



**TRUST IS OUR TRADEMARK**  
**RKP FINANCE PVT.LTD.**

## Fair Practices Code

|                                 |                           |                   |
|---------------------------------|---------------------------|-------------------|
| <b>Policy Name</b>              | <b>Fair Practice code</b> |                   |
| <b>Effective date</b>           | <b>April 2026</b>         |                   |
| <b>Prepared and proposed by</b> | <b>Operations Team</b>    |                   |
| <b>Approver</b>                 | <b>Board of Directors</b> | <b>April 2026</b> |

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## **1. Introduction**

**RKP FINANCE PVT. LTD** is a Non-Banking Financial Company having valid Certificate of Registration with Reserve Bank of India vide registration No. B-10.00328 on 31<sup>ST</sup> March 2022. Classified as a non-deposit taking Asset Finance Company, RKP FINANCE PVT. LTD. focuses on financing MSMEs, vehicles, Loan Against Property. RKP FINANCE PVT. LTD. commits to following fair trade practices to ensure transparency and fairness in dealings with customers. It is focused on offering finance to MSME, vehicles, Loan Against Property, and all kind of light commercial vehicles segment.

## **2. Applications For Loans and Their Processing**

- All communications to borrowers will be in the vernacular language or a language understood by the borrower.
- Loan application forms shall include necessary information to allow a meaningful comparison with the terms and conditions offered by other financial Institutions/Banks and enable an informed decision by the borrower. The loan application form shall indicate the documents required to be submitted.
- RKP FINANCE PVT. LTD. shall devise a system of acknowledging the receipt of all loan applications. Preferably, the timeframe within which loan applications will be disposed of shall also be indicated in the acknowledgement.

## **3. Loan Appraisal and Terms / Conditions**

- RKP FINANCE PVT. LTD. shall convey in writing to the borrower, in the vernacular language or a language understood by the borrower, the amount of loan sanctioned along with the terms and conditions, including the annualized rate of interest and method of application. RKP FINANCE PVT. LTD. shall keep the acceptance of these terms and conditions by the borrower on its record.
- RKP FINANCE PVT. LTD. shall mention the penalties charged for late repayment in bold in the loan agreement.
- RKP FINANCE PVT. LTD. shall furnish a copy of the loan agreement and a copy of all enclosures quoted in the loan agreement to all borrowers at the time of sanction/disbursement of loans.

## **4. Penal Charges is Loan Accounts:**

- Penalty for non-compliance with material terms and conditions of the loan contract by the borrower shall be treated as 'penal charges' and shall not be levied as 'penal interest'.
- RKP FINANCE PVT. LTD. shall not introduce any additional component to the rate of interest and ensure compliance with RBI "Fair Trade Practice guidelines".
- RKP FINANCE PVT. LTD. 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-compliance of material terms and conditions of the loan contract.  
Penal charges for loans to ‘individual borrowers, for purposes other than business’, shall not be higher than those for non-individual borrowers for similar non-compliance.
- The quantum and reason for penal charges shall be clearly disclosed to customers in the loan agreement and displayed on RKP FINANCE PVT. LTD.’s website.
- Penal charges shall be communicated to borrowers whenever reminders for non-compliance are sent.

#### **5. Disbursement of Loans Including Charges in Terms and Conditions:**

- RKP FINANCE PVT. LTD. shall give notice to the borrower in the vernacular language or a language understood by the borrower of any change in the terms and conditions, including disbursement schedule, interest rates, service charges, prepayment charges, etc.
- RKP FINANCE PVT. LTD. shall release all securities on repayment of all dues or on the realization of the outstanding amount of the loan, subject to any legitimate right or lien for any other claim RKP FINANCE PVT. LTD. may have against the borrower.

#### **6. Post Disbursement Supervision:**

- Post disbursement supervision, such as periodic inspections, will be conducted in accordance with the terms and conditions of the loan agreement.
- RKP FINANCE PVT. LTD. will issue a notice before taking possession of the assets in the event of non-payment of the loan, allowing the borrower sufficient time to take remedial action or negotiate terms.

#### **7. Reset of Floating Interest Rate on Equated Monthly Instalments (EMI) Based Personal Loans:**

- At the time of sanction of EMI-based floating rate personal loans, RKP FINANCE PVT. LTD. shall clearly communicate the possible impact of change in benchmark interest rate on the loan.
- Borrowers shall be given the option to switch over to a fixed rate as per RKP FINANCE PVT. LTD. ’s Board-approved policy and choose between enhancement in EMI, elongation of tenor, or a combination of both.
- RKP FINANCE PVT. LTD. shall provide a statement at the end of each quarter detailing the principal and interest recovered, EMI amount, number of EMIs left, and annualized rate of interest/APR.

## 8. General:

- RKP Finance PVT. LTD. shall refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement.
- In case of receipt of request from the borrower for transfer of borrowal account, RKP Finance PVT. LTD. shall convey its consent or objection within 21 days.
- RKP Finance PVT. LTD. shall not resort to undue harassment or rude behavior during loan recovery.
- RKP Finance PVT. LTD. shall not charge foreclosure charges/pre-payment penalties on floating rate term loans sanctioned for purposes other than business to individual borrowers.

## 9. Responsibility of Board of Directors:

- The Board of Directors of RKP Finance PVT. LTD. shall lay down an appropriate grievance redressal mechanism within the organization.
- The Board shall periodically review the compliance of the Fair Practices Code and the functioning of the grievance redressal mechanism. A consolidated report of such reviews shall be submitted to the Board at regular intervals.

## 10. Reserve Bank – Integrated Ombudsman Scheme, 2021:

RKP FINANCE PVT. LTD. shall comply with the directions provided under the Reserve Bank – Integrated Ombudsman Scheme, 2021.

## 11. Language and Mode of Communicating Fair Practice Code:

The Fair Practices Code, preferably in the vernacular language or a language understood by the borrower, shall be put in place by RKP FINANCE PVT. LTD. with the approval of its Board. The same shall be put up on RKP FINANCE PVT. LTD.'s website for the information of various stakeholders.

## 12. Regulation of Excessive Interest Charged By RKP FINANCE PVT. LTD. :

- The Board of RKP FINANCE PVT. LTD. shall adopt an interest rate model taking into account relevant factors such as cost of funds, margin, and risk premium.
- The rate of interest and the approach for gradations of risk shall be disclosed to the borrower in the application form and communicated explicitly in the sanction letter. The Company ensures that interest rates charged to borrowers are reasonable and take into account the risk profile of the borrower, the nature and purpose of the loan, and the cost of funds, while ensuring equitable treatment of all customers.

### 1. Risk-Based Pricing Approach

The Company follows a **risk-based gradation system** that considers various parameters to assess the creditworthiness of the borrower and determine the applicable interest rate.

Key factors influencing the risk gradation and interest rate include, but are not limited to:

- **Credit Score (CIBIL/CRIF and other bureaus)**
- **Repayment capacity and cash flow analysis**
- **Nature of business and industry risk**
- **Borrower's profile and financial discipline**
- **Past repayment history and existing indebtedness**
- **Geographical location and operational risks**
- **Loan tenor, size, and purpose**
- **Type and adequacy of security/collateral offered**
- **Age**

## 2. Rationale for Charging Differential Rate of Interest

The Company may charge different interest rates to different borrowers or categories of borrowers based on the **risk assessment and cost structure** associated with each segment. This differentiation ensures long-term sustainability, responsible lending, and efficient risk management. The rationale includes:

- **Higher credit risk** warrants a **higher rate of interest** to mitigate potential defaults and losses.
- **Lower risk borrowers** are offered **preferential or lower rates**, incentivizing financial discipline.
- **Unsecured loans** attract **higher rates** compared to **secured loans** due to lack of collateral.
- **Operational costs** associated with rural or high-risk geographies may also be factored.
- **Special schemes or promotional offers** may carry reduced interest rates for financial inclusion.
- The rate of interest must be annualized so that the borrower is aware of the exact rates charged to the account.

## 13. Grievance Redressal Mechanism:

- RKP Finance PVT. LTD. have a Grievance Redressal Mechanism for receiving and addressing complaints from the customers.
- The customer will be provided with the information of the Grievance Redressal Mechanism and the escalation matrix for unresolved complaints.
- RKP Finance PVT. LTD. will acknowledge the receipt of complaints within a week and resolve the complaint within 30 days.

## 14. Complaints About Excessive Interest Charged :

The Board of RKP Finance PVT. LTD. shall lay out appropriate internal principles and procedures in determining interest rates and processing and other charges.

### **15. Repossession of Vehicles Financed:**

1. RKP Finance Pvt. Ltd. shall have a built-in repossession clause in the loan agreement, which must be legally enforceable.
2. The terms and conditions of the contract shall contain provisions regarding:
  - Notice period before taking possession;
  - Circumstances under which the notice period can be waived;
  - The procedure for taking possession of the security;
  - A provision regarding final chance to be given to the borrower for repayment of loan before the sale/ auction of the property;
  - The procedure for giving repossession to the borrower; and
  - The procedure for sale/auction of the property.
3. Copy of terms and condition must be available to borrower/ loan agreement

### **16. Loan Facilities to The Physically/Visually Challenged :**

- RKP FINANCE PVT. LTD. shall not discriminate in extending products and facilities to physically/visually challenged applicants on grounds of disability.
- RKP FINANCE PVT. LTD. shall render all possible assistance to such persons for availing of various business facilities and ensure redressal of grievances under the Grievance Redressal Mechanism.

This Fair Practices Code reflects the commitment of RKP Finance PVT. LTD. to follow the guidelines outlined by the Reserve Bank of India to promote fair and transparent practices in the conduct of its business.