

HYTONE MERCHANTS PVT LTD

FAIR PRACTICE CODE OF HYTONE MERCHANTS PRIVATE LIMITED

Version 6 | Effective Date: 21-01-2026

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	21-01-2026	Annual	Board of Directors	Compliance Department

Review Date	Next Review Date	Comments / Remarks / Changes
27-04-2020	Apr'2021	Annual Review of FPC
02-04-2021	Apr'2022	Annual Review of FPC
22-03-2022	Mar'2023	Annual Review of FPC
01-09-2022	Sep'2023	Adoption of revised FPC in line with DLG requirement and relevant guidelines issued by RBI
20-04-2023	Jul 2023	Annual Review of Fair Practice Code and setting periodicity of review of FPC Code
30-06-2023	Oct'2023	Quarterly Review of FPC Code
16-09-2023	Sep'2024	FPC review in line with the RBI Master Directions applicable to NBFCs
15-12-2023	Dec'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
22-01-2025	Jan'2026	Annual Review of FPC
21-01-2026	Jan'2027	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, 2023, as amended from time to time ("RBI Master Directions"), and other applicable RBI directions, circulars, notifications and guidelines.

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 Policy 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 Policy 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.

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. 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 Fact 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 Fact 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 Company has devised a system for providing acknowledgement for receipt of loan applications. 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, 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 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 shall be mentioned clearly in the loan agreement and sanction letter / KFS. Any interest, charge or fee other than those specified in the sanction letter, KFS or loan agreement shall not be levied on the borrower unless permitted by applicable law and duly communicated to the borrower.

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 disbursement of the loan amount shall be made strictly into the borrower's bank account, without the use of any pass-through account.

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 information shall be intimated to such customers beforehand where applicable.

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 shall contact customers only between 8:00 a.m. and 7:00 p.m., unless special circumstances of the customer's business or occupation require otherwise.
- 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.

D. GENERAL

A. 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.

B. 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 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.

C. 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.

D. 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.

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.

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 one month, the customer may appeal to the Officer-in-Charge of the Regional Office of DNBS / Consumer Education and Protection Cell of RBI at 15, Netaji Subhas Road, Kolkata - 700001, or such other office / authority as may be specified by RBI from time to time.

The Company has adopted the 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

In case the customer does not receive a response from the Grievance Redressal Officer or the Principal Nodal Officer within one month from the date of making a representation to the Company, or if the borrower is not satisfied with the response so received, a complaint may be made in accordance with the Integrated Ombudsman Scheme, 2021 to the office of the Ombudsman through the RBI CMS portal or through electronic / physical mode to the Centralised Receipt and Processing Centre, 4th Floor, Sector 17, Chandigarh - 160017. The RBI contact centre toll-free number is 14448 (9:30 a.m. to 5:15 p.m.).

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.

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, and shall also be made available on the website of the Company. The Policy on Penal Charges shall be accessible at the company Website.

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.

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 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.

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