

SOLOMON CAPITAL PRIVATE LIMITED (SCPL)
FAIR PRACTICE CODE

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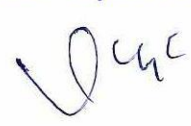
For Solomon Capital Private Limited

Director

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FAIR PRACTICES CODE

1. Preamble

The Fair Practices Code ("FPC") has been devised by **Solomon Capital Private Limited** ("SCPL" or "Company") in accordance with 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, on Fair Practices Code (FPC) for all NBFCs to be adopted by them while doing lending business. The guidelines inter alia, covered general principles on adequate disclosures on the terms and conditions of a loan and adopting a non-coercive recovery method.

2. Purpose

SCPL has put in place the FPC with an endeavor to achieve synchronization of best practices when the Company is dealing with its stakeholders such as customers, employees, vendors, etc. The Company's Fair lending practices shall apply across all aspects of its operations including marketing, loan origination, processing, servicing and collection activities. SCPL's commitment to the FPC would be demonstrated in terms of employee accountability, monitoring and auditing programs, training and technology.

The Company's Board of Directors and the management are responsible for establishing practices designed to ensure that its operations reflect a strong commitment to fair lending and that all employees are aware of that commitment.

3. Definitions

- a) "Authorised Representative" means a person other than an Advocate duly appointed and authorised by a complainant to act on his behalf and represent him in the proceedings for consideration of his complaint.
- b) "Board" means Board of Directors of the Company.
- c) "Complaint" means any representation or allegation made in writing or through electronic means, containing a grievance alleging deficiency in service as




mentioned in Clause 8 of the Scheme.

- d) "Company" means Solomon Capital Private Limited.
- e) "Directors" means individual Director or Directors on the Board of the Company.
- f) "FPC" means Fair Practice Code;
- g) "Ombudsman" means any person appointed under the Ombudsman Scheme.
- h) "Settlement" means an agreement reached by the parties, either by conciliation or mediation.

4. Key Commitment

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

- To provide professional, efficient, courteous, diligent and speedy services.
- Not to discriminate on the basis of religion, caste, sex, descent in any manner.
- To be fair and honest in any advertisement and marketing of loan products.
- To provide customers with accurate and timely disclosure of terms, costs, rights and liabilities as regards loan transactions.
- If sought, to provide such assistance or advise to customers seeking loans.
- To attempt in good faith to resolve any disputes or differences with customers by setting up complaint redressal system within the organization.
- To comply with all the regulatory requirements in good faith.
- Seek to use governance structures that provide appropriate levels of oversight in the areas of audit, risk management and potential conflicts of interest and to implement compensation and other policies that align the interests of owners and management.
- Seek to confirm that the funds do not flow to companies that utilize child or forced labor or generally maintain discriminatory policies against religion or gender.
- Ensure compliances relating to Indian regulations prescribed by the Reserve Bank of India ('RBI')

5. Guidelines on Fair Practice Code For SCPL

I. Applications for loans and their processing

- All loan products of the company shall be the same as mentioned in the Loan/Credit policy of the company.
- All communications to the customer by SCPL shall be in **English** as it is understood by all customers of SCPL.
- As part of the loan process, to inter alia ensure utmost transparency, SCPL 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.
- Time-period for disposal of application

S.No.	Category of customer and Size of Limit	Time norms for disposal after submission of all required papers/information sought by SCPL
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.

- On exercise of choice, the customer would be given the relevant information about the loan product of it's choice.
- The customer would be explained the processes involved till sanction and disbursement of loan and would be notified of timeframe within which all the processes will be completed ordinarily.

II. Loan appraisal terms and conditions

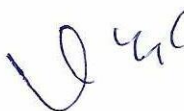
SCPL shall scrutinize the information submitted by the customer and additional data, if any, required will be called promptly to facilitate expeditious disposal of the loan.

SCPL shall convey in writing in English as it is understood by all customers of SCPL by means of Sanction letter or Term sheet or any other form of written communication key

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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 interest rates (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 interest charged for late repayment of loan would be mentioned in bold in the loan agreement)
- acceptance of terms and conditions and other caveats governing the credit given by SCPL arrived at after negotiation
- terms of enforcement of security
- All other information which is relevant from the point of view of the loan to be provided and all the parties involved.
- Wherever possible, reasons for rejection of loan would be conveyed to the customers.

SCPL shall furnish a copy of the loan agreement in English as understood by the borrower along with copy of all relevant enclosures quoted in the loan agreement to all the borrowers at the time of sanction/disbursement of the loan and shall be duly approved by the customer and countersigned by the authorized officials of SCPL.

III. Penal charges in loan accounts

In alignment with our commitment to regulatory compliance and operational excellence, SCPL acknowledges and embraces the directives outlined in "Penal charges in loan accounts". As a responsible Non-Banking Financial Company (NBFC), SCPL are dedicated to the seamless integration of following instructions into our policy framework.

Penalty, if charged by SCPL, 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 capitalization 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.

SCPL shall not introduce any additional component to the rate of interest and ensure compliance to these guidelines in both letter and spirit.

SCPL shall formulate a Board approved policy on penal charges or similar charges on loans.

The quantum of penal charges shall be reasonable and commensurate with the non-

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compliance of material terms and conditions of loan contract without being discriminatory within a particular loan/product category.

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.

The quantum and reason for penal charges shall be clearly disclosed by SCPL to the customers in the Sanction Letter/TS and/or loan agreement and most important terms & conditions/Key Fact Statement (KFS) as, in addition to being displayed on websites of SCPL under Interest rates and Service Charges.

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.

SCPL shall carry out appropriate revisions in their policy framework and ensure implementation of the instructions in respect of all the fresh loans availed/ renewed from the effective date. In the case of existing loans, the switchover to new penal charges regime shall be ensured on next review or renewal date or six months from the effective date of these instructions, whichever is earlier.

IV. Disbursement of loans including changes in terms and conditions

- SCPL shall give notice/sent intimation over e-mail in English as understood by the customer regarding any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc.
- Changes in the interest rates and charges shall be effected prospectively.
- A suitable condition in this regard shall be incorporated in the sanction letter and/or loan agreement, as applicable.
- Decision to recall / accelerate payment or performance under the agreement will be in consonance with the sanction letter and/or loan agreement. Before taking a decision to recall / accelerate payment or performance under the agreement or seeking additional securities, SCPL shall give notice to customers in consonance with the loan agreement in English as may be understood by the customer.
- SCPL shall release all securities, if any, on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim SCPL may have against borrower. If such right of set off is to be exercised, the borrower shall be given notice about the same with full about the remaining claims and the conditions under which SCPL is entitled to retain the securities till the relevant claim is settled/ paid

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- All communication like 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 8 years

V. Reset of floating interest rate on Equated Monthly Instalments (EMI) based personal loans

- (A)** At the time of sanctioning EMI-based floating rate personal loans, SCPL shall meticulously evaluate the repayment capacity of borrowers, ensuring adequate headroom/margin for potential changes in the external benchmark rate during the loan tenor. To address grievances related to elongation of loan tenor and/or increase in EMI without proper communication or consent SCPL will establish and implement a policy framework in accordance with the following requirements:
- Clearly communicate to borrowers about the possible impact of changes in benchmark interest rates on the loan, leading to modifications in EMI and/or tenor. Subsequently, any increase in the EMI/ tenor or both on account of the above shall be communicated to the borrower immediately through appropriate channels.
 - Provide borrowers the option to switch to a fixed rate at the time of interest rate reset, in accordance with SCPL Board-approved policy, specifying the permissible number of switches during the loan tenor.
 - The borrowers shall also be given the choice to opt for:
 - (a) enhancement in EMI, elongation of tenor, or a combination of both options; and
 - (b) Additionally, allow borrowers to prepay, either in part or in full, during the loan tenor. Levy of foreclosure charges/prepayment penalty shall be subject to terms and conditions of the loan approval documents.
 - Transparently disclose all applicable charges for switching loans from floating to fixed rate, along with any other service charges/administrative costs, in the sanction letter and at the time of revising such charges periodically.
 - Ensure that elongation of tenor in the case of floating-rate loans does not result in negative amortization.
 - Share or make accessible to borrowers, through appropriate channels, a quarterly statement enumerating principal and interest recovered, EMI amount, remaining EMIs, and annualized rate of interest/Annual Percentage Rate (APR) for the entire tenor of the loan. SCPL shall ensure that the statements are simple and easily understood by the borrower.
- (B)** These instructions are applicable, mutatis mutandis, to all equated installment-based loans of different periodicities, extending the principles to various loan structures.

(C) SCPL ensured to extending the above-mentioned instructions to both existing as well as new loans suitably. All existing borrowers were sent a communication, through appropriate channels, intimating the options available to them.

VI. General

- SCPL will not interfere in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless information, not earlier disclosed by the borrower, has been noticed).
- In case of receipt of request from the borrower for transfer of loan account, the consent or otherwise i.e. objection from SCPL, if any, will be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.
- 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, SCPL may refer the case to the recovery agent and will inform the customer of the recovery proceedings being initiated. SCPL shall ensure that its process of recoveries will not involve harassment to the Customer. Appropriate instructions will be provided by SCPL to its staff for handling customer queries and grievances cordially.
- All the fees / charges / interest would be payable as per interest rate policy or as per mutually agreed terms.
- Post disbursement supervision is constructive and the genuine difficulties which the customer may face is given consideration.
- SCPL will consider cases of financial difficulty appropriately. The customer should identify problems and immediately should let SCPL know as soon as possible.
- 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.
- Customer information would be revealed only under the following circumstances, namely;
 - (a) If SCPL is compelled by law
 - (b) If it is in the Public Interest to reveal the information
 - (c) If it is in the interest of SCPL to require disclosure.

VII. Responsibility of Board of Directors

- The Board of Directors of SCPL has laid down grievance redressal mechanism within the organization as per details mentioned in the next paragraph. Such a mechanism ensures that all disputes arising out of the decisions of SCPL's functionaries are heard and disposed of at least at the next higher level. The Board of Directors of SCPL shall annually review the compliance of the FPC and the functioning of the Grievance Redressal Mechanism. A consolidated report of compliance shall be submitted to the Board every year.

VIII. Grievance Redressal Policy (GRP)

- The Board of Directors of SCPL has laid down a Grievance Redressal Policy ("GRP") in compliance with various regulations applicable on the Company.

IX. Language and mode of communicating FPC

- FPC as established by SCPL has been established in English language and is based on the guidelines as outlined by the RBI and has been approved by the Board.
- SCPL shall also have its FPC in regional/vernacular languages for customers who are unable to read the same in English.
- The same shall be put up on the website, for the information of various stakeholders.

X. Regulation of excessive interest rates charged

- The Board of SCPL shall adopt 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. SCPL will disclose to the borrower the risk and rationale for charging different rate of interest to different categories of borrowers in the application form and explicitly communicate in the sanction letter
- The rate of interest being charged by SCPL shall be annualized rate to make the customer aware of the exact rates that would be charged to the account.

XI. Complaints about excessive interest rates charged

Board of SCPL shall lay out an interest rate policy mentioning internal principles and procedures in determining interest rates, processing charges and other charges.

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

- SCPL shall not discriminate in extending products and facilities including loan facilities to physically/visually challenged applicants on grounds of disability. All branches of SCPL shall render all possible assistance to such persons for availing of the various business facilities. SCPL shall include a suitable module containing the rights of persons with disabilities guaranteed to them by the law and international conventions, in all the training programmes conducted for their employees at all levels. Further, SCPL shall ensure redressal of grievances of persons with disabilities under the Grievance Redressal Mechanism already set up by them.

XIII. NBFC-MFIs

- SCPL does not envisage carrying out NBFC-MFI activities therefore such guidelines are not applicable on the Company.

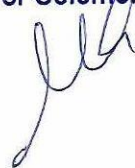
XIV. Other Instructions

- Documentation across all branches must be standardized.
- SCPL shall not issue misleading advertisements like claiming the availability of loans in a matter of 2-3 minutes.

6. GROUND OF COMPLAINTS

Any person may file a complaint with the Ombudsman having jurisdiction, on any one of the following grounds alleging deficiency in services:

- a) failure to convey in writing, the amount of loan sanctioned along with terms and conditions including annualized rate of interest and method of application thereof;
- b) failure or refusal to provide sanction letter/ terms and conditions of sanction in English language or a language as understood by the borrower;
- c) failure or refusal to provide adequate notice on proposed changes being made in sanctioned terms and conditions in English language or a language as understood by the borrower;
- d) failure or inordinate delay in releasing the securities documents to the borrower on repayment of all dues;
- e) levying of additional charges without adequate prior notice to the borrower/customer;
- f) failure to provide the contract/ loan agreement;
- g) failure to ensure transparency in the contract/ loan agreement
- h) Non-observance of directions issued by Reserve Bank to the non-banking financial


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companies;

- i) Non-adherence to any of the other provisions of Reserve Bank Guidelines on Fair Practices Code for Non-Banking Financial Companies which are applicable on the company based on RBI Scale Based Regulations, 2023.

The Ombudsman may also deal with such other matter as may be specified by the Reserve Bank from time to time in this behalf.

7. PROCEDURE FOR FILING COMPLAINTS

The complaint, when in writing, shall be duly signed by the complainant or his authorized representative and shall be in the format provided under Annexure-A, as far as possible stating clearly:

- i) the name and address of the complainant,
- ii) the name and address of the branch or registered office of the Non-Banking Financial Company against which the complaint is made,
- iii) the facts giving rise to the complaint,
- iv) the nature and extent of the loss caused to the complainant, and
- v) the relief sought for.

(b) A complaint made through electronic means shall also be accepted by the Ombudsman and a print-out of such complaint shall be taken on the record of the Ombudsman.

(c) The Ombudsman shall also entertain complaints covered by this Scheme received by the Central Government or Reserve Bank or other financial regulators and forwarded to him for disposal.

8. CONTACT DETAILS OF PRINCIPAL NODAL OFFICER

Please find below contact details of Principal Nodal Officer of the Company:

Name of Principal Nodal Officer	Jitendra Kumar
Contact No.	9773797702
Email Address	jitendra.kumar@rupee112.com

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Annexure-A

**FORM OF COMPLAINT (TO BE LODGED) WITH THE NBFC OMBUDSMAN
(TO BE FILLED UP BY THE COMPLAINANT)**

To:
The NBFC Ombudsman
Place of office of the NBFC Ombudsman:

Dear Sir,
Sub: Complaint against _____ (Name of the NBFC branch of _____ (Name of the NBFC)

Details of the complaint are as under:

1. Name of the Complainant-
2. Full Address of the Complainant-
Pin Code-
Phone No/ Fax No.-
Email-
3. Complaint against (Name and full Address of the branch & NBFC) –
Pin Code-
Phone No. / Fax No.-
Email-
4. Particulars of NBFC Account (If any)-
(Please state the number and the nature of account viz. deposit/ loan account etc. related to the subject matter of the complaint being made.)
5. (a) Date of representation already made by the complainant to the NBFC
(Please enclose a copy of the representation)

(b) Whether any reminder was sent by the complainant? YES/NO
(Please enclose a copy of the reminder)
6. Subject matter of the complaint (Please refer to Clause 8 of the Scheme)-
7. Details of the complaint:
(If space is not sufficient, please enclose separate sheet)
8. Whether any reply (Within a period of one month after the NBFC concerned received the representation) has been received from the NBFC? Yes/ No

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(if yes, please enclose a copy of the reply)

9. Nature of Relief sought from the NBFC Ombudsman-
(Please enclose a copy of documentary proof, if any, in support of your claim)
10. Nature and extent of monetary loss, if any, claimed by the complainant by way of compensation (please refer to Clauses 12 (5) & 12 (6) of the Scheme)
Rs. _____
11. List of documents enclosed:
(Please enclose a copy of all the documents)
12. Declaration:
- i. I/ We, the complainant/s herein declare that:
 - a) the information furnished herein above is true and correct; and
 - b) I/ We have not concealed or misrepresented any fact stated in the above columns and in the documents submitted herewith.
 - ii. The complaint is filed before expiry of period of one year reckoned in accordance with the provisions of Clause 9(A)(a) and (b) of the Scheme.
 - iii. The subject matter of the present complaint has never been brought before
 - iv. The Office of the NBFC Ombudsman by me/ us or by any of the parties concerned with the subject matter to the best of my/ our knowledge.
 - v. The subject matter of the present complaint has not been decided by/ is not pending with any forum/ court/ arbitrator.
 - vi. I/ We authorise the NBFC to disclose any such information/ documents furnished by us to the NBFC Ombudsman and disclosure whereof in the opinion of the NBFC Ombudsman is necessary and is required for redressal of our complaint.
 - vii. I/ We have noted the contents of the Ombudsman Scheme for NBFCs, 2018

Yours faithfully,

(Signature of Complainant)

NOMINATION – (If the complainant wants to nominate his representative to appear and make submissions on his behalf before the SCPL's Ombudsman or to the Office of the SCPL's Ombudsman, the following declaration should be submitted.)

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I/We the above named complainant/s hereby nominate Shri/ Smt. _____ who is not an Advocate and whose address is as my/our REPRESENTATIVE in all proceedings of this complaint and confirm that any statement, acceptance or rejection made by him/her shall be binding on me/ us. He/ She has signed below in my presence.

ACCEPTED

(Signature of Representative)

(Signature of Complainant)

Note: If submitted online, the complaint need not be signed.

For Solomon Capital Private Limited



Director

