique proposal number. The contents of the KFS shall be explained to the borrower and a written acknowledgement shall be obtained confirming that the borrower has understood the contents of the KFS. The KFS shall also include a computation sheet of the Annual Percentage Rate (APR) and an amortisation schedule of the loan for the entire loan tenor, as per the standardised format prescribed by RBI.
- All Penal charges shall be mentioned in bold in the loan agreement. The KFS shall also be included as a summary box as part of the executed loan agreement.
- A copy of the executed loan agreement, along with a copy of all enclosures quoted within it, shall be provided to the customer at the time of disbursement by way of an Email / Link over SMS or WhatsApp / Customer App

7. CREDIT FACILITY PRICING MODEL

- The pricing of credit facilities, measured in terms of effective APR, shall be determined based on the Board-approved 'Policy on Pricing of Credit Facilities'. The interest rate model is based on factors such as cost of funds, margin, and risk premium. The rate of interest and the approach for gradation of risk shall be made available on the Company's website.
- There shall be no hidden charges. Any fees, charges, etc., not mentioned in the KFS will not be charged to the borrower at any stage without explicit consent.

8. PENAL CHARGES IN CREDIT FACILITIES

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- Penal Charges, if charged for non-compliance with material terms and conditions of the loan contract, shall be treated strictly as 'penal charges' and shall not be levied in the form of 'penal interest' added to the rate of interest.
- The penal charges will be in absolute amount or as a % of overdue amount.
- There shall be no capitalization of penal charges (i.e., no further interest computed on such charges).
- The Company shall formulate and maintain a Board-approved policy on penal charges or similar charges on loans, by whatever name called.
- The quantum of penal charges shall be reasonable, commensurate with the non-compliance, and clearly disclosed upfront in the loan agreement and KFS.
- The penal charges applicable to loans sanctioned to individual borrowers for purposes other than business shall not be higher than the penal charges applicable to non-individual borrowers for similar non-compliance of material terms and conditions.
- Whenever reminders for non-compliance of material terms and conditions of the loan are sent to borrowers, the applicable penal charges shall be communicated. Any instance of levy of penal charges and the reasons thereof shall also be communicated to the borrower at the time of levy.

9. DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS

- Notice shall be given to the customer, in a language understood by them, of any changes in terms and conditions, including disbursement schedules, interest rates, service charges, and prepayment charges.
- Changes in interest rates and charges shall be effected only prospectively.
- Changes shall be communicated through appropriate channels such as SMS, email, customer portal or written communication.
- The Company's decision to recall or accelerate payment or performance under the loan agreement shall be in consonance with the loan agreement.

10. PRE-PAYMENT CHARGES ON LOANS

- No pre-payment charges shall be levied on any floating rate term loan sanctioned to individual borrowers for purposes other than business, irrespective of the source of funds used for pre-payment and without any minimum lock-in period.
- For floating rate loans granted for business purposes to individual borrowers and Micro and Small Enterprises (MSEs) as defined under the MSMED Act, 2006, no pre-payment charges shall be levied, subject to applicable RBI directions for the Company's regulatory tier.
- Where pre-payment charges are applicable, such charges shall be based on the outstanding amount being prepaid and shall be disclosed upfront in the sanction letter, loan agreement, and KFS. No pre-payment charges that have not been disclosed shall be levied.

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- No charges or fees shall be applied retrospectively at the time of pre-payment of a loan in respect of charges that were waived off earlier by the Company.
- No pre-payment charges shall be levied where the pre-payment is effected at the instance of the Company.

11. LIEN AND SETOFF

- The Company shall release all securities upon repayment of all dues or realization of the outstanding loan amount, subject to any legitimate right or lien for any other claim against the customer.
- If a right of set-off is exercised, the customer shall be given notice with full particulars of the remaining claims and the conditions under which the Company is retaining the securities.

12. RELEASE OF MOVABLE / IMMOVABLE COLLATERAL

- The Company shall release all original movable/immovable collateral and remove charges registered with any registry within a period of 30 days after full repayment/settlement of the loan account.
- **Compensation for Delay:** If the delay in releasing the documents exceeds 30 days and is attributable to the Company, then the Company shall compensate the borrower at the rate of ₹5,000 for each day of delay. However, no compensation shall be paid where the delay is attributable to borrower actions, legal proceedings, court orders or regulatory restrictions.
- The borrower shall be given the option of collecting the original movable/immovable property documents either from the branch/office where the loan account was serviced or from any other office of the Company where the documents are available, as per the borrower's preference.
- The timeline and place of return of original movable/immovable property documents shall be mentioned in the loan sanction letter issued to the borrower.
- The Company shall maintain a well-laid-out procedure for return of original movable/immovable property documents to the legal heirs of a deceased borrower.
- In case of loss or damage to original movable/immovable property documents, the Company shall assist the borrower in obtaining duplicate/certified copies of such documents and shall bear the associated costs. In such cases, the compensation for delay under this section shall be calculated after a total period of 60 days from the date of full repayment/settlement of the loan account.

13. RESET OF FLOATING INTEREST RATE ON EQUATED PERIODICAL INSTALMENT BASED FLOATING RATE LOANS

- Any reset of floating interest rates leading to a change in Equated Monthly Instalments (EMI) and/or tenor shall be communicated immediately to the borrower.

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- Borrowers shall be given the choice to opt for an enhancement in EMI, elongation of tenor, or a combination of both;
- At the time of reset of interest rates, the Company may, at its option, provide the borrower with a choice to switch over to a fixed rate as per its Board-approved policy. The Board-approved policy may also specify the number of times a borrower will be allowed to switch during the loan tenor.
- All applicable charges for switching of loans from floating to fixed rate and any other service charges or administrative costs incidental to the exercise of such options shall be transparently disclosed in the sanction letter and updated at the time of revision of such charges.
- The Company shall ensure that elongation of tenor in case of a floating rate loan does not result in negative amortisation.
- Borrowers shall be given the option to prepay, either in part or in full, without any foreclosure charges/pre-payment penalties on floating rate term loans sanctioned to individual customers for non-business purposes.
- The Company shall make accessible to borrowers, through appropriate channels, a statement at the end of each quarter setting out at minimum: the principal and interest recovered till date, the EMI amount, the number of EMIs remaining, and the annualised rate of interest/APR for the entire loan tenor. Such statements shall be simple and easily understood by the borrower.

14. GENERAL

- The Company shall refrain from interference in the personal affairs of the customer except for purposes provided in the terms and conditions of the loan.
- In the matter of recovery of loans, the Company and its recovery agents shall not resort to intimidation or harassment of any kind, including persistently calling the borrower. Customers shall ordinarily be contacted only during reasonable hours, generally between 8:00 a.m. and 7:00 p.m.
- Recovery agents engaged by the Company shall carry valid identity cards and authorization letters issued by the Company or the authorized agency while interacting with customers. The Company shall provide the details of the recovery agent(s) assigned to the borrower while initiating the process of recovery. The recovery agent shall also carry a copy of the notice issued by the Company. The notice and the authorisation letter shall include the contact details of the recovery agency and the Company. Where the recovery agency is changed during the recovery process, the Company shall notify the borrower and the new agent shall carry the revised notice and authorisation letter along with the identity card.
- The Fair Practice Code shall be prominently displayed in all branch offices and on the Company's website.
- The Fair Practice Code shall be published in English & all Vernacular Languages of states in which the company operates

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- The Company and its recovery agents shall follow fair, lawful and non-coercive recovery practices. The Company shall ensure that recovery agents are properly trained and adequately supervised. Recovery personnel shall not resort to harassment, intimidation, public humiliation, physical or verbal abuse, anonymous or threatening calls, or intrusion into the privacy of customers
- The up-to-date details of all recovery agencies engaged by the Company shall be hosted on the Company's website.
- The Company shall put in place a due diligence process for engagement of recovery agents, which shall include verification of the antecedents of individuals involved in the recovery process, including police verification of their employees. The Company shall determine the periodicity at which re-verification of antecedents shall be conducted.
- In case of repossession of secured assets, the Company shall follow a Board-approved repossession policy setting out the repossession process, notice period, valuation and sale procedure, and treatment of sale proceeds. The Board-approved repossession policy shall cover at minimum: (a) notice period before taking possession of the security; (b) circumstances under which the notice period may be waived; (c) procedure for taking possession of the security; (d) provision for a final opportunity to the borrower for repayment before sale or auction; (e) procedure for restoring possession to the borrower upon remediation; and (f) procedure for sale or auction of the security.
- In case of receipt of a request from the borrower for transfer of the borrowal account, the Company's consent or objection, if any, shall be conveyed to the borrower within 21 days from the date of receipt of such request. Such transfer shall be as per transparent contractual terms in consonance with applicable law.

15. GRIEVANCE REDRESSAL MECHANISM

In compliance with RBI guidelines, the Company has formulated a Grievance Redressal Mechanism to ensure complaints are dealt with courteously and resolved within a maximum statutory period of 30 days. The Company shall maintain a dedicated mechanism for redressal of recovery-related grievances. Details of this mechanism shall be communicated to the borrower at the time of loan disbursement.

Registration of Complaints Customers must provide their full name, Loan Account Number, registered mobile number, email, and details of the grievance. Complaints can be registered via:

- Letter/Physical Register: At Cabin No. 1,1015, 10th Floor, Arunachal Building, Barakhamba Road, Connaught Place, New Delhi - 110001 (Between 10:00 a.m. and 7:00 p.m., Monday-Friday, excluding public holidays).
- Email: customercare@rameshamsecurities.com.
- Phone: 7899742940 (Between 10:00 a.m. and 7:00 p.m., Monday-Friday).
- Website: Submitting the grievance form online.

Escalation Matrix:

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- Level 1: Customer Service: Acknowledgement shared within 3 working days. A unique complaint number is provided. Resolution is provided within 10 working days.
Email: customercare@rameshamsecurities.com
- Level 2: Grievance Redressal Officer (GRO): If unsatisfied or no response is received in 10 working days, escalate to:
Name: Manjunath V.
Email: manjunath.v@rameshamsecurities.com.
Address: Cabin No. 1,1015, 10th Floor, Arunachal Building, Connaught Place, New Delhi - 110001.
Turnaround: Responds or requests time extension within 7 working days.
- Level 3: Principal Nodal Officer (PNO): If dissatisfied with the GRO's decision, escalate to:
Name: Harshitha Akkineni.
Email: akkineni.harshitha@innopay.in.
Address: Cabin No. 1,1015, 10th Floor, Arunachal Building, Connaught Place, New Delhi - 110001.
Turnaround: Final response within 10 working days.
- Level 4: If the customer remains dissatisfied with the final response, or the complaint is unresolved at the end of one month (30 days), the Complainant may approach the RBI Ombudsman.
Online: CMS portal of RBI at <https://cms.rbi.org.in> or email to crpc@rbi.org.in.
Physical Complaint: Centralised Receipt and Processing Centre, 4th Floor, Reserve Bank of India, Sector -17, Central Vista, Chandigarh – 160017 .

Complaints shall be acknowledged and tracked through a unique reference number. The Company shall endeavour to resolve complaints fairly and expeditiously. Details of the Grievance Redressal Officer and escalation mechanism shall be displayed prominently at branches, customer service locations and on the Company's website.

16. LOANS SOURCED THROUGH DIGITAL LENDING PLATFORMS

- For loans sourced through Digital Lending Applications (DLA) or Lending Service Providers (LSP), the Company designates nodal grievance officers for complaint resolution.
- Contact details of these officers shall be prominently displayed on the Company's website, the LSP's website, the DLA, and the KFS. For digital loans, the KFS shall also disclose the cooling-off/look-up period during which the borrower shall not be charged any penalty on prepayment of the loan.
- The Company shall remain fully responsible and accountable for all acts, omissions, customer service issues, recovery practices and grievance redressal functions carried out by the Lending Service Providers (LSPs) and Digital Lending Applications (DLAs) engaged by it.
- Details of the Company, the grievance redressal mechanism and the nodal grievance officers shall be prominently displayed on the Company's website, the LSP/DLA platform and the Key Facts Statement (KFS).
- Customer data shall not be shared without explicit consent except as permitted by law.

17. LOAN FACILITIES TO THE PHYSICALLY/VISUALLY CHALLENGED

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The Company shall not discriminate in extending products and facilities to physically/visually challenged applicants on the grounds of disability. All branches will render necessary assistance to such persons. The Company shall include a suitable module on the rights of persons with disabilities as guaranteed by applicable law and international conventions in all training programmes conducted for its employees at all levels. The Company shall also ensure redressal of grievances of persons with disabilities under the Company's Grievance Redressal Mechanism.

18. PERIODICAL REVIEW

- The GRO shall place a half-yearly report before the Board of Directors detailing pending, received, and disposed complaints, alongside a Root Cause Analysis (RCA) of repeated complaints to initiate systemic improvements .
- Compliance with the Fair Practices Code shall be periodically reviewed by the senior management and submitted to the Board quarterly.
- The Fair Practice Code shall be reviewed annually by the Board of Directors or as per changes in RBI regulations.