

**SUBHKAM VENTURES (I) PRIVATE LIMITED**

**POLICY GUIDELINES ON FAIR PRACTICES CODE**

<b>Version</b>	<b>Approval</b>	<b>Version Description</b>	<b>Regulatory Reference</b>
1.0	Board Meeting dated 24 <sup>th</sup> April, 2012	2012	Reserve Bank of India Directions
2.0	Board Meeting dated 25 <sup>th</sup> February, 2013	2013	Reserve Bank of India Directions
3.0	Board Meeting dated 29 <sup>th</sup> August, 2016	2016	Reserve Bank of India Directions
4.0	Board Meeting dated 28 <sup>th</sup> June, 2018	2018	Reserve Bank of India Directions
5.0	Board Meeting dated 29 <sup>th</sup> April, 2022	2022	Reserve Bank of India Directions
6.0	Board Meeting dated 21 <sup>st</sup> April, 2025	2025	Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

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## SUBHKAM VENTURES (I) PRIVATE LIMITED

### POLICY GUIDELINES ON FAIR PRACTICES CODE

#### **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. **Subhkam Ventures (I) 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 confirm 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.

The Company's policy is to treat all the clients consistently and fairly. The employees of the Company will offer assistance, encouragement and service in a fair, equitable and consistent manner. The Company will also communicate its Fair Practices Code (FPC) to its customers by uploading the FPC on its website.

This Fair Practices Code applies to all the categories loan granted by the Company.

#### **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:
  - The Company's products, services, procedures and practices will meet the broad requirements and standards in the FPC;
  - The Company's products and services will be in accordance with relevant laws and regulations as applicable for the time being in force;
  - The Company's dealings with its borrowers will rest on ethical principles of honesty, integrity and transparency.
- b) The Company will assist customers in understanding how its financial products and services work by:
  - Providing information about them in simple Hindi and/ or English and/ or the local language.
  - Explaining their financial implications and
  - Helping the customer choose the one that meets his/ her needs.
- 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:
  - deal with the errors promptly and effectively; deal with the Grievances redressal in a quick and efficient manner and to the satisfaction of the customers;
  - Promptly handle Complaints.
  - Have Escalation process, in the event of dissatisfaction of the borrower in handling his complaint(s);

## **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
- iii. Disbursement of loans including changes, if any, in terms and conditions
- iv. Post disbursement supervision/ monitoring
- v. Other general provisions

### **i. Loan applications and processing thereof**

- Loan documentation set will, inter alia, include the broad features and the terms and conditions governing the loan in the form of loan agreement/ term sheet. 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. The said agreement shall also specify the documents required to be submitted by the borrowers.
- Loan Application request letter shall provide for giving an acknowledgement to the borrowers acknowledging receipt of the same.
- All communication with the borrowers shall in the English language or the language understood and confirmed by borrowers.

### **ii. Loan appraisal and terms/ conditions**

- The Company shall consider all the loan requests keeping in mind the risk based assessment procedures adopted by it.
- The Company, before sanctioning the loan, would assess the ability of the borrowers to repay the loan.
- 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. The Sanction Letter shall contain the broad terms and conditions governing the loan including the annualized rate of interest and method of application thereof.
- A copy of the loan documents including loan agreement and annexures thereof shall be made available to the borrower.
- The default interest rate will be mentioned in bold in the loan agreement.

### **iii. Disbursement of loans including changes in terms and conditions**

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

### **iv. Post Disbursement Supervision**

- 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.

- 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.
- The collaterals lying with the Company may be released on 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 may be retained by the Company for operational convenience and to protect its interest from potential default by the borrowers.

**v. Other General Provisions:**

- The Company shall 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).
- The Company shall 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 shall not discriminate on the grounds of gender, caste or religion in its lending policy and activities.
- 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.
- The Company shall provide the terms and conditions in respect of its lending activities or services whenever the borrower requests for the same.
- On request from borrower for closure of his loan account, the request will be executed within 21 days from the receipt of request thereof 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.

**CONFIDENTIALITY**

- Unless authorized by the borrower, the Company will treat all his personal information as private and confidential.
- 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.

**COMPLAINTS**

In case of any complaint/grievances of the borrowers, the same shall be intimated by them in writing to the Grievance Redressal Officer. The Grievance Redressal Officer shall immediately make all



efforts to redress the grievances. The concerned employees shall guide the borrowers who wish to lodge a complaint.

### **GRIEVANCE REDRESSAL MECHANISM**

The Company shall also lay down the appropriate grievance redressal mechanism within the organization to resolve disputes arising in this regard. Such a mechanism shall ensure that all disputes arising out of the decisions of the Company's functionaries are heard and disposed of at least at the next higher level. The Board of Directors shall also provide for periodical review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management.

- a. The Company will guide customers who wish to lodge a complaint and also provide guidance on what to do in case the customer is unhappy with the outcome.
- b. After examining the matter, the Company will send a response as soon as possible; the Company will also guide a customer on how to take the complaint further if the customer is not satisfied.
- c. At the registered office of the Company, notice will be put up informing the customers about the escalation mechanism and the Grievance Redressal Officer (including the name and contact details). If the grievance is not redressed within a period of one month, the customer may appeal to:

**The Officer In Charge,**

Department of Non-Banking Supervision Reserve Bank of India

3<sup>rd</sup> Floor, Opposite Mumbai Central Railway Station,

Byculla, Mumbai - 400008

**Email id:** dnbsmro@rbi.org.in

### **REGULATION OF EXCESSIVE INTEREST RATE**

- a) Company shall adopt an interest rate model taking into account relevant factors such as, cost of funds, margin and risk premium, etc. and determine the rate of interest to be charged for loans and advances. 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 draft agreement supplied to them and communicated explicitly in the sanction letter.
- b) The rate of interest should be annualised rates so that the borrower is aware of the exact rates that would be charged to the account.

### **APPOINTMENT OF PRINCIPAL NODAL OFFICER (PNO)**

Pursuance to the Reserve Bank of India- Integrated Ombudsman Scheme (RB-IOS), 2021, launched on November 12, 2021 by the Honorable Prime Minister. NBFC is required to appoint a Principal Nodal Officer (PNO) to redress the grievances of customers and furnishing information on behalf of the Regulated Entity in respect of complaints filed against the Regulated Entity. Company shall appoint the any of the Senior officers as PNO of the Company.

### **FORCE MAJEURE**

- The various commitments outlined and made by the Company shall be applicable under the

normal operating environment. In the event of any Force Majeure circumstances, the Company may not be able to fulfill the objectives under the FPC to the entire satisfaction of the borrowers, the stakeholders and the public in general.

*In order to enhance the value and relevance to the borrowers, this code shall be under review from time to time.*

Date: 21/04/2025  
Place: Mumbai

