LRSD SECURITIES PRIVATE LIMITED

FAIR PRACTICES CODE

Document Title	Fair Practices Code
Entity Classification	Non-Banking Financial Company — Middle Layer
Version	Version 2.0
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PRELIMINARY

1. Policy Statement

1.1. The *Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025 (dated November28, 2025)* has mandated the adherence of the board-approved Fair Practices Code.

1.2. This Code aims to provide its borrowers with an effective overview of the practices followed by **LRSD Securities Private Limited** (hereinafter referred to as **"LRSD"** or the "**Company**") and to enable them to make informed decisions in respect of all the financial facilities and services offered by the Company.

1.3. The Company has the freedom to enhance the scope of the guidelines of this code but shall not sacrifice the spirit underlying the guidelines.

2. Purpose of the Policy

2.1. This code has been structured with the following objectives:

- 2.1.1. Ensuring fair practices while dealing with all the customers.
- 2.1.2. Greater transparency enables customers in having a better understanding of the product and make informed decisions.
- 2.1.3. Building customer confidence in the Company
- 2.1.4. To conduct the business in accordance with prevailing statutory and regulatory requirements with due focus on efficiency, customer orientation and corporate governance principles.
- 2.1.5. Ensure that customers understand the financial product or service that the Company offers in the language understood by the borrower or customer.
- 2.1.6. Structure a robust Grievance Redressal Mechanism for the borrowers to redress their issues fairly and effectively.

LOAN PROCESSING

3. Application for Loan Processing

3.1. Language of Communication: All communications with the borrower shall ordinarily be made in English. Where a borrower expressly requests that communications be made in any other language understood by the borrower, the Company shall record such preference and, to the extent reasonably practicable, all subsequent communications with the borrower shall be made in the requested language.

3.2. Disclosure in Loan Application: The loan application shall include all the necessary information which can affect the interests of the borrower, 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 borrower.

3.3. Documentation Requirements: The loan application form shall clearly indicate the list of documents and information required to be submitted by the borrower along with the application form.

3.4. Acknowledgement of Application: The Company shall issue an acknowledgment receipt for all loan applications either in writing or through electronic means, as applicable. The acknowledgement shall, wherever feasible, indicate the expected timeline for processing and disposal of the loan application, subject to receipt of all requisite documents and information from the Borrower and timeline for disposal.

4. Loan Appraisal and Terms & Conditions

4.1. The Company shall convey its decision on the loan application to the borrower in writing, by means of a sanction letter or any other written communication, in English. Where a Borrower specifically requests that the sanction communication be provided in any other vernacular language understood by the Borrower, the Company shall, to the extent reasonably practicable, provide such communication in the requested language. The sanction communication shall specify, at a minimum, the amount of loan sanctioned, the terms and conditions governing the loan, including the annualised rate of interest and the method of its application. The Company shall obtain and maintain on its records the borrower's acceptance of the said terms and conditions.

4.2. The Company shall clearly disclose the penal charges applicable for delay or default in repayment in the loan agreement. Such penal charges shall be prominently highlighted in **bold** to ensure that the borrower is adequately informed of the consequences of late repayment.

4.3. To promote transparency and enable the Borrower to fully understand the terms of the loan, the Company shall at the time of sanction or disbursement of the loan, furnish a copy of the terms and conditions, loan agreement, and enclosures quoted in the loan agreement to the borrower in the language of its understanding.

4.4. The Company shall conduct due diligence of the loan applications in consonance with the ***Credit Policy*** and other applicable guidelines/policies of the Company before arriving at a credit decision.

4.5. The Company shall provide a Key Facts Statement (KFS) to every prospective borrower for all loans and advances, in accordance with the applicable regulatory requirements, before the execution of the loan agreement. The KFS shall contain all material information relating to the loan facility in a clear, concise and comprehensible manner to enable the borrower to make an informed decision prior to entering into the loan contract.

DISBURSEMENT CONDITIONS AND CLOSURE OF ACCOUNT

5. Disbursement of Loans and Changes in Terms & Conditions

5.1. The Company shall give notice to the borrower, of any change in the terms and conditions, disbursement schedule, interest rates, service charges, prepayment charges etc.

5.2. The Company shall ensure that any changes in the interest rate and charges are affected only prospectively. A suitable condition in this regard shall be incorporated into the loan agreement.

5.3. The decision to recall/ accelerate payment or performance under the Agreement shall be in consonance with the Loan Agreement.

6. Closure of Loan Account

6.1. Once the loan amount is fully repaid by the Borrower, the Company shall:

- 6.1.1. Update the account status promptly;
- 6.1.2. Close the loan account without imposing unjustified charges solely for closure; and
- 6.1.3. Issue a No Dues Certificate/Closure Letter to the Borrower.

6.2. The Company shall release all securities upon the repayment of all dues or realization of the outstanding loan amount, subject to any legitimate right or lien or any other claims. If such a right is exercised, the Borrower shall be given notice with full information regarding the remaining claims and the conditions for the final release of securities.

7. Release of Movable/Immovable Property Documents on Repayment or Settlement of Personal Loans

The Company shall adhere to the following procedure in all instances where it undertakes or engages in the provision of Personal Loans, in accordance with its internal policies, Applicable Laws, and regulatory requirements.

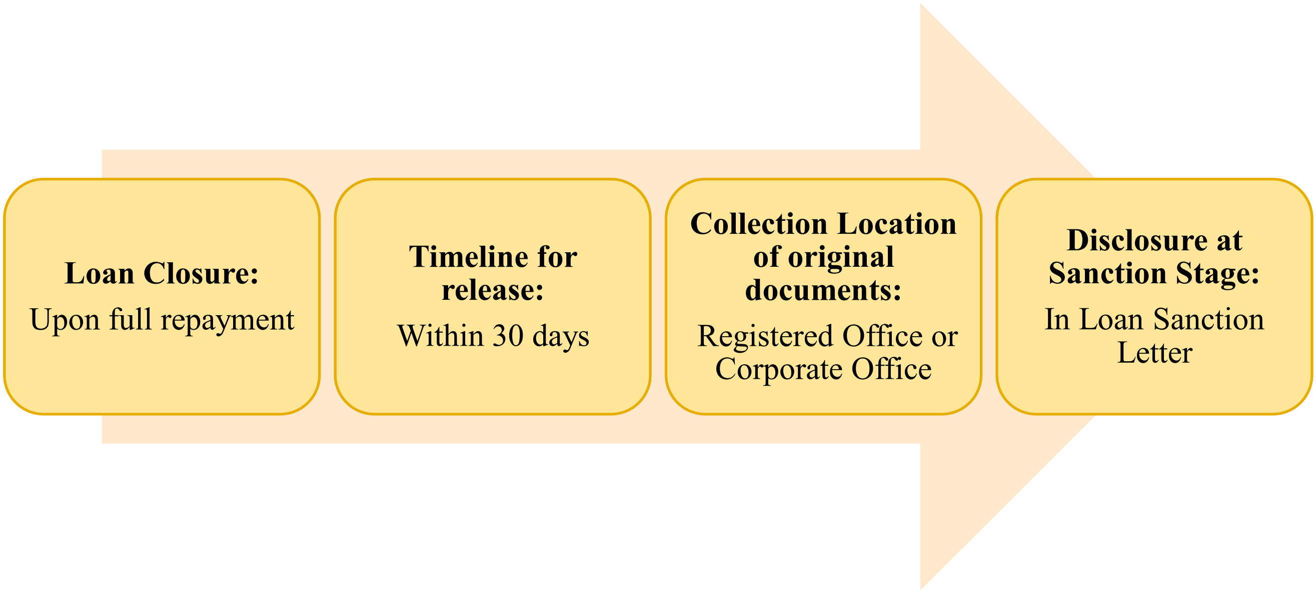
Personal loans refers to loans given to individuals and consist of (a) consumer credit, (b) education loan, (c) loans given for creation/ enhancement of immovable assets (e.g., housing, etc.), and (d) loans given for investment in financial assets (shares, debentures, etc.)

7.1. Procedure for release of Documents:

7.1.1. Upon full repayment or settlement of the loan account, the Company shall release all original movable and immovable property documents and arrange for the removal of any charges registered with relevant registries, if applicable, within a period of **thirty (30) days** from the date of such repayment or settlement**.**

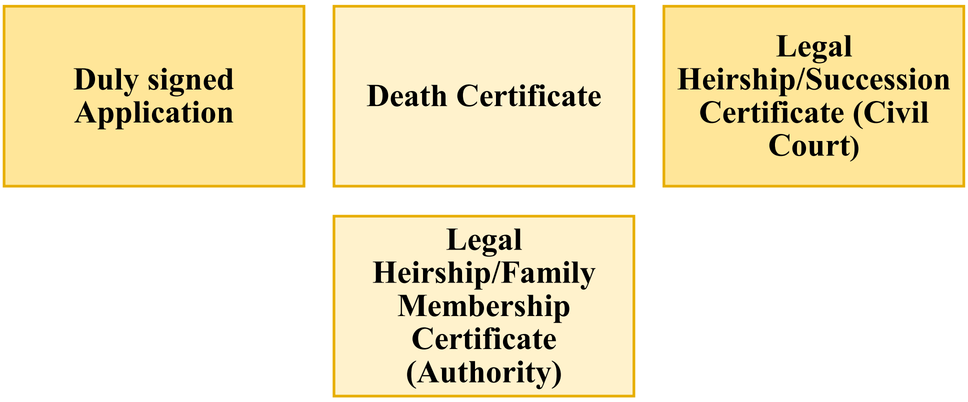
7.1.2. The borrower shall collect the original property documents from the Company's Registered Office or Corporate Office, or from such other location as may be mutually agreed between the Company and the Borrower, provided the documents are available at such location.

7.1.3. The loan **sanction letter** shall clearly specify the timeline for the release of the original property documents and the designated location from which the borrower may collect such documents upon full repayment or settlement of the loan account.



7.2. Procedure for release in case of Borrower's demise:

7.2.1. The legal heirs or co-borrowers of the deceased shall submit following documents to the Company:



- A duly signed application by the legal heir(s) and/or co-borrower(s) of the deceased.
- The death certificate of the deceased property owner.
- A legal heirship certificate or a succession certificate issued by a competent civil court.

- ❖ A legal heirship certificate or family membership certificate issued by the competent authority, such as a Tahsildar. Such legal heirship certificate or family membership certificate must list all eligible legal heirs of the deceased, along with their relationship to the deceased, as per applicable personal or succession laws.

7.2.2. After the full repayment or settlement of the loan and the closure of the loan account, the legal heirs shall be physically present at the registered office or the corporate office for the release of the charge on the property. Upon compliance with all procedures, the original property documents shall be handed over to the legal heirs under due acknowledgment.

7.2.3. If the deceased borrower was a property owner along with other co-owners, the co-owners are entitled to take delivery of the original property documents in the presence of the legal heirs of the deceased.

7.2.4. In case of any disputes among the legal heirs, any claims by legal heirs, or any objections received regarding the release of the original documents, the property documents shall only be handed over after a clear court order is obtained, or if all legal heirs have reached an agreement regarding the custody of the property documents. Such an agreement shall be signed by all legal heirs and submitted to the registered office or corporate office.

7.2.5. Legal heirs and co-owners visiting the registered office or corporate office of the Company to collect the original property documents shall present original KYC documents and provide attested copies of the same to the Company for verification.

7.3. Compensation for delay in release of Documents:

7.3.1. The Company shall promptly communicate to the borrower, the reasons for any delay in releasing the original movable or immovable property documents, or in filing the charge satisfaction form with the relevant registry, if such delay extends **beyond 30 days** after the full repayment or settlement of the loan.

7.3.2. If the delay in releasing the documents is attributable to the Company, the borrower shall be compensated **at a rate of ₹5,000/- per day for each day of delay** beyond the 30-day period.

7.3.3. In the event of loss or damage to the original movable or immovable property documents, whether in part or in full, the Company shall **assist the borrower** in obtaining duplicate or certified copies of the documents. The Company shall bear all associated costs for obtaining such documents, in addition to paying the compensation for the delay as specified above, starting after a total period of **60 days** from the full repayment or settlement of the loan.

7.3.4. The compensation provided by the Company under this policy shall not limit or affect the borrower's right to seek additional compensation as may be permitted by any applicable law.

8. Regulation of Excessive Interest Charged

8.1. The Board of the Company shall adopt an appropriate 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.

8.2. The rate of interest, the approach for gradation of risk, and the rationale to charge different rates 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.

8.3. The rates of interest and the approach for the gradation of risks shall be made available on the **website of the company** or published in the **relevant newspapers**. The information so published shall be updated as and when there are any changes in the rates of interest.

8.4. The rate of interest shall be charged annually so that the borrower is aware of the exact rates that shall be charged to the account.

8.5. The Company shall charge a reasonable rate of interest that is both sustainable and conform to normal financial practice.

8.6. The Board of the Company shall lay out appropriate internal principles and procedures in determining interest rates, processing, and other charges in its ***'Interest Rate Policy (including Penal Charges and Interest Rate Model)'***.

9. Recovery of Loans

9.1. The Company shall not resort to the following measures to recover the outstanding dues:

(i) intimidation or undue harassment of any kind meaning verbal or physical against any person in their debt collection efforts,

(ii) shall not be bothering persistently to the borrowers at odd hours,

(iii) humiliate publicly or intrude upon the privacy of the debtors' family members, referees and friends,

(iv) sending inappropriate messages either on mobile or through social media,

(v) making threatening and/ or anonymous calls,

(vi) making false and misleading representations,

(vii) use muscle power for recovery of loans/overdue amount,

(viii) rude behaviour by Company's staff

9.2. The Company or its representatives shall not call delinquent customers/borrowers before 8:00 AM and after 7:00 PM.

9.3. The Company shall impart training to its staff to ensure they engage with customers in a professional and appropriate manner.

9.4. There should be a dedicated mechanism for redressal of recovery related grievances. The details of this mechanism shall be provided to the borrower at the time of loan disbursal.

10. **Non-Discrimination**

10.1. The Company shall adopt a non-discriminatory approach in extending its products and facilities, including loan facilities, to all applicants and shall not discriminate on the grounds of gender, race, religion, language, or physical or visual disability, in accordance with applicable laws and regulatory guidelines.

10.2. The Company shall diligently provide financial services or products to borrowers with disabilities, ensuring compliance with applicable laws and international conventions and integrate the same into employee training programs.

10.3. The **'Grievance Redressal Mechanism'** of the Company shall ensure effective resolution of grievances raised by persons with disabilities.

11. **Privacy of the Customer Information**

11.1. The Company shall maintain the confidentiality and privacy of all Customer/Borrower information. Such information shall not be disclosed to any third party except where: (i) the Customer/Borrower has been informed of such disclosure and has provided the necessary consent, where required; (ii) disclosure is mandated under applicable law or by any regulatory, judicial or statutory authority; or (iii) there exists a legal or public duty to disclose such information.

11.2. However, the Company may share Customer/Borrower information with its affiliates, subsidiaries, group companies, service providers or other entities engaged by the Company for legitimate business purposes, subject to such entities being bound by appropriate confidentiality and data protection obligations. The Company shall remain responsible for ensuring that the confidentiality of such information is maintained by such entities.

MISCELLANEOUS

12. **General**

12.1. Non-interference: The Company shall not interfere in the affairs of the borrower except where such interference is warranted under the terms and conditions of the loan agreement, is necessary for the protection or enforcement of the Company's rights in relation to the loan, or where any material information affecting the credit facility was not disclosed by the borrower at the time of sanction or disbursement of the loan.

12.2. Transfer of Loan Account: Where the borrower requests the transfer of the loan account, the Company shall communicate its decision, whether by way of consent or objection, within twenty-one (21) days from the date of receipt of such request or from the date of receipt of all information required for processing the request, whichever is later. Any objection to such transfer shall be communicated in writing with reasons, where applicable, and the transfer process shall be as per the transparent contractual terms in consonance with the law and regulatory directions.

13. **Grievance Redressal Mechanism**

13.1. The Board of Directors has laid down an appropriate and structured **“Grievance Redressal Mechanism”** in place to address and resolve customer complaints and concerns effectively within the Company.

13.2. The Grievance Redressal Mechanism ensures that the disputes arising out of the decisions of the Company are heard and disposed of, as per defined escalation matrix.

13.3. The Grievance Redressal Officer of the Company shall conduct periodic review of the Grievance Redressal Mechanism. A consolidated report of such reviews shall be submitted to the Board at regular intervals.

14. **Language and Mode of Communication**

14.1. This Code shall be in English and in Hindi as it is commonly understood by all the customers of the Company. If a customer explicitly requests communication in another language, the Company will acknowledge this preference, to the extent reasonably practicable and all subsequent communications with that client will be in the requested language.

15. **Public Disclosure**

15.1. The Board-approved Fair Practices Code, including any subsequent amendments, shall be prominently displayed on the Company’s official website, for the information of various stakeholders.

16. **Review**

16.1. The Company shall conduct periodical review of the compliance and implementation of the Fair Practices Code and a consolidated report of such review shall be submitted to the Board at regular intervals.

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