



SHARE INDIA FINCAP PRIVATE LIMITED

FAIR PRACTICE CODE

Version	Version 1.1
Recommended By	Risk Management Committee
Approved By	Board of Directors
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Review Frequency	As and when required

I. PREAMBLE

The Reserve Bank of India (RBI) has issued guidelines on Fair Practices Code for Non-Banking Financial Companies (NBFCs) thereby setting standards for fair business and corporate practices while dealing with their customers. **Share India Fincap Private Limited** (“the Company”) hereby furnishes the Fair Practices Code (“the FPC”) based on the guidelines issued by RBI. The Company shall also make appropriate modifications in the FPC from time to time to conform to the standards that may be prescribed by RBI from time to time. Considering the nature of business of the Company, it is proposed to establish the following as the Fair Practices Code for the Company’s lending activities.

Based on the current business of the Company, the Fair Practices Code shall apply to the following categories of products and services offered by the Company.

- a) Loan against Securities
- b) Financing the acquisition of Securities including without limitation through (A) book building, (B) public offer, (C) open offer, (D) private placement, (E) an initial or continuous offer for sale, (F) Right Issue, (G) ESOS, (H) purchase on the floor of the Stock Exchange or otherwise, (I) purchase and/or subscription of units of mutual funds.
- c) Financing the acquisition of Commodities including without limitation through purchase on the floor of the Commodities Exchange or in the spot market/mandi.
- d) Secured & Unsecured Loan, Personal Loan
- e) Commercial Real Estate Loan (CRE), Loan against property
- f) Any other type of loan as and when decided

(Commitments made in the FPC are applicable under normal operating environment).

II. KEY OBJECTIVES

The key objectives of putting in place the FPC are as follows.

- a) To act fairly and reasonably in all the dealings with borrowers by ensuring that:
 - i. The Company’s products, services, procedures and practices will meet the broad requirements and standards in the FPC;
 - ii. The Company’s products and services will be in accordance with relevant laws and regulations as applicable for the time being in force;
 - iii. The Company’s dealings with its borrowers will rest on ethical principles of honesty, integrity and transparency.
- b) The Company will assist its customers in understanding as to what are the broad features of its financial products and services and what are the benefits and risks involved in availing the same by
 - i. Providing information about the products and services in simple manner;
 - ii. Explaining the financial implications of using the products and services.
- c) The Company will make every attempt to ensure that its customers would have trouble-free experience in dealing with it. However, in case of error of commission and/or omissions, it shall:
 - i. deal with the errors promptly and effectively;
 - ii. Deal with the Grievances redressal in a quick and efficient manner and to the satisfaction of the customers;

- iii. Promptly handle Complaints;
- iv. Have Escalation process, in the event of dissatisfaction of the borrower in handling his complaint(s);
- d) All the required communication by the company to the borrower will be in the language as understood by the borrower (English or vernacular language)
- e) The company has devised a system of giving acknowledgement for receipt of all loan applications. Preferably, the time frame within which the loan application will be disposed of is also included in the acknowledgement

III. APPLICABILITY OF FAIR PRACTICE CODE

The FPC will be applicable to the following broad areas:

- i. Loan applications and processing thereof
- ii. Loan appraisal and terms/conditions and Key Fact Statement for Loans and Advances
- iii. Penal Charges
- iv. Disbursement of loans including changes, if any, in terms and conditions
- v. Post disbursement supervision/monitoring
- vi. Release of movable/ immovable property documents on repayment / settlement of personal loans
- vii. Other general provisions

i. Loan applications and processing thereof

- Y Loan Application Forms will be made available to the prospective borrowers on request.
- Y Loan Application Form may also list out the additional information required from the borrowers and their family members in order to enable the Company to create the database.
- Y Loan Application Form shall provide for giving an acknowledgement to the borrowers acknowledging receipt of the same.
- Y All the loan applications shall be disposed of within a period of 90 days from the date of receipt of duly completed Loan Application Forms together with the requisite documents and subject to receipt of all documents complying with prevailing rules and regulations by the borrower.
- Y Loan documentation set will, inter alia, include the broad features and the terms and conditions governing the loan as per RBI guidelines. This would enable the borrowers to take an informed decision by comparing and analyzing the terms offered by the Company with other lenders in the market.
- Y All communication with the borrowers shall be in the local/English language as easily understood and confirmed by borrowers.

ii. Loan appraisal and terms/conditions and Key Fact Statement for Loans and Advances

- Y The Company shall consider all the loan applications keeping in mind the risk based assessment procedures as per approved policy of SIFPL covering all parameters as prescribed in circular of RBI guidelines.
- Y The Company, before sanctioning the loan, would assess the eligibility/credibility of the borrowers to repay

the loan.

- γ The grant of the loan shall be communicated to the borrowers in writing through a Sanction Letter. The borrowers shall give their acknowledgement in writing in token of their acceptance of terms and conditions governing the loan and also provide acknowledgment of Key Fact Statement to help borrowers get informed terms before executing the loan contract in a standardized format. The Sanction Letter shall contain the broad terms and conditions governing the loan including the annualized rate of interest and charges, if any, and method of application thereof.
- γ The annualized default charges as well penal charges, if any, will be mentioned in bold in the Sanction letter and Loan agreement.
- γ In case of lending under Joint/Consortium arrangement, the participating NBFC/banks would decide mutually the timeframe to complete appraisal of the proposal and communication of the decision.

iii. Penal Charges

- γ Penalty, if charged, for non-compliance of material terms and conditions of loan contract by the borrower will be treated as 'Penal Charges' and will not be added to the rate of interest charged on the advances. There will not be capitalisation of penal charges i.e., no further interest computed on such charges.
- γ The Company will not introduce any additional component to the rate of interest charged to the customer.
- γ The quantum of penal charges will be reasonable and commensurate with the non-compliance of material terms and conditions of loan and will not vary within a particular loan/product category.
- γ The penal charges in case of loans sanctioned to 'individual borrowers, will not be higher than the penal charges to non-individual borrowers for similar non-compliance of material terms and conditions.
- γ The quantum and reason for penal charges will be clearly disclosed by SIFPL to the customers in the loan agreement and most important terms & conditions/Key Fact Statement (KFS) in addition to being displayed on websites of company under Interest rates and Service Charges.
- γ Whenever reminders for non-compliance of material terms and conditions of loans 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.

iv. Disbursement of loans including changes in terms and conditions

- γ Disbursement of amount of loans shall be available to the borrowers on demand subject to completion of all formalities/terms as mentioned in loan agreement/Contract.
- γ Any change in the terms and conditions, disbursement schedule, interest rate, service charges, prepayment charges, etc. shall be notified to the borrowers in writing.
- γ Change in the interest rates and service charges shall be made applicable prospectively. The loan agreement shall contain a specific clause in this regard.

v. Post Disbursement Supervision

- γ The decision, if any, of the Company to recall/accelerate payment or performance of loan shall be in accordance with the terms and conditions of the Loan Agreement.
- γ The Company shall give reasonable time to the borrowers before recall the loan or asking for accelerating

the payment or performance subject to the terms and conditions contained in the Loan Agreement and other related documents.

- Y The collaterals lying with the Company shall be released within 15 working days upon receipt of full and final repayment of loans subject of course to any legitimate right or lien and set off for any other claim that the Company might have against the borrowers. However, in cases where the borrower has availed facility allowing him to borrow/draw monies within the overall amount sanctioned as and when needed by him, the collateral maybe retained by the Company for operational convenience and to protect its interest from potential default by the borrowers.

vi. Release of movable/ immovable property documents on repayment / settlement of personal loans

- Y Our company will release all original movable/immovable property documents and remove charges registered with any registry within a maximum of 15 working days after the full repayment or settlement of the loan account.
- Y The borrower will have the option to collect the original property documents either from the branch where the loan was serviced or from any other office of the company where the documents are available, based on their preference.
- Y When releasing original property documents, it can only be handed over back to the Borrower or Property Owner with proper acknowledgment of receipt on LOD (List of Documents) of original property papers.
- Y In the event of the demise of the sole borrower or joint borrowers, our company will have a clearly defined procedure for returning the original movable/immovable property documents to the legal heirs as per RBI guidelines towards NBFC. This procedure will be published on our website alongside other relevant policies and procedures for customer information.
- Y In case of any delay, loss, or damage to original movable/immovable property documents, SIFPL will follow RBI guidelines for compensation, including timely release of documents, assistance in obtaining duplicates, and compensation as per RBI Notification dated 13.09.2023 with Ref. No. RBI/2023-24/60 DoR. MCS. REC. 38/01.01.001/2023-24.

vii. Other General Provisions:

- Y SIFPL will refrain from interfering in the affairs of the borrowers except as provided in the terms and conditions governing the loan as contained in the loan documents (unless new information, not earlier disclosed by the borrower, has come to its notice of SIFPL).
- Y SIFPL generally convey its consent within a reasonable period of time to all requests from the borrower to transfer the loan account of a particular borrower to other NBFC, bank or financial institution. Such transfer shall be in accordance with the contractual terms entered into with the borrower and in accordance with the statutes, rules, regulations and guidelines as may be applicable from time to time. The Company is strictly prohibited to engage in any form of discrimination towards the Company's existing as well as potential customer based on the grounds of gender, race, religion or any other grounds in its lending policy and activities.
- Y In the case of recovery of loans, the Company shall resort to the usual measures, which are legally and legitimately available to it and as per laid down guidelines and extent provisions and shall operate within the legal framework.
- Y The Company shall provide the terms and conditions in respect of its lending activities or services whenever the borrower requests for the same.
- Y On request from borrower for closure of his loan account, the request will be executed within 21 days from

receipt thereof request subject to clearance of pending dues and completion of all the formalities as prescribed by the Company. In case the request cannot be executed in the time frame stated above due to any reason, the same may be communicated to the borrower.

- Y The Company shall not charge foreclosure charges/ pre-payment penalties on floating rate term loans sanctioned to individual borrowers, if any.
- Y The Company, if it considers necessary, will verify the details mentioned by the customer in the loan application by contacting the customer at his/her residence and/or business addressees through agencies appointed for the purpose.
- Y The Company will inform the customer to cooperate if it needs to investigate a transaction on the customer's account and if it needs to involve them in case of investigation by the police/other investigative agency or any statutory/ regulatory authority.

The customer/ borrower will be responsible for all losses if he acts fraudulently or without reasonable care.

- Y The decision regarding interest to be charged shall be taken on the basis of relevant factors such as cost of funds, margin and risk premium etc., which shall also be disclosed in the relevant sanction letter. The rate of interest to be used for this purpose shall be annualized rate.

IV. CONFIDENTIALITY

- Y Unless authorized by the borrower, the Company will treat all his personal information as private and confidential.
- Y The Company may not reveal transaction details of the borrowers to any other persons except under following circumstances:
 - i. If the Company is required to provide the information to any statutory or regulatory body or bodies;
 - ii. If arising out of a duty to the public to reveal the information;
 - iii. If it is in the interest of the borrowers to provide such information (e.g. fraud prevention);
 - iv. If the borrower has authorised the Company to provide such information to its group / associate / entities or companies or any such person/ entity as specifically agreed upon;

V. COMPLAINT REDRESSAL MECHANISM

Any customer having a query/complaint with respect to the product and services offered by Share India Fincap Private Limited can highlight through following established channels of communication. Customers can log in their queries and complaints through any of the below mentioned channels and details are also available on the Company's website:

Name of Concern person: Mr. Krishan Pal Raghav

Designation: Grievance Redressal Officer

Email ID: info@shareindiafincap.co.in

Contact number: +91-9266732119

Website: www.shareindiafincap.com

How a query/complaint should be made?

You can raise a query or complaint through the available customer service channels (Email, Online Forms, Call Support). Please provide your Loan Account Number (LAN), complete details of the issue, contact info, email ID, and product details for identification. Once validated, the customer service team will investigate and resolve the matter. If any details are missing, the query/complaint won't be logged, and you'll be notified about the insufficiency.

When to expect a reply?

- γ Each complaint may take up to 30 days for a detailed response. After registering a query or complaint, you'll receive a reference number, and the team will provide an update on the expected resolution time.

If you don't receive a response within 30 days or are dissatisfied with the reply, you can escalate the issue to the Principal Nodal Officer by contacting them through the details available on the company website.

Whom to approach in case of an escalation?

The customer must check for the status of the complaint resolution at any of the channels mentioned above, if the resolution is not received and the designated time (**30 days**) has elapsed then other than the above mentioned escalation authority, the customer has an option to write to/contact Reserve Bank of India at the address/contact numbers/email id mentioned below:

Complaint lodging portal of the RBI Ombudsman: <https://cms.rbi.org.in>

Contact details of Centralised Receipt and Processing Centre (CRPC)

Email ID: crpc@rbi.org.in

Address: Centralised Receipt and Processing Centre,
Reserve Bank of India, 4th Floor, Sector 17,
Chandigarh – 160017

Toll Free Number - 14448

Department of “Non-Banking Supervision”

Reserve Bank of India
Delhi Regional office,
6, Sansad Marg,
New Delhi - 110001,
Contact No. +91-11-23325225
Email : rdnewdelhi@rbi.org.in

VI. INTEREST RATE

- γ The company has adopted an interest rate model and schedule of charges for determining Interest Rates Processing charges and other charges etc. and updated policy of the same has been put up on the Company's website;
- γ Fees depend on sourcing, processing, documentation volume, and external services during appraisal.
- γ The company uses a Risk-Based Interest Rate Model, considering factors like cost of funds, margin, risk premium, loan terms, collateral, and customer credit history. The interest rate may vary based on these factors, including an additional risk premium depending on the customer's credit risk assessment, which is influenced by their past credit history, credit bureau information, and internal risk rating. As a result, interest rates may differ for each customer.
- γ The information regarding the rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers will be disclosed to the borrower in the application form and sanction letter.
- γ The rate of interest will be charged on an annualized basis.
- γ Repayment schedules shared with borrower shall indicate the bifurcation between interest and principal which also disclosed to the borrowers in the sanction letter.

VII. REPOSSESSION

The Company has a re-possession clause in the loan agreement with the borrower that will be legally enforceable. To ensure transparency following are the terms and conditions in the loan agreement:

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

VIII. Loan facilities to the physically/visually challenged by NBFCs

Our company is committed to providing equal access to products and services, including loan facilities, to all applicants, regardless of physical or visual disability. We ensure that all our branches provide the necessary assistance to help individuals with disabilities avail themselves of our business facilities.

Additionally, our company will incorporate a dedicated module on the rights of persons with disabilities, as guaranteed by law and international conventions, in all training programs for employees at all levels. We are also committed to addressing and resolving any grievances of persons with disabilities through our established Grievance Redressal Mechanism.

IX. FORCE MAJEURE

The commitments outlined by the Company in this document are applicable under a normal operating environment. In the event of Force Majeure circumstances, the Company may not be able to fully meet the objectives of the Fair Practice Code to the complete satisfaction of borrowers, stakeholders, and the public. However, the Company commits to deploying the best available business continuity plan and resources to address such situations, handling each matter based on its merit.