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**Title** Fair Practice Code

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## 1. Introduction

Rising Straits Finance Private Limited ("**Company**") is registered as a Non-Systemically Important Non-Deposit taking Non-Banking Financial Company ("NBFC – ND – NSI") with the Reserve Bank of India ("**RBI**") since February 25, 2009 bearing NBFC registration number B-14.03181. The Company has been primarily engaged in the business of providing credit facilities to individuals, proprietors, partnerships and private / public companies.

This Fair Practices Code ("**FPC**") has been formulated by the Company in accordance with the Master Directions - Non-Systemically Important Non-Deposit Taking Company (Reserve Bank) Directions, 2016 ("**Master Directions**"). The Board of Directors ("**Board**") has approved and adopted this Policy on 01<sup>st</sup> day of February 2022.

This Fair Practice Code is aimed to provide to all the stakeholders, especially customers, an effective overview of practices followed by the Company in respect of the financial facilities and services offered by the Company to its customers.

## 2. Objectives

The Company has set its objective to pursue best corporate practices and foster customer confidence in the Company by bringing about utmost transparency in the business practice. Accordingly, the objectives of this FPC are, as under:

- a. To promote good, fair and trustworthy practices by setting minimum standards in dealing with borrowers of the Company ("**Customers**");
- b. To increase transparency to enable the customers to have a better understanding of what they can reasonably expect of the service and to promote a fair relationship between the Customer and the Company; and
- c. To put in place robust mechanisms for redressal of customer grievances. Ensure speedy and efficient resolution of customer issues with adherence to basic principles of transparency and integrity thereby fostering confidence in the Company

## 3. Key Commitments

The Company will act efficiently, fairly and diligently in its dealings with the customers by:

- a. Meeting commitments and standards specified in the FPC, for the products and services which the Company offers and the process and practices followed by its employees
- b. Ensuring that the financial products and services are in accordance with the applicable Rules and Regulations of the RBI



- c. Providing professional services and accurate and timely information such as terms and conditions, costs, rights, implications, etc. of the financial products and services
- d. Helping the customer understand the financial products and services that the Company offers in English/ Hindi/ or local vernacular language as understood by the customer as also ensuring that the advertisements and promotional literature is not misleading.
- e. Not discriminating customers on grounds of gender, caste, region and religion in the matter of lending.

#### 4. Application of the Fair Practice Code

This FPC will apply to all the loan products and services presently being provided by the Company or which may be introduced by the Company in the future, irrespective of the mode and medium through which such products and services are offered by the Company.

A copy of the FPC in English, the vernacular and regional languages will be displayed at all offices/ branches of the Company and will also be made available on the website of the Company.

To publicise the FPC, the Company will:

- a. Inform existing and new customers about the FPC;
- b. Make this FPC available on request either over the counter or by electronic communication or e-mail;
- c. Make available this FPC at every branch of the Company and on the website of the Company; and
- d. Ensure that the staff of the Company is well trained to provide relevant information about the FPC and to put the FPC into practice.

#### 5. Applications for Loans and their Processing

The Company will strive to ensure that all communications with the customers will be in the vernacular language or a language as understood by the customer.

The loan application forms of the Company will include necessary information relating to the terms and conditions governing the loans and other relevant information affecting the interest of the customers in order to facilitate a meaningful comparison with the terms and conditions offered by other NBFCs and an informed decision can be taken by the customer.

The loan application form of the Company will clearly indicate the documents required to be submitted along with the application form and/ or as may be required to be executed and signed by the customer for obtaining the loan. Such information will also be made available on the website of the Company to facilitate the prospective clients to know and understand their rights and obligations prior to entering the loan agreement with the Company.



The Company will devise a system of giving acknowledgment for receipt of all loan applications documents to be submitted along with the loan application. The time frame within which loan applications will be disposed of will also be indicated in the acknowledgment.

## 6. Loan Appraisal and Terms & Conditions

The Company will conduct a due diligence on the creditworthiness of the customer, which will be an important parameter for taking the decision on the processing of the loan application. The assessment would be in line with the Company's internal policies, norms, and procedures in respect of the loan appraisal.

The Company will convey in writing to the customer (in a vernacular language or a language as understood by the customer, if so requested by the customer), through an agreement cum sanction letter or otherwise along with the terms and conditions, such as:

- a. Amount of loan;
- b. Annualized rate of interest to be charged and the method of application;
- c. Overdue interest;
- d. Cheque bouncing penalty;
- e. Tenor of loan;
- f. Instalment amount and structure, including the repayment cycle;
- g. Commencement date; and
- h. Prepayment charges and penalty.

Additionally, the Company will also clearly mention the applicable penal interest to be charged for late repayment of the loan in 'bold' in the loan agreement.

The Company will furnish a copy of the loan agreement to the customers (along with all the enclosures quoted in the loan agreement) in the vernacular language or a language as understood by the customer at the time of sanction/ disbursement of loan to the customer.

The Company will obtain an acceptance from the customers for the loan terms and maintain a record of such acceptance.

## 7. Disbursement of loans including changes in terms and conditions

The loan disbursement will be subject to execution of the necessary documents and completion of necessary formalities by the customer. The Company will give notice (in vernacular language or a language as understood by the Customers, if requested) to all its Customers of any change in the terms and conditions of the loan including but not limited to:

- a. Disbursement schedule;
- b. Interest rates;
- c. Service charges;
- d. Prepayment charges; etc.



The Company will also ensure that changes in interest rates and charges are effected only prospectively, and the same will be recorded in the loan agreement. Any changes in the terms and conditions including the interest rates and charges will be communicated through website/ Email/ mails/SMS/ other forms of personal intimation.

## 8. Recall of Loan

Any decision of the Company to recall the loan or to accelerate payment or performance or seek additional securities will be in consonance with the loan agreement executed by the Customer.

## 9. Closure of Loan Account and Release of Securities/ Documents

All securities created in favour of the Company (if any) pursuant to the loan would be released on repayment of all dues or on receipt of full and final payment of the loans, subject to any legitimate right or lien for any other claim that the Company may have against its Customers. If such right of set-off is to be exercised, the customers 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 until the relevant claim is settled/ paid. 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.

## 10. Regulation of Excessive Interest Charged by the Company

The Board of Directors has adopted an interest rate model taking into account relevant factors such as cost of funds, margin, and risk premium and determine the rate of interest to be charged for loans and advances.

The rate of interest, the approach for gradations of risk and rationale for charging different rates of interest to different categories of Customers will be disclosed to the Customer in the application form and communicated explicitly in the sanction letter.

The rates of interest and the approach for gradation of risks will be made available on the web-site of the Company or published in relevant newspapers and will be updated whenever there is a change in the rates of interest.

The rate of interest would be annualised rates so that the Customer is aware of the exact rates that would be charged to the account.

In order to ensure that customers are not charged excessive interest rate and charges on loans and advances by the Company, the Board of Directors of the Company has put in place appropriate internal principles and procedures in determining interest rates and processing and other charges.



## 11. Repossession of hypothecation/ lien assets

The Company has included the repossession clause in the loan agreement with the Customers that would be legally enforceable. To ensure transparency, the terms and conditions of the loan agreement should include provisions regarding:

- a. Notice period before taking possession
- b. Circumstances under which the notice period can be waived
- c. The procedure for taking possession of the asset
- d. A provision regarding the final chance to be given to the Customers for repayment of the loan before the sale/auction of the asset
- e. The procedure for giving repossession to the Customer; and
- f. The procedure for sale/auction of the asset.

## 12. Grievance Redressal Mechanism

The Company aims to provide the best customer service and should consistently strive on creating a robust and efficient customer service platform in accordance to the Grievance Redressal Mechanism Policy approved by the Board.

The Board of Directors ("**Board**") of Company has laid down appropriate customer grievance redressal mechanism within the organization. Such mechanism would ensure that all disputes arising out of the decisions of Company's functionaries are heard and disposed of at least at the next higher level.

The Company's policy and procedure for redressal of customer complaints/grievances has been separately set out in the Company's "**Grievance Redressal Policy**" which may be accessed here: [•].

The Company has appointed a Grievance Redressal Officer and Nodal Officer/ Principal Nodal Officer with the requisite skills and relevant experience.

If the complaint / dispute is not redressed within a period of 1 (one) month from the date of receipt of the complaint by the Grievance Redressal Officer, the customer may file an appeal to the Officer-in-Charge of the Regional Office of Department of Non-Banking Supervision of RBI, whose contact details are set out below:

General Manager,  
Reserve Bank of India,  
Department of Non-Banking Supervision,  
6, Sansad Marg, Sansad Marg Area, New Delhi, Delhi - 110001  
Contact Number : +91-11-23711333  
Email Address : rdnewdelhi@rbi.org.in



## 13. General

### Non- Interference

The Company will not interfere in the affairs of the Customers except for the purposes provided in the loan agreement unless new information not earlier disclosed by the Customer, has come to the notice of the Company.

### Transfer of Amount

In case of receipt of a request from the Customers for transfer of the loan account, either from the customer or from a bank/financial institution which proposes to take over the account, the consent or the objection of the Company, if any, for the same will be communicated by the Company within 21 (twenty one) days from the date of receipt of the request. The transfer will be in accordance with the loan agreement and the applicable law.

### Recovery Process

In the matter of recovery of loans, the Company will follow the usual measures as per the laid down guidelines and existing provisions and would operate within the legal framework and in compliance with the applicable laws and regulations.

The Company would not resort to undue harassment, viz., persistently bothering the Customers at odd hours, use of muscle power for recovery of loans, rude behaviour, etc. In this regard, the Company has an established code of conduct for debt collection wherein the Company's staff or any person authorized to represent the Company in collection of dues are extensively trained.

The Company's collection policy is built on courtesy, fair treatment and persuasion. We believe in customer confidence and long-term relationship. Our staff or any person authorized to represent us in collection of dues or/and security repossession will identify himself/herself and interact with our customers in a courteous manner;

The Company will provide all their Customers with all the information regarding dues and will give sufficient notice for payment of dues. All Customers will be contacted ordinarily at the place of their choice, in the absence of a specified place at the residence of the Customers and if the Customer is unavailable at the residence, at the Customer's place of business/occupation;

The Company will respect the privacy of all their Customers and all the interactions will be in a civil manner. All assistance will be provided to our customers to resolve differences or disputes in a mutually acceptable manner, if any, regarding the dues.

### Foreclosure charges/ Pre-payment penalties on floating rate term loans



The Company will not charge foreclosure charges and/or pre-payment penalties on any floating rate term loans sanctioned for purposes other than business to individual Customers, with or without co-obligant(s).

Advertising, Marketing and Sales

- a. The Company will ensure that all the promotional advertisements and any other advertisement materials provided by the Company with respect to its products and services are clear and not misleading. The advertisement would be addressed to the intended public through appropriate media. The terms and conditions of any products or services being offered would be made in clear in the advertisement.
- b. If the services of any third party are used by the Company for providing any support services, the Company will ensure the client confidential and personal information (if made available to such third parties) is secured in accordance with the RBI Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs.
- c. Information about any other products or promotional offers in respect of products / services of the Company will be conveyed to customers only if he / she has given his / her consent to receive such information / service either by mail or by registering for the same on the website or on customer service number.
- d. In the event of receipt of any complaint from the customer that Company's representative/ courier or direct selling agent ("**DSA**") has engaged in any improper conduct or acted in violation of this FPC, appropriate steps will be initiated to investigate and to handle the complaint and indemnify the customer if found appropriate.
- e. Complaints, if any, in this regard will be directly addressed and appropriate steps will be initiated to handle the complaint.

Privacy and Confidentiality

- a. The Company will ensure that all personal information of customers will be treated as private and confidential (even when the customers are no longer customers), and will not be revealed to anyone, including other companies' entities in their group, other than in the following exceptional cases:
  - i. If the information is required to be given by law or under the direction of any financial regulator/s;
  - ii. If the Company has entered into an outsourcing arrangement as per RBI Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs and is providing information to the service provider on a 'need to know' basis in accordance with the said guidelines;
  - iii. If there is a duty towards the public to reveal the information;
  - iv. If the Company's interests require them to give the information (for example, to prevent fraud) but the same will not be used as a reason for giving information about customer or customer accounts [including customer name and address] to anyone else;



- v. If the customer requests the Company to reveal the information, or with the customer's permission;
  - vi. The Company will not use customers' personal information for marketing purposes unless the customer specifically authorizes to do so.
- b. The Company may give the information about the conduct of the customer's account to the credit referencing agencies after intimating about the same to the customers.
- c. The Company may give information to credit information companies about the personal debts the customer owes to the Company if:
- i. The customer has fallen behind with his / her payments;
  - ii. The amount owed is not in dispute; and
  - iii. The customer has not made proposals that the Company is satisfied with, for repaying his /her debt, following Company's' formal demand.
- d. In these cases, Company will intimate the customer in writing that it plans to give information about the debts the customer owes to the Company to credit reference agencies.
- At the same time, the Company will explain to the customer the role of credit reference agencies and the effect the information they provide can have on customer's ability to get credit.
- e. The Company may give credit reference agencies other information about the customer's account if the customer has given his / her permission to do so. A copy of the information given to the credit reference agencies will be provided by the Company to the customer, if so demanded.

#### Know Your Client (KYC) Master Directions

In order to comply with the Master Directions issued for KYC norms to be complied with NBFCs, the Company will be required to collect certain documents and information from the customers, including a proof of identity, before extending any financial assistance to the Customer:

- i. It will be responsibility of the Customer to provide the necessary documents, including an up-to-date proof of identity and address, and in the event of change in the recorded address or other particulars, such change, with the necessary proof documents will be brought to the immediate notice of the Company; and
- ii. The loan application forms and other material provided by the Company to the customer will contain the details of necessary information and documents required to be furnished and/or produced for verification by the customer for meeting the requirements of the KYC norms.

## 14. Review and Authority

A periodical review of the Fair Practices Code and the functioning of the grievance redressal mechanism at various levels of management would be undertaken by the Company. A consolidated report of such reviews may be submitted to the Board at regular intervals, as may be appropriate.

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

**Fair Practice Code Policy**



**Department: Credit**

**Policy No: STR/FPCP/V.1.2/2025-26**

**Title: Fair Practice Code Policy**

The Company will put the above Fair Practices Code outlined hereinabove in vernacular languages and on its website, for the information of various stakeholders.

This Policy will be approved/ amended/ reviewed by the Board. The Board of Directors of the Company will review and refine the Code annually, based on its own experience and fresh guidelines, if any, to be issued by the RBI in this regard.

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