RECAPITA FINANCE PRIVATE LIMITED

FAIR PRACTICES CODE

(Updated as on 11th Oct, 2024)

10, Amaltas, Phase 1, Chunabhatti, Kolar road, Bhopal, Madhya Pradesh, 462016

VERSION-1.1

Approving Authority	Board of Directors
Reviewing Authority	Audit & Compliance Department
Effective Date	12th Oct, 2024

Review/Revision of policy: This policy document will be reviewed and revised by the Audit & Compliance Department with approval of board of directors in response to changed circumstances, and in any event, at intervals of not more than one year or shorter review periods as may be stipulated by the Board of Directors.

Regulatory Reference: RBI/DoR/2023-24/106, DoR.FIN.REC.No.45/03.10.119/2023-24 Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023.

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PREAMBLE

Recapita Finance Private limited (herein referred to as "RECAPITA FINANCE" or "the Company") is a Non-Banking Finance Company registered with RBI. It is a base layer NBFC as defined under master directions Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, RBI/DoR/2023-24/105 DoR. FIN. REC. No.45/03.10.119/2023-24 dated 19 October 2023.

This Fair Practice Code is pursuant to the Reserve Bank of India (RBI) model guidelines for adoption of Fair Practices Code by the Non-Banking Finance Companies (NBFCs) thereby setting standards for fair business and corporate practices while dealing with their customers

Recapita Finance Private limited have adopted all the best practices prescribed by RBI from time to time and shall make appropriate modifications, if any, issued by the RBI in this Code to confirm to the standards prescribed. The Company has adopted this Fair Practices Code (FPC) and have implemented it. The FPC applies to all categories of products and services offered by the Company. RECAPITA FINANCE has made this FPC available to all by uploading the same on its website.

The Fair Practices Code ('FPC') has been devised by Recapita Finance Private Limited ('RECAPITA FINANCE' or 'the Company') with an endeavour to achieve synchronization of best practices when the Company is dealing with its stakeholders such as customers, employees, vendors, etc. RECAPITA FINANCE has a responsibility to ensure that all its subsidiaries, if any and Indian affiliates operate in a way that aligns the interests of stakeholders as stated.

Our commitment will be demonstrated through employee accountability, monitoring programs, training, and technology. The **Board of Directors** and management are responsible for establishing practices that reflect this commitment.

SCOPE:

The Company's fair lending practices apply across all operations, including:

- Marketing
- Loan Origination
- Processing
- Servicing and Collection Activities

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OBJECTIVES:

The Fair Practices Code (FPC) for Non-Banking Financial Companies (NBFCs) has several objectives, including:

- To promote transparency in our operations.
- To ensure fair treatment of all customers.
- To establish a framework for ethical conduct.
- To comply with all regulatory requirements.

KEY ASPECTS:

The essence of the FPC lies in the following aspects that **Recapita Finance** shall strive to follow in spirit and in letter:

- **Professional Service**: Provide professional, efficient, courteous, and speedy services.
- **Non-Discrimination**: Ensure no discrimination based on religion, caste, sex, or descent.
- **Honesty in Marketing**: Maintain fairness and honesty in advertisements and marketing of loan products.
- **Accurate Disclosure**: Provide timely and accurate disclosures of terms, costs, rights, and liabilities.
- **Customer Assistance**: Offer assistance or advice to customers seeking loans.
- **Complaint Redressal**: Resolve disputes with a board-approved grievance Redressal system within the organization. With respect to that, Company has a grievance Redressal mechanism which can be adopted by the customers. Customers can submit their grievances to the grievance Redressal officer details of which are mentioned below:

Name	CS Anshita Khare
E-Mail ID	grievanceofficer@recapitafinance.com
Contact Details	0755-4923303 / 9479395261

- **Regulatory Compliance**: Comply with all regulatory requirements in good faith.
- **Governance Structures**: Implement governance structures for oversight in audit and risk management.
- **Ethical Funding**: Ensure that funds do not support companies using child or forced labour.
- **RBI Compliance**: Adhere to regulations prescribed by the Reserve Bank of India (RBI).

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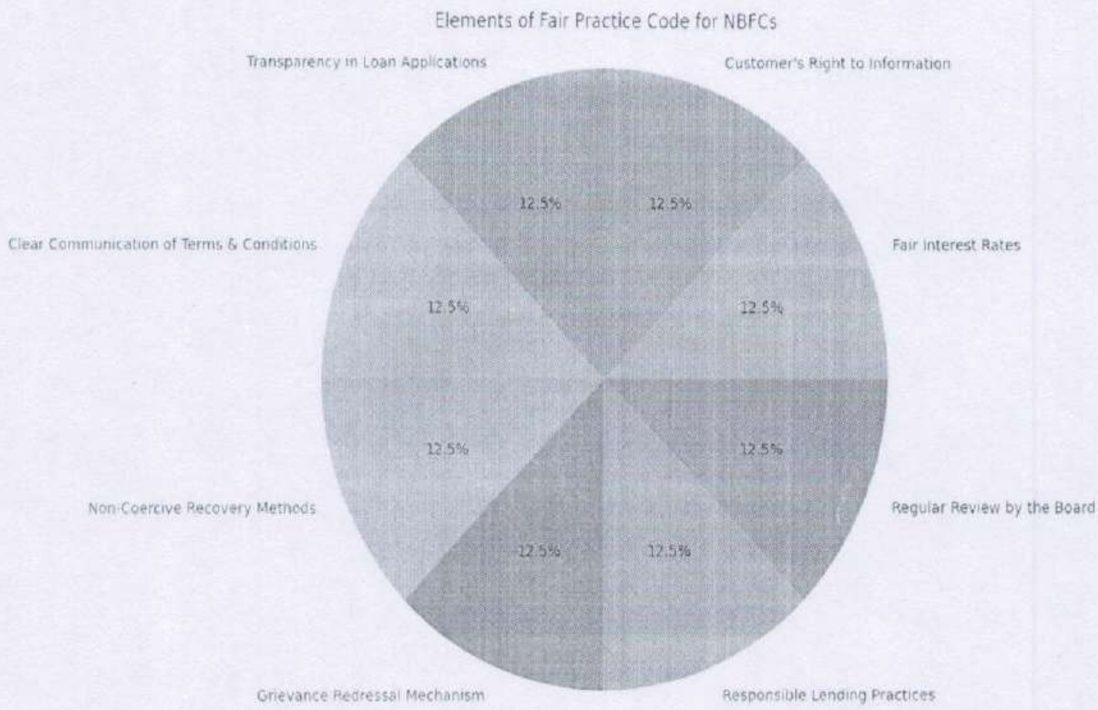
PIE CHART REPRESENTING THE ELEMENTS OF THE FAIR PRACTICE CODE FOR A NON-BANKING FINANCIAL COMPANY (NBFC)



The pie chart above represents the elements of the Fair Practice Code for Non-Banking Financial Companies (NBFCs) visually illustrating the various components that contribute to fair lending practices. Here's a detailed description of each element represented in the pie chart:

Elements of the Fair Practice Code:

1. **Transparency in Loan Applications:**
   This element emphasizes the need for clear and open communication regarding loan applications. It ensures that all information is disclosed to borrowers, allowing them to make informed decisions.
2. **Clear Communication of Terms & Conditions:**
   This focuses on ensuring that all terms and conditions associated with loans are communicated clearly, preferably in a language understood by the borrower. This includes details about interest rates, fees, and repayment schedules.
3. **Non-Coercive Recovery Methods:**
   This principle mandates that NBFCs must adopt ethical recovery practices. It prohibits harassment or coercion during the loan recovery process, ensuring that borrowers are treated with respect and dignity.
4. **Grievance Redressal Mechanism:**
   This element establishes a structured process for addressing customer complaints and Grievances. It ensures that borrowers have access to a reliable mechanism for resolving issues related to their loans.
5. **Responsible Lending Practices:**
   Responsible lending involves assessing a borrower's ability to repay before extending credit. This principle aims to prevent over-indebtedness and ensure that loans are provided based on sound judgment.
6. **Regular Review by the Board:**
   This entails periodic evaluations of compliance with the Fair Practice Code by the organization's board of directors. It ensures accountability and continuous improvement in practices.
7. Fair Interest Rates:
   This principle emphasizes the importance of setting interest rates that are reasonable and transparent. It aims to prevent exploitation through exorbitant charges and ensures borrowers are aware of how rates are determined.
8. **Customer's Right to Information:**
   This highlights the importance of informing customers about their rights regarding financial products and services. It ensures they are aware of all relevant information, enabling them to make educated choices.

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GUIDELINES ON FAIR PRACTISE CODE FOR RECAPITA FINANCE

a) **Loan Proposals And Their Processing**

(i) All communications to the customer by RECAPITA FINANCE shall be in vernacular language or a language as understood by the borrower of RECAPITA FINANCE.

(ii) As part of the loan process, to inter alia ensure utmost transparency, RECAPITA FINANCE provides all necessary information to the customer along with the term sheet/application/proposal as the case may be including but not restricted to nature of security required, fees/charges, if any, payable for processing, the non-refundable nature of fees including in the case of non-acceptance of loan proposal, pre-payment options, check list in respect of information/papers required for considering loan and any other matter which effects the interest of the customer so that a meaningful comparison with the terms and conditions offered by other Non-Banking Financial Companies ('NBFCs') can be made and informed decision can be taken by the customer.

S.No	Category of Customer and Size of Limit	Time norms for disposal after Submission of all required papers/information sought by the Recapita Finance.
1.	For all categories of customers and for any amount of Loans	Time period up to 60 days or such time as mutually agreed upon with customer.

b) **Loan appraisal terms and conditions**

(i) **Recapita Finance** shall scrutinize the information submitted by the customer and additional data, if any, required should be called promptly to facilitate expeditious disposal of the loan.

(ii) **Recapita Finance** shall convey in writing to the customer by means of sanction letter or term sheet or any other form of written communication key terms and conditions of the proposed exposure including:

- The amount of loan sanctioned along with the terms and conditions including annualized rate of interest,
- Details of the default interest / penal charges (expressed in percentage per month / annum as the case may be) and the charges payable by the customers in relation to their loan account and method of application thereof (penal charges charged for late repayment of loan would be mentioned in bold in the loan agreement)
- Terms and conditions and other caveats governing the credit given by **RECAPITA FINANCE** arrived at after negotiation terms of enforcement of security.

- All other information which is relevant from the point of view of the transaction and all the parties involved.

- Wherever possible, reasons for rejection of loan would be conveyed to the customers.

All the above information can be part of the loan agreement expressed in writing and shall be duly approved by the customer and countersigned by the authorized officials of RECAPITA FINANCE.

c) Types of Fees/Charges

I. All the fees / charges / interest would be payable as per mutual agreement.
II. Syndication fees for cases where RECAPITA FINANCE acts as arranger for loan shall be set out in the individual engagement letters.

d) **Disbursement of loans including changes in terms and conditions**

(i) RECAPITA FINANCE shall give notice to the customer of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc.
(ii) Changes in the interest rates and charges shall be effected prospectively. A suitable condition in this regard shall be incorporated in the loan agreement, as applicable.
(iii)All communication related to acceptances (including for amendments or addendum) with the Customer in relation to the sanction / facilities / loan / mandate / proposals shall be in writing and preserved for a minimum period of eight years.

e)**Post disbursement supervision**

I. Post disbursement supervision is constructive and the genuine difficulties which the customer may face is given due consideration.
II. RECAPITA FINANCE would not interfere in the affairs of the borrower except for the purposes provided in the terms and conditions of loan agreement unless new information, not earlier disclosed by the borrower, has come to the notice of RECAPITA FINANCE.
III. Decision to recall / accelerate payment or performance under the agreement should be in consonance with the loan agreement.
IV. Before taking a decision to recall / accelerate payment or performance under the agreement or seeking additional securities, RECAPITA FINANCE shall give notice to customers in consonance with the loan agreement.
V. RECAPITA FINANCE shall 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 RECAPITA FINANCE may have against customer. If such right of set off is to be exercised, the customer shall be given notice about the same with full particulars about

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the remaining claims and the conditions under which RECAPITA FINANCE is entitled to retain the securities till the relevant claim is settled /paid.

f) Financial Difficulties

RECAPITA FINANCE will consider cases of financial difficulty appropriately. The customer should identify problems and immediately should let RECAPITA FINANCE know as soon as possible.

g) Restructuring

In case of receipt of request from borrower for transfer of borrower account, RECAPITA FINANCE shall convey its decision/concern to borrower within 21 days of receipt of request. Such transfer shall be as per agreed terms and conditions & in accordance with law.

h) Collection of Dues

If the customer does not adhere to repayment schedule, a defined process in accordance with the laws of the land will be followed for recovery of dues. The process will involve reminding the customer by sending the notice or by making personal visits and/ or repossession of security, if any. In case of default, RECAPITA FINANCE may refer the case to the recovery agent and will inform the customer of the recovery proceedings being initiated. RECAPITA FINANCE shall ensure that its process of recoveries will not involve harassment to the Customer. Appropriate instructions will be provided by RECAPITA FINANCE to its staff for handling customer queries and grievances cordially.

i) Information Secrecy

(i) All personal information of the customer would be confidential and would not be disclosed to any third party unless agreed to by the customer in writing. The term 'Third party' excludes all Law enforcement agencies, Credit Information Bureau, RBI, other banks and financial institutions and any other state, central or other regulatory body.
(ii) Customer information would be revealed only under the following circumstances, namely;

- If RECAPITA FINANCE is compelled by law
- If it is in the Public Interest to reveal the information
- If the interest of RECAPITA FINANCE requires disclosure.

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HANDLING COMPLAINTS AND GRIEVANCES

Recapita Finance has a structured grievance Redressal mechanism which acknowledges and resolves the customer complaints within 7 working days. Also we keep our customers informed throughout the complaint resolution process.

MONITORING AND COMPLIANCE

Regular audits and reviews of practices, to ensure compliance with this code and RBI regulations and Commitment to continuous improvement in processes based on customer feedback and regulatory changes.

REVIEW OF THE FAIR PRACTICE CODE

This code will be reviewed annually and updated as necessary to reflect changes in regulations, business practices, or customer needs

FORCE MAJEURE

Recapita Finance Private Limited ("the Company") acknowledges that certain events may occur which are beyond the control of the Company and may affect its ability to fulfil its obligations under this Fair Practice Code. These events shall be classified as "Force Majeure Events" and include, but are not limited to:

- Natural disasters such as earthquakes, floods, hurricanes, or other acts of God.
- War, terrorism, or civil unrest.
- Government actions, regulations, or restrictions that impede operations.
- Epidemics or pandemics that disrupt normal business activities.
- Any other event that is beyond the reasonable control of the Company

In the event of a Force Majeure Event, the Company shall not be held liable for any failure to perform its obligations under this Fair Practice Code. The Company shall take reasonable steps to mitigate the impact of such events and will notify affected customers as soon as practicable regarding the nature of the Force Majeure Event and its anticipated duration. The obligations of the Company under this Fair Practice Code shall be suspended during the period in which performance is affected by a Force Majeure Event. Upon cessation of the Force Majeure Event, the Company shall resume its obligations as soon as reasonably possible. This clause does not absolve the Company from its responsibilities to adhere to regulatory compliance and ethical practices

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where feasible. The Company remains committed to maintaining open communication with customers during such events to ensure transparency and support.

CONCLUSION

Recapita Finance is committed for maintaining high ethical standards and transparency in all the interactions with our customers. We value your trust and strive to ensure a positive experience for all our clients.

Amit Jain
(Managing Director)
DIN- 7632009

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