

S GUPTA HOLDING PRIVATE LIMITED
(Formerly known as APL Infrastructure Private Limited)

FAIR PRACTICES CODE AND GRIEVANCE REDRESSAL MECHANISM
(Version.SG-01)

(Approved by Board of Directors on 26.10.2024)

INDEX

| S. No. | Particulars | Page No. |
|---------------|---|-----------------|
| 1 | Introduction | 3 |
| 2 | Objectives | 3 |
| 3 | Applications for loans and their processing | 3-4 |
| 4 | Appraisal and Terms & Conditions and Key Facts Statement for Loans and Advances | 4 |
| 5 | Penal Charges In Loan Accounts | 4-5 |
| 6 | Disbursement of Loans Including Changes In Terms And Conditions | 5 |
| 7 | Release Of Securities | 5 |
| 8 | General | 5-6 |
| 9 | Interest Rate | 6 |
| 10 | Grievance Redressal Mechanism | 7 |
| 11 | Reserve Bank – Integrated Ombudsman Scheme, 2021 | 7 |
| 12 | Complaint Redressal Mechanism | 7 |
| 13 | Language and Mode of Communicating Fair Practice Code | 7-8 |
| 14 | Regulation of Excessive Interest Charged | 8 |
| 15 | Confidentiality & Discrimination | 8 |
| 16 | KYC | 8 |
| 17 | Guarantor | 8-9 |
| 18 | Compliance with the FPC | 9 |

FAIR PRACTICES CODE AND GRIEVANCE REDRESSAL MECHANISM

1. INTRODUCTION

S Gupta Holding Private Limited (formerly known as APL Infrastructure Private Limited) ('SGHPL' or 'the Company') is a Core-Investment Company – Non-Deposit Taking Systemically Important (CIC-ND-SI) by RBI vide its certificate No. N-12.00520 dated September 27, 2024.

SGHPL has adopted the Fair Practices Code (the 'FPC') pursuant to the guidelines issued by The Reserve Bank vide its Master Direction – Reserve Bank of India (Non-Banking Financial Company–Scale Based Regulation) Directions, 2023 dated October 19, 2023 and subsequent amendments.

The FPC has been approved by the Board of Directors of the Company and it will be disclosed on the Company's website.

2. OBJECTIVES

This code has been adopted:

- to promote good and fair practices by setting minimum standards in dealing with customers;
- to increase transparency so that the customer can have a better understanding on the key terms & conditions governing the grant of Loan facility;
- to encourage market forces, through competition, to achieve higher operating standards; and
- to promote a fair and cordial relationship between customer and SGHPL.

3. APPLICATIONS FOR LOANS AND THEIR PROCESSING

- (a) All communication will be made in a language understood by the customers/borrowers or in a vernacular language, wherever required.
- (b) The loan documentation set would, inter alia, include the broad features and the terms and conditions governing the loan so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and an informed decision can be taken by the customers /borrowers.
- (c) The loan application form would indicate the documents required to be submitted by the borrower. It would also indicate the rate of interest that will be charged to different categories of borrowers.
- (d) An acknowledgement would be provided for all loan applications received along with completed documents. The Company will indicate the approximate time frame within which the loan application will be processed post the submission of a completed loan application reasonable time. In the case of specific app-based/paperless loans

provided, the Company would convey the details through email to the registered email address of the borrower.

4. APPRAISAL AND TERMS & CONDITIONS AND KEY FACTS STATEMENT FOR LOANS AND ADVANCES

- (a) The loan applications would be subject to the Company's credit appraisal process and due diligence on the creditworthiness of the customers/borrowers, which will form an important parameter for taking a decision on a loan application.
- (b) **SGHPL** would convey in English as understood by the customers/borrowers by means of a sanction letter, the amount of loan sanctioned along with the terms and conditions including the annualized rate of interest and method of application thereof. In case of specific app-based/paperless loans provided, the Company would convey the details mentioned above through email to the registered email address of the borrower.
- (c) **SGHPL** would keep on its record the acceptance by the customers/borrowers of the terms and conditions governing the sanction of the loan. In the case of app-based/paperless loans, a request by the borrower to disburse the sanctioned loan amount or part thereof would be deemed to be acceptance by the borrower of the terms and conditions governing the sanction of the loan.
- (d) At the time of sanction/disbursement of loans, **SGHPL** would furnish to all customers/borrowers a copy of the loan agreement/terms and conditions (if any) along with a copy of all enclosures mentioned in the loan agreement.
- (e) The loan agreement shall expressly stipulate the penal interest chargeable for late payment/repayment of dues by the borrower, in bold.

5. PENAL CHARGES IN LOAN ACCOUNTS

- (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) SGHPL shall not introduce any additional component to the rate of interest and ensure compliance to these guidelines in both letter and spirit.
- (c) SGHPL shall formulate a Board approved policy on penal charges or similar charges on loans;
- (d) SGHPL ensures that 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 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 SGHPL to the customers in the loan agreement and most important terms & conditions/Key Fact Statement (KFS) as, in addition to being displayed on websites of NBFCs under Interest rates and Service Charges.
- (g) Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefor shall also be communicated.

6. DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS

- (a) SGHPL would frame internal guidelines and procedures for determining and ensuring that the interest rates and processing and other charges levied on the borrowers are not excessive.
- (b) The disbursement will be initiated upon compliance with all the terms and conditions of sanction of loan by the customers/borrowers. SGHPL would give notice to the customers/borrowers in the vernacular language or a language as understood by the customers/borrowers of any change to the terms and conditions, including the disbursement schedule, interest rates, service charges, pre-payment charges, etc.
- (c) Changes in the interest rates and other charges would be effected prospectively other than under circumstances arising from regulatory instructions.
- (d) The decision to recall/accelerate payment or performance under the agreement would be in consonance with the terms and conditions of the loan agreement.

7. RELEASE OF SECURITIES

SGHPL would release securities (if any) lying with it on repayment of all dues or on the realisation of the outstanding amount of loan subject to any legitimate right or lien for any other claim that **SGHPL** may have against the customers/borrowers. If such right of set-off is to be exercised, the customers/borrowers would be given notice about the aforesaid with full particulars about the remaining claims and the conditions under which **SGHPL** is entitled to retain the securities till the relevant claim is settled/paid.

8. GENERAL

- (a) The Company would refrain from interference in the affairs of the customers/borrowers, except for the purposes provided in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the customers/borrowers has come to the notice of the Company).
- (b) In case of a request from the borrower for transfer of the loan account to another NBFC, bank or financial institution, the Company would convey its decision within 21

days from the date of receipt of request. Such transfer would be in accordance with the contractual terms entered into with the borrower and in consonance with law.

- (c) In the matter of recovery of loans, **SGHPL** would not resort to undue harassment, i.e. persistently bothering the borrower at odd hours, using muscle power for recovery of loans, etc. The Company would ensure that its employees / recovery agent(s) are properly trained to deal with customers in an appropriate manner.
- (d) The Company may arrange to enforce the security provided, if any, by delinquent customers/borrowers. In all such instances, the Company would ensure that the entire process of enforcing its security, valuation and realization thereof is fair and transparent.

9. INTEREST RATE

- (a) The Company would lay down appropriate internal guidelines and procedures for determining interest rates and processing and other charges, keeping in view the guidelines indicated in the Fair Practices Code.
- (b) The Company will ensure that it does not unduly charge excessive interest rates to its borrowers. The interest rate for its customers/borrowers would be arrived at taking into account the broad parameters such as the risk profile of the customers/borrowers, interest rate trends prevailing in the money market, cost of borrowings, primary and collateral security offered by customers/borrowers, the structure of the deal, interest rate charged by competitors and the historical track record of the customers/borrowers with **SGHPL**.
- (c) Interest rates would be intimated to the customers/borrowers at the time of sanction/availing of the loan. The rate of interest would be annualized so that the borrower is aware of the exact rates that would be charged to the account.

The Company would not charge foreclosure charges / pre-payment penalties on all floating rate term loans sanctioned to individual borrowers.

10. GRIEVANCE REDRESSAL MECHANISM

- (a) At **SGHPL**, customer service and satisfaction are the prime areas of focus. The company believes that providing prompt and efficient service is essential not only to attract new customers but also to retain existing ones. **SGHPL** has come up with a lot of initiatives that are oriented towards providing a better customer experience and an efficient grievance redressal mechanism with a view to providing an enhanced experience to customers. In order to make the **SGHPL** redressal mechanism more meaningful and effective, a structured system has been built. This system would ensure that the redressal sought is just and fair and is within the given framework of rules and regulations.

11. RESERVE BANK – INTEGRATED OMBUDSMAN SCHEME, 2021

SGHPL is a Core investment Company and not falls under the definition of NBFC as defined under Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023.

12. COMPLAINT REDRESSAL MECHANISM

- a. In case of any complaint/ grievance, the customers may contact:
Grievance Redressal Officer: Mr. Vinay Gupta
Telephone: 0120-4041 400
E-mail: aplinfra@gmail.com
- b. In case the complaint/ dispute is not redressed within a period of one month, the customer may write to –
General Manager, Department of Non-Banking Supervision,
Reserve Bank of India, Mahatma Gandhi Road
Kanpur-208001, Uttar Pradesh
Ph.: [0512 230 5949](tel:05122305949) Email: doskanpur@rbi.org.in

13. LANGUAGE AND MODE OF COMMUNICATING FAIR PRACTICE CODE

- (a) SGHPL have a Fair Practices Code in English language and vernacular language and is based on the guidelines as outlined by the RBI and has been approved by the Board.
- (b) The same shall be put up on the company website, for the information of various stakeholders.

14. REGULATION OF EXCESSIVE INTEREST CHARGED

- (a) The rate of interest and the approach for gradation of risk and the rationale for charging a 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 or otherwise published shall be updated whenever there is a change in the rates of interest.
- (c) The rate of interest must be annualised rate so that the borrower is aware of the exact rates that would be charged to the account.

15. CONFIDENTIALITY AND DISCRIMINATION

SGHPL shall treat all personal information of customers as private and confidential and shall not divulge any information to a third person unless required by any law or government authorities including regulators or a credit agency or where the sharing of information is permitted by the customer.

SGHPL shall not discriminate against its customers on the basis of race, caste, gender, marital status, religion or disability. However, the restrictions (if any) as mentioned in the loan products shall continue to apply.

16. KYC

SGHPL would explain the requirements of KYC Guidelines to its customers and inform them about the documents required for establishing the identity of the customer before loan sanctioning, account opening and operation.

SGHPL would obtain only such information that is required to meet the company's KYC, anti-money laundering or any other statutory requirements. In case any additional information is asked for, it will be sought separately and shall specify the objective of obtaining such additional information.

17. GUARANTORS

When a person is considered to be a guarantor to a loan, **SGHPL** shall inform him/her of the following under acknowledgement:

- a. Letter/Deed of Guarantee stating the terms of liability as a guarantor.
- b. **SGHPL** shall keep him/her informed of any default in servicing of the loan by the borrower to whom he/she stands as a guarantor.

18. COMPLIANCE WITH THE FPC

An annual review of the compliance with the FPC and the functioning of the grievance redressal mechanism would be conducted. A consolidated report of such review would be submitted to the Board of Directors every year.