

RUPTOK CAPITAL PRIVATE LIMITED (Shubh Grow Capital)

FAIR PRACTICE CODE

(Updated as on 24, APRIL 2025)

1. Introduction

RUPTOK CAPITAL PRIVATE LIMITED (Shubh Grow Capital) is a non-deposit taking non-systematically important NBFC, classified as Base Layer NBFC as per Scale Base Regulations 2023, as amended from time to time, holding valid COR as on date is engaged in providing unsecured and secured loan to SMEs, retailers, corporates, individuals and self employed to meet their financial requirements and meet the objective of financial inclusion.

Our vision lies in the promise of the extraordinary transformation of India we see immense potential at the hands of small business owners of MSME across the country.

The organisation endeavours to review and follow the policy guidelines laid by Reserve Bank of India as amended from time to time, to set up fair business practices while dealing with its customers.

Accordingly this fair practice code ("FPC or Code") has been amended pursuant to the **Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023**, has also issued directions for sourcing of loans over Digital Lending Platforms (Digital lending) and outsourcing of Financial Services - Responsibilities of regulated entities employing Recovery Agents and Guidelines on Digital lending respectively.

Shubh Grow Capital is presently in the business of providing different types of loans which includes Personal Loans, Loan against Property, Unsecured Loan to SMEs etc., to its various customers. Such credit facilities are extended to different types of customers, which include Individuals, Partnership Firms, Companies and other Legal entities. Hence, in compliance with the said directions, this Code has been framed, approved and reviewed by Board of Company from time to time. The Company shall at all times adopt best business and customer service practices from time to time and make appropriate modifications, as necessary to this Code.

The Fair Practice Code sets out the principles for fair practices/ standards while dealing with its customers.

The Company has adopted this Fair Practices Code ("the Code") and have implemented it. The Code applies to all categories of products and services offered by the Company (currently offered and which may be introduced in future).

2. Objectives of the FPC

- a) Promote good and fair practices by setting up minimum service standards for customer dealing and loan services,
- b) Maintain transparency with customer to make them understand what they reasonable expect from the Shubh Grow Capital for its services,
- c) Promote a fair and cordial relationship with the customer,
- d) Increase awareness among the borrower

3. Application of FPC

a) FPC shall apply to all the products and services provided by the company, at its branches, over the counter, over telephonic calls, through post, e mail, internet or by any other method. The FPC shall also apply in case of outsourcing of services and lending through DLA (Digital Lending Application) /LSP (Lending Service Provider).

b) This FPC will be applicable to all borrowers (which as the context permits may include prospective borrowers, borrowers who have applied for loan with us but loan not sanctioned / disbursed in addition to the borrowers who are in receipt of loan amount from the Company).

4. Shubh Grow Capital's Key Commitments

a) The Company shall always act fair and reasonable in dealings with its customer(s) by adhering to the principles of integrity and transparency at all times.

b) The Company shall meet all the legal and regulatory requirements and fulfil standards provided in this FPC with soliciting any product or service.

c) The Company shall ensure that all advertising and promotional material is clear, and not misleading.

d) The Company shall ensure transparency in communication and provide information on interest rates, APR, type of interest rate, loan tenure, frequency of repayment, processing fees, legal and insurance charges, penal charges and other incidental charges, in the loan document or on its [website](#).

e) The Company may, from time to time, communicate to customer about various features of products/services availed by them including information about third party products/services or promotional offers after obtaining prior written consent from the customer.

f) The Company shall implement transparent Code of Conduct for its Direct Selling Agencies (DSAs) / Direct Selling Teams (DST's) /Tele callers in line with the Code.

g) The Company shall always preserve the privacy and confidentiality of personal information provided by Customer.

h) Help customers understand how company's product work by explaining their financial implications.

i) Spread awareness to existing as well as potential customers about the FPC of Shubh Grow Capital.

j) Dealing quickly by handling customer complaints, and Telling customers' how to take their complaint forward if they are still not satisfied.

k) Publicize the Code, put it on Company's website and have copies available for customer on request.

5) Information

a) Helping customer to choose products and services, which meets their needs, and give them clear information by explaining the key features of the services and products they are interested.

b) Inform customer by way of providing checklist about the documents and informations the company needs to establish customer's true identity, address and other documents to comply with legal and regulatory requirements.

6. Application for Loan and their Processing

a) All communication with borrower shall be in English or the language understood by them. All of our customers are educated and do understand English Language. It is implicit that all of the borrower or prospective borrower understood English Language. All of our Service Executives understand regional language, English and Hindi and we explain the most important Terms and conditions over telephonic call to the customer before disbursement and offer them to select the language understood by them and accordingly the Most Important Terms and Conditions are explained in their preferred language.

b) The loan Application form of the company will include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and informed decision can be taken by the borrower.

c) Loan Application contains list of documents required to be submitted with the application form.

d) At the time of loan sourcing company will provide information about the inductive range of annualized rate of interest (ROI) for the loan product availed along with the method of interest calculation (factors which affect interest of the borrower), pre payments options, financial and other charges, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and informed decision can be taken by the borrower.

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7. Loan appraisal and terms/ conditions

a) All the information's required for processing the application shall be collected at the time of loan application itself. In case any additional information is required for credit and risk assessment, the customer shall be again immediately contacted.

b) The company shall conduct a due diligence on the credit worthiness of the customer, 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.

c) The Company will convey in writing to the borrower in the English or language understood by the borrower by means of sanction letter and KFS, the amount of loan sanctioned along with the terms and conditions including annualised rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record. The Company will mention the penal charge which will be charged for late repayment and / or any other default on the part of the customer, in bold in the loan agreement.

d) The exact due dates for repayment of a loan, frequency of repayment, breakup between principal and interest, examples of SMA/NPA classification dates, etc. shall be communicated to the borrower at the time of loan sanction and also at the time of subsequent changes, if any, to the sanction terms/ loan agreement till full repayment of the loan. In cases of loan facilities with moratorium on payment of principal and / or interest, the exact date of commencement of repayment shall also be communicated to the borrower.

e) The company shall keep the written acceptance of all these terms and conditions by the customer in its records. Penal/default charges late payment charges or penalties charged for late repayment, shall be highlighted in **bold** to sensitize the Customers about consequences of delay in payment of periodic instalments and/or any breach of the terms of the loan agreement and sanction letter.

f) The company shall provide copies of all the loan documents executed by the customer along with a copy of each of its enclosures as per the Loan Documentation to every customer, subsequent to loan disbursement.

8) Penal charges in loan account

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 capitalisation 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 company will ensure compliance to these guidelines in both letter and spirit.

c) The Company shall update the existing board approved interest rate 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 applicable 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 / Key Fact Statement (KFS) as applicable, in addition to being displayed on Company's website under Interest rates and Service Charges.

g) Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the applicable penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefor shall also be communicated.

A separate Policy on Fair Lending Practice- Penal Charges on Loan accounts has been put in place and duly approved by the Board of Directors in its meeting held on 24 April 2025.

9) Disbursement of loans including changes in terms and conditions

a) Disbursement shall be made in accordance with the disbursement schedule and/or terms agreed with the customer as per the loan Agreement/ sanction Letter.

b) The Company shall give notice to the customer in English or a language as understood by the customer of any change in the terms and conditions including disbursement schedule, RoI, service charges, pre- payment charges, other applicable fee/charges etc. The Company shall also ensure that changes in RoI and charges are effected only prospectively with prior intimation to the customer. A suitable condition in this regard shall be incorporated in the loan agreement.

c) Decision to recall / accelerate payment or performance under the agreement will be in accordance with the loan agreement.

d) The Company will release all securities on repayment of all dues or on realisation of the outstanding amount of loan subject to any legitimate right or lien for any other claim the Company may have against borrower. If such right of set off is to be exercised, the borrower will 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.

10) Responsible Lending Conduct – Release of movable/immovable property documents on repayment/ settlement of personal loans.

A Standard Operating Procedure (SOP)- Property Documents Handover & Charge Release Process in line with RBI guidelines has been put in place for where release of original movable/immovable property documents

a) Release of movable/immovable property documents

i. 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.

ii. The borrower shall be given the option of collecting the original movable/ immovable property documents either from the branch where the loan account was serviced or any other office of the Company where the documents are available, as per her/his preference.

iii. The timeline and place of return of original movable/immovable property documents shall be mentioned in the loan sanction letters

iv. In order to address the contingent event of demise of the sole borrower or joint borrowers, the Company have a procedure for return of original movable/immovable property documents to the legal heirs.

b) Compensation for delay in release of movable/immovable property documents

i) 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.

ii. 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 (i) above. However, 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).

iii. The compensation provided under these directions shall be without prejudice to the rights of a borrower to get any other compensation as per any applicable law.

11 Collection of Dues:

a) At the time of giving a loan to the customer Company shall explain to the customer the repayment process including instalment amount, tenure, bounce charges, penal charges, and periodicity of repayment. However, if the customer does not adhere to the repayment schedule, a defined process in accordance with the laws of the land shall be followed for recovery of loan dues. The process will involve reminding the customer by sending him / her notice or by making personal visits and / or repossession of security if any.

b) Additionally, the terms and conditions for enforcing security interest and/or re-possession of the property / collateral shall be clearly mentioned in the loan or security related document. To ensure transparency, the said terms will speak about:

- notice period before taking possession;
- circumstances under which the notice period can be waived;
- the procedure for taking possession of the security;
- provision regarding final chance to be given to the customer for repayment of loan before the sale / auction of the property; (e) the procedure for giving repossession to the customer; and
- the procedure for sale / auction of the property

c) In the matter of recovery of loans, the Company or its agents will resort only to remedies which are legally and legitimately available to it and will not resort to intimidation or harassment of any kind, either verbal or physical, against any person in their debt collection efforts, including acts intended to humiliate publicly or intrude upon the privacy of the debtors' family members, referees and friends, sending inappropriate messages either on mobile or through social media, making threatening and/ or anonymous calls, persistently calling the borrower and/ or calling the borrower before 8:00 a.m. and after 7:00 p.m. for recovery of overdue loans, making false and misleading representations, and will not resort to use of muscle power for recovery of loans, etc. The Company will make all efforts so that its staff is adequately trained to deal with the customers in an appropriate manner.

d) In the line of with the aforesaid, a Code of Conduct which shall be adhered during collections/recovery of dues from the customers by Company's authorized personnel is provided in **Annexure A**

12 Grievance Redressal Mechanism

The Company has laid down the appropriate grievance redressal mechanism within the organization to resolve disputes arising in this regard which ensures that all disputes arising out of the decisions of the Company's functionaries are heard and disposed of at the next higher level.

The Board of Directors shall also periodically review the compliance of the Fair Practices Code and the functioning of the grievance's redressal mechanism at various levels of management. A consolidated report of such reviews shall be submitted to the Board at periodic intervals.

In line with the captioned process the Company follows a four **(2)** tier approach for redressal of customer grievances, as detailed below:

Level 1 –

In case of any service request / complaints, the customer may contact the customer engagement team on any of the below mentioned contact points:

- E Mail
- Contact No
- At Branch Level – Compliant Box
- Written Request
- Corporate / Registered office address

On receipt of service request / complaint, an acknowledgement shall be given within 3 (Three) working days by the company to the customer via e-mail/ letter by post/ SMS/any other form of legally valid electronic communication including WhatsApp. The Company shall endeavour to resolve to the same within a period of 7 (Seven) working days.

However, in case where a complaint warrants extensive investigation and/or support of the customer to identify the perpetrator, root cause analysis, or under litigation (incl. pending with local Police authorities), the TAT for responding and resolving such complaints may be more than 7 (seven) working days.

In case the customer is not satisfied with the resolution/response provided by the customer engagement team/s as above, then customer shall escalate to Level 2 as given below

Level 2 –

a) It may be noted that the customers shall approach for resolution of their service request/complaint at the first instance to the customer engagement team as mentioned in Level 1 hereinabove, and if their request / complaint remains unresolved for a period of 7 days or they are dissatisfied with the resolution given, they are required to contact, he may approach the Grievance Redressal Officer (GRO) of the Company:

E Mail ID

Contact No

Name

Address

We will make our best efforts to resolve customer's complaint at this level in 14 working days.

If the customer is aggrieved by the GRO or rejection of complaint by GRO Office, customer can file an appeal within 30 days of receipt of Award or rejection of complaint to-

Executive Director

Consumer Education & Protection Department

Reserve Bank of India

13 General

- a) No discrimination on grounds of sex, caste & religion in the matters of lending.
- b) The Company will refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the borrower, has come to the notice of the Company).
- c) All personal information of customer and information related to the transactions with the Company shall be treated confidential, shall not be reveal to anyone, except with customer's prior written consent and/or required by laws and regulations.
- d) The Company shall
 - Provide customer with a copy of this Code, whenever requested;
 - Disclose this Code at the on the website of the Company; and
 - Periodic trainings to all the customer facing staff about the fair business practices as mentioned in this Code.

14 Policy for determining rate of interest processing and other charges

- a) The Board of Directors has adopted an interest rate model for determining the rate of interest to be charged on loans and advances, processing and other charges taking into account relevant factors such as, cost of funds, margin and risk premium, etc. 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.
- 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 on the website shall be updated whenever there is a change in the rates of interest.
- c) The rate of interest shall be annualised rate.

Annexure A

Following Code of Conduct shall be adhered by all authorized personnel of the Company while engaging in any manner with the customer(s) for Collections of loan dues:

- a) The code of conduct for collections shall be followed diligently all staff members of the Collection team and its authorised agents
- b) Foster customer confidence, long term relationship and ensure dignity and respect to customers is maintained.
- c) Courtesy, fair treatment and persuasion shall be the basis of recovery. Unduly coercive methods in collection of dues shall not be adopted
- d) Fairness and transparency in repossession, valuation and realization of securities shall be made.
- e) Customers would be contacted ordinarily at the place of their choice. In the absence of any specified place, at their place of residence and if unavailable there, then at the place of business / occupation. During visits to customer(s) place for dues collection, decency & decorum shall be maintained
- f) Identity and authority to represent the company shall be made known to the customer(s) at the first instance.
- g) No interference in the affairs of the customer (s). Interaction with them shall be in a civil manner without use of muscle power for recovery.
- h) Authorized Representatives shall contact the customer usually between 08:00 a.m. and 19:00 p.m. unless the special circumstances of the customer's business / occupation require otherwise.
- i) Customer's request to avoid calls at a particular time / particular place shall be honoured, to the extent possible.
- j) Customer would be provided with all the information regarding dues and necessary notice would be given for enabling discharge of dues.
- k) Reasonable notice would be given before repossession of security and its realization.
- l) At all times, as far reasonably possible, endeavour to resolve disputes / differences regarding dues in a mutually acceptable and orderly manner.
- m) Inappropriate occasions such as bereavement in the family or such other calamitous occasions would be avoided for making calls/visits.

- n) Confidentiality of customer information shall be maintained at all times.
- o) Not send inappropriate messages either on mobile or social media
- p) Shall not make any kind of false and misleading representations to the customer
- q) All the communications in connection to collections/recovery of dues shall be done only on the contact details provided by the customer

Annexure B

Prudential measures for Loan sourced over Digital Lending Platforms.

1. Name of the digital lending platforms engaged as agents shall be displayed on the website of the Company.
2. The Company shall provide a Key Fact Statement (KFS) to the borrower before the execution of the contract in a standardized format for all digital lending products.
3. The KFS shall, apart from other necessary information, contain the details of APR, the recovery mechanism, details of grievance redressal officer designated specifically to deal with digital lending/ LSP related matter and the cooling-off/ look-up period.
4. The digital lending platform shall disclose to the customer that it is interacting for the Company, during the course of processing loan applications with the Company. Accordingly, customer communications (such as sanction letter, disbursement confirmation, loan agreement & welcome letter/e-mail) shall also identify the Company as a lender for customers' knowledge and ensuring adequate disclosures.
5. The sanction letter shall be issued to the borrower on Company's letter head prior to entering into a loan agreement.
6. The Company shall ensure that their DLAs or DLAs of their LSPs at on-boarding/sign-up stage, prominently display information relating to the product features, loan limit and cost, etc., so as to make the borrowers aware of these aspects.
7. A borrower shall be given an explicit option to exit digital loan by paying the principal and the proportionate APR without any penalty during **Cooling off/look-up period**. The cooling off period shall be determined by the Company. The period so determined shall not be less than **three days for loans having tenor of seven days** or more and **one day for loans having tenor of less than seven days**. For borrowers continuing with the loan even after look-up period, pre-payment shall continue to be allowed as per extant RBI guidelines.
8. Executed/accepted copy of loan agreement shall be sent to the customer as an

attachment with welcome letter/e-mail or pursuant to loan disbursement.

9. In case of any fraud/suspicious activity detected using the name of the Company, the customer shall immediately inform 'GRO' and also report such platforms/apps to RBI using their Sachet portal (<https://sachet.rbi.org.in>)
10. Customer shall be communicated with customer service and grievance redressal mechanism as per FPC.
 - a. Note: 1st level approach for redressal of customer grievances shall be respective Digital lending partners
11. The Company shall ensure that they and the Lending Service Provider (LSP) engaged by them shall have a suitable nodal grievance redressal officer to deal with LSP/ digital lending related complaints/ issues raised by the borrowers and shall also deal with complaints against their respective Digital Lending App(DLA). Further, contact details of grievance redressal officers shall be prominently displayed on the websites of the Company, its LSP and on DLA.
12. The Company shall communicate to the borrower, at the time of sanctioning of the loan and also at the time of passing on the recovery responsibilities to an LSP or change in the LSP responsible for recovery, the details of the LSP acting as recovery agent who is authorised to approach the borrower for recovery.

The Company shall ensure all their DLA and LSP act in accordance with the guidelines as stated in circular dated September 02, 2022 on Guidelines on Digital Lending and circular dated June 08, 2023 on framework for Settlements and Technical write-offs.