HYTONE MERCHANTS PRIVATE LIMITED

FAIR PRACTICE CODE

OF

HYTONE MERCHANTS PRIVATE LIMITED

Version 6 **|** *Effective Date: 21-12-2025*

Summary of Policy

Version	Issue and Effective Date	Review periodicity	Approving Authority	Policy Owner
V1	16-08-2019	Annual	Board of Directors	Compliance Department
V2	03-04-2021	Annual	Board of Directors	Compliance Department
V3	01-09-2022	Annual	Board of Directors	Compliance Department
V4	30-06-2023	Annual	Board of Directors	Compliance Department
V5	15-12-2023	Annual	Board of Directors	Compliance Department
V6	21-12-2025	Annual	Board of Directors	Compliance Department

Review Date	Next Review Date	Comments / Remarks / Changes
15-08-2020	August 2021	Annual Review of FPC
03-04-2021	April 2022	Adoption of revised FPC as per new RBI guidelines
02-04-2022	April 2023	Annual Review of FPC
01-09-2022	September 2023	Adoption of revised FPC in line with DLG requirement and relevant guidelines issued by RBI
30-06-2023	June 2024	Adoption of revised FPC as per new RBI guidelines
15-12-2023	December 2024	Adoption of revised FPC in line with changes in penal charges and the Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023
07-12-2024	December 2025	Annual Review of FPC
21-12-2025	December 2026	Annual Review of FPC and revision in line with the current business practices and latest RBI guidelines

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A. INTRODUCTION

The Fair Practice Code (FPC) aims to provide borrowers an effective overview of the practices followed by Hytone Merchants Private Limited and to enable borrowers to take informed decisions in respect of the financial facilities and services offered by the Company. The Code covers general principles on adequate disclosures on the terms and conditions of loans and the procedures to be followed while dealing with borrowers.

Hytone Merchants Private Limited ("HMPL" or "the Company") is a company incorporated under the provisions of the Companies Act, 2013. It is a Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India ("RBI") and is presently engaged in the business of providing loan products and financial facilities to eligible borrowers through its digital lending platform / mobile application "UrbanMoney" and/or other channels approved by the Company from time to time.

The Company has framed and adopted this Fair Practice Code ("Code" or "FPC"), which sets out the principles for fair practice standards when dealing with customers, in accordance with the Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, as amended from time to time ("RBI Master Directions"), Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025, as amended from time to time, and other applicable RBI directions, circulars, notifications and guidelines.

This Code has also been aligned with the Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025, as amended from time to time, and shall be read together with the Company's Board-approved policies on grievance redressal, interest rate and charges, penal charges, recovery agents, DSA / DMA / Recovery Agent Code of Conduct, reset of floating-rate loans, pre-payment / foreclosure charges and other applicable customer conduct policies.

Accordingly, to ensure compliance with the directions of RBI, the Code, duly approved by the Board of Directors, is adopted for implementation. This FPC applies to all categories of products and services offered by the Company through its digital lending platform and any other channel currently offered or which may be introduced at a future date.

This Code shall be effective from the date of approval by the Board and shall be subject to amendments in accordance with regulations, circulars, notifications and clarifications that may be issued by regulatory authorities from time to time. In case of any inconsistency between the provisions of this Code and any subsequent amendment, circular, clarification or direction issued by any relevant authority, such amendment, circular, clarification or direction shall prevail.

The Company shall make appropriate modifications in the FPC, as and when required, to conform to the standards that may be prescribed by RBI from time to time.

Product-specific applicability and non-applicability, including in relation to microfinance loans, gold / silver collateral lending, vehicle loans and safe deposit locker facility, are set out separately in this Code.

B. OBJECTIVES

The Code has been developed with the following objectives:

i. To promote good, fair and trustworthy practices by setting minimum standards in dealing with customers.

ii. To enable greater transparency so that customers can better understand the product, take informed decisions and reasonably know what to expect from the services.

iii. To ensure compliance with legal and regulatory norms in matters relating to recovery of advances.

iv. To build customer confidence in the Company.

v. To promote a fair and cordial relationship between customers and the Company.

vi. To strengthen mechanisms for redressal of customer grievances.

C. FAIR PRACTICES CODE

The Company's business shall be conducted in accordance with prevailing statutory and regulatory requirements, with due focus on efficiency, customer orientation and corporate governance principles. All communications to the borrower under this Code, including application-stage disclosures, sanction communication, loan documentation, KFS, notices, reminders, changes in terms and conditions, recovery communication and grievance-related communication, shall be made in the vernacular language or in a language understood by the borrower, through physical or permitted digital mode, as applicable. The Company shall adhere to the Fair Practices Code in its functioning and its key commitments to customers are as follows:

The Company shall act fairly and reasonably in all dealings with customers by:

- Meeting the commitments and standards set out in this Code for the products and services offered by the Company and in the procedures and practices followed by its staff / employees.
- Ensuring that the Company's products and services meet relevant laws and regulations in force in India.
- Ensuring that dealings with customers are based on ethical principles of integrity and transparency.

- Correcting mistakes, wherever they occur.
- Handling customer grievances quickly and sympathetically.
- Informing customers how to escalate a complaint if they are unsatisfied with the resolution provided by the Company.
- Publicising this Code by displaying it on the Company's website and making copies available to customers upon request.

1. Disclosure to Customers

The Company shall help customers choose products and services that meet their needs by providing clear information explaining the key features of the services and products in which they are interested, so that they can make a meaningful comparison with terms and conditions offered by other NBFCs and take an unbiased decision.

Information shall be provided to customers about the documentary information required to establish the customer's true identity and address and other documents required to comply with legal and regulatory requirements, including Know Your Customer (KYC) requirements. Additionally, information on annualised interest rates, fees, other charges and penal charges, if any, in case of default in the terms and conditions of the loan shall be disclosed effectively through the sanction letter, Key Facts Statement (KFS), loan agreement and/or other applicable documents, and shall be hosted on the website of the Company wherever required.

2. Applications for Loan and their Processing

The loan application form or digital application journey shared with prospective borrowers shall indicate the documents required to be submitted along with the application. The sanction letter shall be accompanied by a standardised Key Facts Statement (KFS), wherever applicable, providing information about the Annual Percentage Rate (APR), recovery mechanism, details of grievance redressal and the various applicable charges and fees in respect of the proposed loan. The loan application form or digital application journey shared with prospective borrowers shall include necessary information affecting the interest of the borrower, so that the borrower is able to make a meaningful comparison with the terms and conditions offered by other lenders and take an informed decision. Such information may include, as applicable, the nature of the loan, loan amount, tenure, annualised rate of interest, method of application of interest, fees and charges, penal charges, repayment obligations, Key Facts Statement requirements, prepayment / foreclosure charges, documents required to be submitted and other material terms relevant to the proposed facility.

The Company has devised a system for providing acknowledgement for receipt of loan applications. Preferably, such acknowledgement shall indicate the expected timeframe within which the loan application will be disposed of. Before sanctioning a loan, the Company shall assess the ability of the borrower to repay the loan. For this purpose, it shall consider documents submitted and information provided to verify the creditworthiness of the customer, which serves as an important parameter for taking decisions on processing the loan application. The Company shall evaluate the proposal at its sole discretion in line with its internal policies, norms and procedures. As a matter of policy and customer service, loan applications may be sanctioned or rejected within the timelines prescribed by the Company and applicable law.

3. Loan Appraisal and Terms / Conditions

The Company shall convey in writing, through email, SMS, digital mode, vernacular language selected by the borrower, or any other permitted mode, the amount of loan sanctioned and the most important terms and conditions, including the annualised rate of interest and the method of application thereof, fees and charges, penal charges, tenure of loan, commencement date, repayment instalments, repayment date and other material terms. The Company shall keep the acceptance of these terms and conditions by the borrower on its records.

The Company shall verify loan applications within a reasonable period of time and, if additional details or documents are required, shall intimate the borrowers promptly.

The Company shall furnish a copy of the digitally signed loan agreement, in English and/or vernacular language as understood by the borrower, together with a copy of each enclosure referred to in the loan agreement, to all borrowers at the time of sanction / disbursement of loans through the borrower's registered email, SMS, application dashboard or any other permitted digital mode.

Penal charges, if any, charged for late repayment or non-compliance with material terms and conditions shall be mentioned clearly and in bold in the loan agreement, sanction letter and Key Facts Statement / Most Important Terms and Conditions, wherever applicable.

The Company shall provide a Key Facts Statement to all prospective borrowers in respect of applicable retail and MSME term loan products before execution of the loan contract, in the standardised format prescribed by RBI and in a language understood by the borrower. The contents of the KFS shall be explained to the borrower and acknowledgement shall be obtained that the borrower has understood the same. The KFS shall contain a unique proposal number and shall have a validity period of at least three working days for loans having tenor of seven days or more, and one working day for loans having tenor of less than seven days. The validity period shall mean the period available to the borrower, after being provided the KFS by the Company, to agree to the terms of the loan. The

Company shall be bound by the terms of the loan indicated in the KFS if the borrower agrees to such terms during the validity period. The validity period shall mean the period available to the borrower, after being provided the KFS by the Company, to agree to the terms of the loan. The Company shall be bound by the terms of the loan indicated in the KFS if the borrower agrees to such terms during the validity period. The KFS shall include the computation sheet of Annual Percentage Rate and the amortisation schedule of the loan over the loan tenor, wherever a term loan repayment schedule is applicable, and the KFS shall also be included as a summary box as part of the loan agreement. The APR disclosed in the KFS shall include all charges levied by the Company. Charges recovered from borrowers by the Company on behalf of third-party service providers on actual basis, wherever applicable, shall also form part of APR and shall be disclosed separately. Wherever the Company is involved in recovering such charges, receipts and related documents shall be provided to the borrower for each such payment within a reasonable time.

The Company shall maintain and use the KFS format prescribed by RBI, as amended from time to time, for all applicable retail and MSME term loan products. The KFS template, APR computation methodology, repayment / amortisation schedule format and borrower acknowledgement mechanism shall be maintained by the Compliance Department and periodically reviewed for alignment with applicable RBI directions. The Company shall maintain the applicable KFS template, APR computation sheet, repayment / amortisation schedule format and borrower acknowledgement record as part of its compliance records. The applicable KFS format may be maintained as a separate operational annexure / template and shall be produced before RBI, auditors or any competent authority whenever required.

4. Disbursement of Loans including Changes in Terms and Conditions

The Company values openness and transparency. The Company shall keep customers informed, in the language as understood by the borrower and/or in a permitted digital mode, in the event of any modification in terms and conditions, including disbursement schedule, interest rates, penal charges, service charges, prepayment charges and any other material changes affecting the customer's relationship with the Company. Changes in interest rates and charges shall be effected prospectively and with suitable notice, wherever required. A suitable provision in this regard shall be incorporated in the loan agreement.

Unless otherwise permitted or required under applicable regulations or statute, complete disbursal of the loan amount shall be made strictly into the borrower's bank account, without the use of any pass-through account.

Any decision to recall or accelerate payment or performance under the loan agreement shall be taken strictly in consonance with the terms and conditions of the loan agreement and applicable law.

5. Recovery of Loan

Whenever loans are given, the Company shall explain to the customer the repayment process, including amount, tenure and periodicity of repayment as mentioned in the repayment schedule. If the customer does not adhere to the repayment schedule, a defined process in accordance with the laws of the land shall be followed for recovery of dues. This process may involve reminding the customer by notices over email, calls, SMS, in-app communication, repayment links or through collection agents from authorised collection agencies, whose details shall be provided to the borrower while initiating recovery wherever a recovery agency / recovery agent is engaged. Where recovery is initiated through a recovery agency / recovery agent, the authorised recovery agent shall carry a copy of the notice issued to the borrower, the authorisation letter issued by the Company, and a valid identity card issued by the Company or the recovery agency. The notice and authorisation letter shall include, among other details, the contact details of the recovery agency and the Company. Where the recovery agency is changed during the recovery process, the Company shall notify the borrower of such change, and the new recovery agency / agent shall carry the notice, authorisation letter and identity card while contacting the borrower.

The Company shall host and maintain up-to-date details of recovery agencies engaged by it on its website, in accordance with applicable RBI directions.

Company staff or any person / third party authorised to represent the Company in collection of dues shall identify himself / herself as the authorised representative of the Company and, upon request, display the identity card issued by the Company or by an authorised person / agency under the authority of the Company.

The Company shall provide customers with all information regarding overdue amounts. Staff shall be adequately trained to deal with customers in an appropriate manner. Any repayment, collection or recovery shall be made only through the UrbanMoney app, authorised repayment link, official bank account or such other mode specifically authorised by the Company, with the amount being credited into the bank account of the Company without pass-through accounts.

During visits to a customer's place by any person authorised by the Company for dues collection, the following guidelines shall be followed:

- The customer shall ordinarily be contacted at the place of his / her choice. In the absence of any specified place, the customer may be contacted at his / her residence or, if unavailable, at the place of business / occupation.
- Identity and authority to represent the Company shall be made known at the first instance.
- The customer's privacy shall be respected.
- Interaction with the customer shall be in a civil manner.
- The Company or its authorised person shall not use threatening or abusive language and shall not threaten use of violence or other similar means to harm the borrower or the borrower's family, assets or reputation.
- The Company or its authorised person shall not harass relatives, friends or co-workers of the borrower.
- Company representatives, employees, agents, Lending Service Providers or authorised recovery / collection personnel shall contact customers for recovery of overdue loans only between 8:00 a.m. and 7:00 p.m. In case of microfinance borrowers, wherever applicable in future, recovery calls shall not be made before 9:00 a.m. or after 6:00 p.m. No recovery communication shall be made outside the applicable permitted hours.
- The Company shall not publish the name of borrowers.
- All assistance shall be given to resolve disputes or differences in a mutually acceptable and orderly manner.
- During visits to customer's place for dues collection, decency and decorum shall be maintained.
- The Board-approved collections policy of the Company shall be adhered to in the collection process.

6. Repossession of Vehicles Financed by the Company

Where the Company provides finance for purchase of vehicles or accepts vehicles as security / collateral for any credit facility, the loan agreement / security documents shall contain a built-in repossession clause which shall be legally enforceable and transparent. The borrower shall be clearly informed of the repossession-related terms at the time of sanction / execution of the loan documents, and a copy of the loan agreement along with all enclosures referred to therein shall be furnished to the borrower at the time of sanction / disbursement.

The loan agreement / security documents for vehicle loans shall contain clear provisions relating to:
(a) the notice period to be given to the borrower before taking possession of the vehicle;
(b) the circumstances under which the notice period may be waived, where such waiver is legally permissible and justified under the loan documents;
(c) the procedure for taking possession of the vehicle / security in a lawful, peaceful and documented manner;
(d) a final opportunity / final notice to be given to the borrower for repayment / regularisation of the loan account before sale / auction of the repossessed vehicle;
(e) the procedure for returning / restoring possession of the vehicle to the borrower where the borrower regularises the account or pays the dues in accordance with the loan agreement and Company policy; and
(f) the procedure for valuation, sale / auction, adjustment of sale proceeds, recovery of shortfall, if any, and refund of surplus, if any, to the borrower in accordance with the loan agreement and applicable law.

Repossession of any vehicle shall be undertaken only in accordance with the loan agreement, applicable law, the Company's Board-approved policies, Fair Practice Code, recovery agent / collection agency code of conduct and applicable RBI directions. The Company, its employees, recovery agents, collection agencies, Lending Service Providers or any authorised representatives shall not use force, intimidation, threats, coercion, public humiliation, unlawful entry, breach of peace or any other unfair practice while taking possession of a vehicle.

The Company shall maintain proper records of notice issued, borrower communication, possession process, inventory / condition report of the vehicle, valuation, sale / auction process, adjustment of proceeds, shortfall / surplus calculation and communication made to the borrower. The sale / auction process shall be fair, transparent and commercially reasonable, and the borrower shall be informed of the outcome and adjustment of sale proceeds in accordance with the loan agreement and applicable law.

D. GENERAL

D1. Non-Interference

The Company shall refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement, unless new information not earlier disclosed by the borrower has come to the notice of the Company.

The Company shall be accountable for inappropriate behaviour by its employees or employees of outsourced agencies and shall provide timely grievance redressal.

D2. Recovery Process

If any recovery proceedings need to be initiated, they shall be conducted in accordance with the Company's policies, the rights provided under the loan agreement and legally accepted norms. Company staff or any person authorised to represent the Company, including any Lending Service Provider ("LSP"), shall identify himself / herself.

In the matter of recovery of loans, the Company, its agents and its LSPs shall ensure that they do not resort to intimidation or harassment of any kind, whether verbal or physical, against any person in their debt collection efforts. This includes acts intended to humiliate publicly or intrude upon the privacy of borrowers' family members, referees and friends, sending inappropriate messages either on mobile or through social media, making threatening and / or anonymous calls, persistently calling the borrower and / or calling before 8:00 a.m. or after 7:00 p.m. (For microfinance borrowers, wherever applicable, recovery calls shall not be made before 9:00 a.m. or after 6:00 p.m.) for recovery of overdue loans, or making false and misleading representations. The Company shall ensure that staff are adequately trained to deal with customers in an appropriate manner.

D3. Confidentiality

The Company shall not reveal transaction details of borrowers to any other person except under the following circumstances:

- The information is required to be disclosed by applicable law or by any direction, request or requirement of a government, statutory, judicial, quasi-judicial or regulatory authority.
- The information is required by auditors, professional advisers, agents or third-party service providers of the Company who are under a duty of confidentiality.
- The information is required by any person with whom the Company may enter into transfer, assignment, participation or other agreements, subject to applicable law.
- The information is required by other banks, financial institutions, credit information companies or credit bureaus, where the borrower has availed or applied for any facility or where disclosure is permitted by applicable law.

D4. Digital Lending Platforms

In case of loans sourced through digital lending platforms, the Company shall ensure the following:

- Names of digital lending platforms engaged as agents shall be disclosed on the website of the Company, wherever applicable.
- Digital lending platforms engaged as agents shall disclose upfront to the customer that they are interacting with the customer on behalf of the Company.
- Immediately after sanction but before execution of the loan agreement, the sanction letter shall be issued to the borrower on the letterhead of the Company or through such digital mode as may be permitted under applicable law.
- Effective oversight and monitoring shall be ensured over digital lending platforms engaged by the Company.
- The Company shall take steps to create awareness about its grievance redressal mechanism.

D5. Non-discrimination

The Company shall not discriminate on grounds of gender, caste, religion, visual impairment or physical disability in extending products, services, facilities, etc. It shall render all possible assistance to such persons for availing loan facilities offered by it, subject to compliance with its Board-approved policies and prescribed RBI directions and guidelines. The Company shall ensure redressal of grievances of persons with disabilities under its Grievance Redressal Mechanism. The Company shall also include a suitable module on the rights of persons with disabilities and appropriate customer handling practices in training programmes conducted for employees and customer-facing personnel, as applicable.

E. GRIEVANCE REDRESSAL OFFICER

A grievance redressal mechanism has been set up within the organisation to resolve disputes arising in this regard. This mechanism shall ensure that disputes arising out of the decisions of the Company's functionaries are heard and disposed of at least at the next higher level.

The details of the grievance redressal policy and the Grievance Redressal Officer shall be made available on the Company website www.hytonefinance.com and the link of the same shall be sent to borrowers over email / SMS / in-app communication, wherever applicable. The name and contact details of the Grievance Redressal Officer (GRO) of the Company, as given below, shall be prominently displayed at the offices / branches of the Company where business is transacted:

Grievance Redressal Officer	Indira Ghosal
Address	Hytone Merchants Private Limited, 87, Diamond Harbour Road, Kolkata - 700038 / 6/1, Lindsay Street, Kolkata - 700087

Tel. No.	+916293120012
Email ID	complaints@hytonefinance.com

If grievances / complaints are not redressed within a period of 14 days from the date of receipt of the complaint by the Grievance Redressal Officer or in case of not receiving a reply from the Grievance Redressal Officer within the prescribed turnaround time, the customer may escalate the complaint to the Principal Nodal Officer (PNO) of the Company.

The Company is covered under and shall comply with the Reserve Bank Integrated Ombudsman Scheme, 2021, and the salient features of the Scheme shall be made available on the Company website www.hytonefinance.com. The name and contact details of the Principal Nodal Officer (PNO) of the Company, as given below, shall also be disclosed prominently in the salient features of the Scheme and displayed at the offices / branches of the Company where business is transacted:

Principal Nodal Officer	Bishwajit Ghosh
Address	Hytone Merchants Private Limited, 87, Diamond Harbour Road, Kolkata - 700038 / 6/1, Lindsay Street, Kolkata - 700087
Tel. No.	+919748332738
Email ID	nodal@hytonefinance.com

If grievances / complaints are not redressed within a period of one month from the date of receipt of the complaint by the Company, or if the customer is not satisfied with the resolution provided by the Company, the customer may file a complaint under the Reserve Bank Integrated Ombudsman Scheme, 2021 through the RBI Complaint Management System at https://cms.rbi.org.in, or through electronic / physical mode to the Centralised Receipt and Processing Centre, 4th Floor, Sector 17, Chandigarh - 160017, or through such other mode / authority as may be notified by RBI from time to time. The RBI Contact Centre number is 14448.

The Company shall ensure that it and any LSPs engaged by it have a suitable grievance redressal officer to deal with digital lending-related complaints or issues raised by borrowers. Such grievance redressal officer shall also deal with complaints against the respective Digital Lending Applications (DLAs). Contact details of such officers shall be displayed prominently on the website of the Company, its LSPs and DLAs and also in the KFS provided to the borrower. Responsibility for grievance redressal shall continue to remain with the Company.

F. KNOW YOUR CUSTOMER GUIDELINES

The Company shall explain the requirements of KYC guidelines to customers and inform them about the documents required for establishing the identity of the customer before loan sanctioning, account opening and operation, wherever applicable. The Company shall obtain only such information as is required to meet KYC, Anti-Money Laundering and other statutory / regulatory requirements. In case any additional information is asked for, it shall be sought separately and the objective of obtaining such additional information shall be specified.

G. INTEREST CHARGED

To ensure that customers are not charged excessive interest rates and charges on loans and advances, the Board of the Company has adopted a policy for determining interest rates, processing fees and other charges.

The rate of interest and the approach for gradation of risk and rationale for charging different rates of interest to different categories of borrowers shall be as per the Interest Rate Policy of the Company. The Interest Rate Policy shall be made available on the Company website www.hytonefinance.com.

The Company has laid down appropriate internal principles and procedures for determining interest rates and processing and other charges. The Company has adopted an interest rate model taking into account relevant factors such as cost of funds, margin, risk premium, borrower profile, product type, tenure and other relevant considerations to determine the rate of interest to be charged for loans and advances.

The rate of interest, approach for gradation of risk and rationale for charging different rates of interest to different categories of borrowers shall be disclosed to the borrower in the loan application form / digital journey, wherever applicable, and communicated explicitly in the sanction letter / Key Facts Statement / loan agreement. The rates of interest and approach for gradation of risk shall also be made available on the Company's website and shall be updated whenever there is any change.

H. PENAL CHARGES IN LOAN ACCOUNTS

The Company shall treat penalties for non-compliance with terms and conditions of a loan as "penal charges" and not as "penal interest". No interest shall be computed on these charges, while regular interest compounding procedures in the loan account may continue as per the loan agreement and applicable law.

The Company shall not introduce any additional component to the rate of interest and shall ensure compliance with applicable guidelines in letter and spirit. The quantum and reason for penal charges being charged by the Company shall be clearly disclosed to customers in loan documents, including the loan agreement and KFS.

The Company shall ensure that penal charges are reasonable and fair and proportionate to non-compliance with loan contract terms, ensuring no discrimination within a specific loan / product category. Penal charges for individual borrowers not engaged in business shall not exceed charges applicable to non-individual borrowers for similar non-compliance, subject to applicable RBI directions.

Penal charges shall be governed by the Company's Board-approved Penal Charges Policy and applicable RBI directions. Any penalty for non-compliance of material terms and conditions of the loan contract shall be treated only as penal charges and shall not be levied as penal interest or as an additional component to the rate of interest. Penal charges shall not be capitalised, and no further interest shall be computed on such penal charges. Additional / fresh penal charges shall not be levied on earlier outstanding penal charges. Penal charges shall be reasonable and commensurate with the non-compliance, shall be levied only on the amount under default / overdue amount, and shall be non-discriminatory within a particular loan / product category. The quantum and reason for penal charges shall be clearly disclosed upfront in the loan agreement, MITC / KFS, sanction letter and website under Interest Rates and Service Charges, and mere reference to a website schedule shall not be treated as sufficient disclosure. Whenever reminders for non-compliance are sent to borrowers, the applicable penal charges shall be communicated, and each levy of penal charge and reason thereof shall also be communicated to the borrower. GST / tax treatment, if any, shall be as per applicable law and CBIC / competent authority instructions.

Material terms and conditions attracting penal charges shall be identified in the Company's credit policy, product policy, sanction terms, loan agreement, Key Facts Statement, Most Important Terms and Conditions and / or other borrower-facing documents, as applicable. In case of existing loans, switchover to the revised penal charges regime shall be ensured on the next review or renewal date, or earlier, in accordance with applicable RBI directions and the Company's Board-approved Penal Charges Policy.

Penal charges shall be intended to inculcate credit discipline and shall not be used as a revenue enhancement tool. The structure of penal charges within a particular loan / product category shall remain uniform irrespective of the constitution of the borrower, subject to the Company's Board-approved Penal Charges Policy and applicable RBI directions.

I. WIDE DISSEMINATION AND PERIODIC REVIEW

The Company shall place the above Fair Practices Code on its website for the information of various stakeholders. The Company shall also review and refine the Code periodically, based on its own experience and fresh guidelines, if any, issued by RBI in this regard. The Company shall make this Code, or a borrower-comprehensible summary thereof, available in English and in such vernacular language / borrower-understood language as may be appropriate having regard to the borrower segment, product channel, geography and mode of customer interaction. The Company shall also ensure that borrower-facing disclosures, KFS, sanction communication, grievance redressal details and key product terms are communicated in a language understood by the borrower.

The Board of Directors shall review compliance with the Fair Practices Code annually. The functioning of the grievance redressal mechanism of the Company at various levels of management shall be reviewed quarterly by the Board or a committee / authority designated by the Board. A consolidated report of such reviews shall be submitted to the Board at regular intervals.

The Company shall maintain documentary evidence of implementation of this Code, including website publication proof, borrower-facing language versions / summaries, KFS templates and acknowledgements, sanction letter formats, loan agreement formats, recovery-agent authorisation formats, recovery-agent due diligence and police verification records, telemarketing / DoT / TRAI compliance records, Board / committee review minutes, grievance review reports and records of customer communications, wherever applicable.

J. TRANSFER OF BORROWAL ACCOUNT

In the event the Company receives any request from a borrower for transfer, assignment, takeover, refinance, balance transfer, substitution, novation, or migration of the borrower's borrowal account to any other lender, bank, financial institution, regulated entity, or any other person legally entitled to acquire or take over such borrowal account, the Company shall consider such request in accordance with the terms and conditions of the loan agreement, sanction letter, security documents, applicable internal policies, prudential requirements, extant regulatory directions, and applicable law. The Company shall communicate its consent or objection, as the case may be, to the borrower within a period of 21 days from the date of receipt of such request. Any objection, refusal, withholding of consent, or conditional consent by the Company shall be based on transparent contractual terms and legally sustainable grounds, including but not limited to subsisting overdue amounts, unpaid interest, penal charges, fees, costs, expenses, pending documentation, unresolved disputes, subsisting lien or security interest, non-compliance with loan covenants, fraud or suspicious transaction concerns, incomplete KYC or legal requirements, pending charge satisfaction or security release formalities, or any other lawful reason arising under the loan documents or applicable law. Any transfer permitted by the Company shall be subject to payment of all outstanding dues, applicable foreclosure or prepayment charges wherever lawfully leviable, execution of necessary documents, receipt of funds from the transferee lender or borrower, satisfaction of internal compliance requirements, discharge or continuation of security in such manner as may be legally permissible, and completion of all procedural formalities to the satisfaction of the Company. The Company shall ensure that the process for consideration of such transfer request is fair, transparent, non-discriminatory, in consonance with contractual terms, and compliant with applicable legal and regulatory requirements.

K. RELEASE OF SECURITIES AND ORIGINAL PROPERTY DOCUMENTS

The Company shall, upon full repayment of all dues by the borrower or upon realisation / settlement of the entire outstanding amount in respect of the relevant loan facility, release all securities, collateral, title deeds, original movable / immovable property documents, security documents, guarantees, charge documents, lien-marked instruments, post-dated instruments or any other security interest, if any, held by or on behalf of the Company in relation to such loan facility, subject always to the Company’s lawful and subsisting rights, claims, lien, set-off, counter-claim, charge, encumbrance or any other security interest which the Company may be entitled to exercise in respect of any other facility, liability, obligation, claim or indebtedness of the borrower, co-borrower, guarantor, security provider or any person liable to the Company.

Where the Company proposes to retain any security or exercise any right of lien or set-off against the borrower, the Company shall, prior to such retention or exercise, give due notice to the borrower specifying in clear terms the particulars of the remaining claim, the nature and amount of liability outstanding, the facility or transaction in respect of which such claim has arisen, the legal and contractual basis on which the Company proposes to retain the security, and the conditions upon satisfaction of which such security shall be released.

In respect of original movable / immovable property documents, the Company shall release all such original documents and remove charges registered with any registry within 30 days after full repayment / settlement of the loan account. The borrower shall be given the option of collecting the original documents from the servicing office / branch or any other office of the Company where the documents are available, as per the borrower’s preference.

The timeline and place of return of original movable / immovable property documents shall be mentioned in sanction letters issued on or after December 1, 2023, wherever applicable. In case of demise of the sole borrower or joint borrowers, the Company shall follow a documented procedure for return of original property documents to legal heirs and shall display such procedure on its website.

If there is delay beyond 30 days attributable to the Company, the Company shall communicate the reasons for such delay to the borrower and shall compensate the borrower at ₹5,000 for each day of delay, in accordance with applicable RBI directions.

In case of loss or damage to original movable / immovable property documents, either in part or in full, the Company shall assist the borrower in obtaining duplicate / certified copies of such documents and shall bear the associated costs, in addition to compensation payable under applicable RBI directions. In such cases, an additional time of 30 days shall be available to the Company to complete the procedure, and delayed-period compensation shall be calculated thereafter, i.e., after a total period of 60 days.

The compensation provided under this clause shall be without prejudice to the rights of the borrower to claim any other compensation under applicable law. The borrower shall be required to complete such reasonable formalities, acknowledgements, indemnities, documentation, execution of discharge papers, satisfaction of charge forms or other procedural requirements as may be necessary for release, cancellation, discharge or return of security, provided that such requirements shall not be used by the Company as a device to delay release after satisfaction of the borrower’s dues.

L. PROHIBITION ON UNDISCLOSED FEES AND CHARGES

The Company shall ensure that all fees, charges, costs, expenses, penal charges, contingent charges, third-party charges recovered through the Company, and any other monetary obligation payable by the borrower in relation to the loan are clearly disclosed upfront in the Key Facts Statement, sanction letter, loan agreement and other applicable loan documents, as may be required under applicable regulatory directions. The Company shall not levy, recover, debit, demand or collect from the borrower, at any stage during the tenure of the loan, any fee, charge, cost, expense or other amount which has not been specifically disclosed in the Key Facts Statement, unless explicit consent of the borrower is obtained for the same in accordance with applicable law. Any such consent, where required, shall be clear, informed, specific and capable of being evidenced in the Company’s records. The Company shall also ensure that charges recovered from the borrower on behalf of third-party service providers, if any, are disclosed separately and, wherever such charges are recovered through the Company, appropriate receipts or related documents are provided to the borrower within a reasonable time. No reference to any general schedule of charges, website disclosure, internal policy or standard terms shall by itself be treated as sufficient authority to levy any fee or charge unless the same has been properly disclosed to the borrower in the applicable KFS or has been subsequently accepted by the borrower through explicit consent.

M. QUARTERLY STATEMENT FOR FLOATING RATE / EQUATED INSTALMENT LOANS

In respect of floating rate personal loans repayable through Equated Monthly Instalments and, where applicable, other equated instalment-based loans of different periodicities, the Company shall, through appropriate channels, share with or make accessible to the borrower a statement at the end of each quarter during the subsistence of the loan. Such statement shall, at the minimum, specify the principal amount recovered till date, interest amount recovered till date, the prevailing EMI / equated instalment amount, the number of EMIs / equated instalments remaining, and the annualised rate of interest / Annual Percentage Rate applicable for the entire tenor of the loan. The Company shall ensure that such statement is prepared in a simple, clear, accurate and borrower-comprehensible manner, so that the borrower is able to understand the repayment status, outstanding repayment obligation, interest burden and remaining tenor of the loan. The Company may provide such statement through email, mobile application, customer portal, SMS link, physical copy, or any other appropriate mode as may be made available to the borrower, and shall maintain suitable records evidencing that such information has been shared or made accessible to the borrower in accordance with applicable regulatory requirements.

At the time of sanction of floating-rate personal loans or other equated instalment-based loans, the Company shall clearly communicate to the borrower the possible impact of change in benchmark / reference rate on EMI / EPI and / or tenor. Subsequently, any increase in EMI / EPI or tenor or both on account of reset of interest rate shall be communicated immediately to the borrower through appropriate channels. At the time of reset of interest rate, the Company shall provide borrower options in accordance with applicable RBI directions and the Company's Board-approved policy, including enhancement of EMI / EPI, elongation of tenor, a combination of both, prepayment in part or full, and switching to fixed rate where such option is provided by the Company. The Company shall ensure that elongation of tenor does not result in negative amortisation. Applicable charges for switching from floating to fixed rate and any service charges / administrative costs incidental to the exercise of such options shall be transparently disclosed in the sanction letter and at the time of revision of such charges, and shall also be displayed on the Company's website wherever required. The Company's Board-approved policy shall also specify the number of times a borrower may exercise the option to switch from floating rate to fixed rate during the tenor of the loan, wherever such switching option is offered by the Company.

Where any floating-rate loan is linked to an external benchmark or reference rate, the Company shall maintain adequate information systems and monitoring controls to ensure timely transmission of changes in the benchmark / reference rate to the applicable lending rate, EMI / EPI, tenor or other repayment terms, in accordance with applicable RBI directions and the Company's Board-approved policy.

N. PRE-PAYMENT / FORECLOSURE CHARGES

The Company shall levy pre-payment charges, foreclosure charges or any similar charges, by whatever name called, only in accordance with applicable law, extant RBI directions, the Board-approved policy of the Company, and the specific terms disclosed to the borrower at the time of sanction. The applicability or non-applicability of pre-payment / foreclosure charges, the basis of calculation, the amount or rate of such charges, the circumstances in which such charges shall be payable, and the loan categories to which such charges apply shall be clearly and expressly disclosed in the sanction letter and the loan agreement. Where the Key Facts Statement is required to be provided to the borrower, the same shall also specifically mention the applicability or otherwise of such pre-payment / foreclosure charges. The Company shall not levy any pre-payment / foreclosure charge which has not been disclosed in the sanction letter, loan agreement and, wherever applicable, the Key Facts Statement. In case of loans sanctioned or renewed on or after January 1, 2026, the Company shall ensure that pre-payment charges are levied or waived strictly in accordance with the regulatory framework applicable to the relevant category of loan, borrower, interest-rate type, loan purpose and sanctioned amount / limit. The Company shall not levy any pre-payment charge where pre-payment is effected at the instance of the Company, and shall not levy any retrospective charge or fee at the time of pre-payment in respect of any charge which was earlier waived by the Company. In case pre-payment charges are lawfully applicable, the same shall be charged only on the amount being prepaid in case of term loans, and in accordance with the approved policy and applicable regulatory directions in case of cash credit / overdraft or similar facilities. The Company shall ensure that all disclosures relating to pre-payment / foreclosure charges are transparent, borrower-comprehensible, non-misleading and consistent with the loan agreement and applicable RBI directions.

In case of existing loans sanctioned or renewed on or before December 31, 2025, the Company shall not levy pre-payment charges on any floating-rate term loan sanctioned for purposes other than business to individual borrowers, with or without co-obligant(s), in accordance with applicable RBI directions.

For loans sanctioned or renewed on or after January 1, 2026, the Company shall not levy pre-payment charges on floating-rate loans granted for purposes other than business to individuals, with or without co-obligant(s). For floating-rate loans granted for business purposes to individuals and Micro and Small Enterprises, pre-payment charges shall be levied or waived strictly in accordance with the applicable RBI directions based on the Company's regulatory layer, sanctioned amount / limit and other applicable conditions. Such directions shall apply irrespective of the source of funds used for prepayment, whether part or full, and without any minimum lock-in period. In case of dual / special rate loans, applicability shall depend on whether the loan is on floating rate at the time of prepayment. In case of cash credit / overdraft facilities, no pre-payment charges shall be applicable if the borrower intimates the Company of the intention not to renew the facility within the period stipulated in the loan agreement and the facility is closed on the due date.

For clarity, the Company shall apply the following regulatory treatment for pre-payment / foreclosure charges, subject to the Company's applicable regulatory layer from time to time:

(a) Floating-rate loans granted for purposes other than business to individuals, with or without co-obligant(s): no pre-payment charges shall be levied.

(b) Floating-rate loans granted for business purposes to individuals and Micro and Small Enterprises: if the Company is classified as NBFC-Upper Layer, no pre-payment charges shall be levied; if the Company is classified as NBFC-Middle Layer, no pre-payment charges shall be levied on loans with sanctioned amount / limit up to ₹50 lakh; if the Company is classified under any other layer, pre-payment charges, if any, shall be levied only in accordance with the Company's Board-approved policy and applicable RBI directions.

(c) The above shall apply irrespective of the source of funds used for pre-payment, whether part or full, and without any minimum lock-in period.

(d) In case of dual / special rate loans, applicability shall depend on whether the loan is on floating rate at the time of pre-payment.

(e) In case of term loans where pre-payment charges are lawfully applicable, such charges shall be based only on the amount being prepaid.

(f) In case of cash credit / overdraft facilities, pre-payment charges on closure of the facility before the due date, where lawfully applicable, shall be levied on an amount not exceeding the sanctioned limit.

(g) No pre-payment charges shall be levied where pre-payment is effected at the instance of the Company.

(h) No charges / fees shall be levied retrospectively at the time of pre-payment in respect of any charge or fee waived earlier by the Company.

In case of cash credit / overdraft facilities, where pre-payment charges are lawfully applicable on closure of the facility before the due date, such charges shall be levied on an amount not exceeding the sanctioned limit.

The Company shall ensure that the product-wise implementation of pre-payment / foreclosure charges, including exemptions, thresholds, regulatory-layer specific treatment, MSE-related treatment, floating-rate / fixed-rate treatment, dual-rate treatment and cash credit / overdraft closure treatment, is carried out strictly in accordance with the Company's Board-approved pre-payment / foreclosure policy and applicable RBI directions, and is disclosed clearly in the sanction letter, loan agreement and KFS, wherever applicable.

O. PUBLIC NOTICE BEFORE CLOSURE OF OFFICE / BRANCH

Where the Company proposes to close any of its branches / offices, it shall give at least three months' public notice prior to the date of closure in at least one leading national newspaper and one leading local vernacular newspaper covering the place of such branch / office, indicating therein the purpose of closure and the arrangements being made to service customers / borrowers / depositors, if any, and other stakeholders affected by such closure.

P. ROUNDING OFF

All transactions of the Company, including charging of interest on advances and other applicable monetary transactions, shall be rounded off to the nearest rupee. Fractions of 50 paise and above shall be rounded off to the next higher rupee and fractions of less than 50 paise shall be ignored. Cheques / drafts issued by clients containing fractions of a rupee shall not be rejected only on such ground.

Q. PRODUCT APPLICABILITY / NON-APPLICABILITY – MICROFINANCE, GOLD / SILVER COLLATERAL, VEHICLE LOANS AND SAFE DEPOSIT LOCKER

The Company does not presently offer microfinance loans or loans against gold or silver collateral. Accordingly, the RBI directions specifically applicable to microfinance loans and lending against gold / silver collateral shall not apply to the Company's current product offerings. In the event the Company proposes to introduce microfinance loans or loans against gold / silver collateral in future, the Company shall adopt appropriate Board-approved policies, Fair Practice Code provisions, SOPs, borrower communication formats, valuation / collateral procedures, recovery safeguards and grievance redressal mechanisms in accordance with applicable RBI directions before launching such products.

The Company does not presently provide safe deposit locker facility. In the event the Company proposes to offer such facility in future, it shall make appropriate customer disclosures, including that such activity is not regulated by RBI, in accordance with applicable RBI directions.

The Company offers vehicle loans / vehicle-backed facilities and shall comply with all RBI requirements relating to repossession of vehicles financed by NBFCs, including incorporation of legally enforceable and transparent repossession clauses in the loan agreement / security documents.

R. DISABILITY ASSISTANCE AND ACCESSIBILITY

The Company shall not discriminate against any applicant or borrower on the ground of physical disability, visual impairment or any other disability. The Company shall render all possible assistance to such persons for availing loan facilities and for grievance redressal. The Company shall also include a suitable module on the rights of persons with disabilities and appropriate customer handling practices in training programmes conducted for employees and customer-facing personnel, as applicable.

The Company shall take appropriate steps to ensure that its digital interfaces, website, mobile application, customer communication channels, grievance redressal channels and borrower-facing documents are made accessible to persons with disabilities to the extent applicable under law, RBI directions, and directions / orders of competent courts or authorities. The Company shall periodically sensitise employees, customer-facing personnel, LSPs and service providers on accessibility, reasonable assistance and respectful handling of customers with disabilities.

S. DSA / DMA / TELEMARKETING AND RECOVERY AGENT CONDUCT

The Company shall ensure that DSAs, DMAs, telemarketers, recovery agents, collection agencies, Lending Service Providers and other customer-facing agents engaged by or acting on behalf of the Company are properly trained to handle their responsibilities with care and sensitivity, including with respect to soliciting customers, hours of calling, privacy of customer information and conveying correct product terms and conditions.

The Company shall obtain appropriate undertaking from DSAs, DMAs, telemarketers, recovery agents and collection agencies to abide by the applicable Code of Conduct, Fair Practice Code, confidentiality requirements and customer protection norms. Such persons shall refrain from any act that may damage the integrity or reputation of the Company and shall observe strict customer confidentiality.

The Company shall not engage any telemarketer / DSA / DMA for promotional or telemarketing activities unless such person / entity holds a valid registration certificate from the Department of Telecommunications, Government of India, as a telemarketer, where such person / entity undertakes telemarketing activity, and is registered in terms of TRAI guidelines. The Company shall maintain and furnish to TRAI, in accordance with applicable TRAI requirements, the list of telemarketers / DSAs / DMAs engaged by it along with the registered telephone numbers used by them for telemarketing calls, and shall ensure that existing agents engaged for telemarketing activities register themselves with DoT wherever they undertake telemarketing activity.

The engagement and deployment of recovery agencies / recovery agents shall be governed by the Company's Board-approved Policy for Engagement of Recovery Agents and applicable RBI directions, including due diligence of the recovery agency and individuals deployed, antecedent verification including police verification, periodic re-verification, borrower intimation, authorisation documentation, identity-card requirements and website disclosure of recovery agency details.

T. REGULATORY OVERRIDE

This Fair Practice Code shall be subject to applicable laws, RBI directions, circulars, notifications, clarifications and regulatory guidance issued from time to time. In case of any inconsistency between this Code and any applicable law, RBI direction, circular, clarification or regulatory instruction, the stricter requirement or the requirement under applicable law / RBI direction shall prevail.

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