FAIR PRACTICES CODE POLICY

1. Introduction and Applicability

Company has put in place the Fair Practices Code (FPC) as per the Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025, RBI/DOR/2025-26/362, DOR.MCS.REC.No.281/01-01-039/2025-26 dated November 28, 2025, as updated from time to time ("the Directions"), in particular Chapter III, Section A thereof, and it has been duly approved by the Board of Directors in terms of Chapter II, paragraph 7 of the Directions. The Fair Practices Code sets out the principles for fair practices/ standards while dealing with its customers. The Company has adopted this Fair Practices Code ("the Code") and has implemented it. The Code applies to all categories of products and services offered by the Company (currently offered and which may be introduced in future).

Purpose: To promote fair and honest dealings between the company and its customers by setting minimum standards for services.

Scope: Applies to all products and services, regardless of the delivery method (e.g., online, phone, in-branch), and to all employees, Direct Selling Agents, Direct Marketing Agents, Recovery Agents and other persons acting on behalf of the Company.

The Company may enhance the scope of this Code beyond the Directions but shall in no way sacrifice the spirit underlying them (para 21). Any amendment to the Directions shall apply from its effective date, even before this Code is revised.

2. General Responsibilities and Key Commitments:

The Company's key commitments to customers:

i. Act fairly and reasonably in all their dealings with customers by:

- Meeting the commitments and standards specified in the Code, for the products and services which the Company offers and, in the procedures and practices its staff follows;
- Making sure that Company's products and services meet relevant laws and regulations;
- Company's dealings with customers will rest on ethical principles of integrity and transparency

ii. Help customers understand how company's product work by:

- Explaining their financial implications

iii. Deal quickly and sympathetically with things that go wrong by:

- Correcting mistakes;
- Handling customer's complaints;
- Telling customers' how to take their complaint forward if they are still not satisfied

iv. Publicize the Code and have copies available for customer on request, host it on the Holding Company's website for the information of all stakeholders (para 21) and display it at all branches

v. Fair and Transparent Dealing: Act fairly and reasonably in all customer dealings, meeting all commitments and standards.

vi. No Discrimination: Do not discriminate based on religion, caste, sex, descent, disability or financial status.

vii. Professional Conduct: Provide professional, efficient, courteous, and diligent services

viii. Persons with Disabilities: Do not discriminate in extending products and facilities, including loans, to physically or visually challenged applicants on grounds of disability. All branches shall render all

possible assistance to such persons, training programmes for employees at all levels shall include a module on the rights of persons with disabilities, and their grievances shall be redressed under the grievance redressal mechanism (para 28).

3. Disclosures and Communication

Language: All communications to the borrower, including application forms, sanction letters, loan agreements and notices, shall be in the vernacular language or a language understood by the borrower (para 10). This Code shall also be made available in the vernacular language.

Loan Details: Provide complete and updated information on loan schemes, interest rates (annualised, so that the borrower is aware of the exact rate charged to the account, para 24), charges, and terms and conditions. This should be available on the website and at branches.

Interest Rate Model: The Board has adopted an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium. The rate of interest, the approach for gradation of risk and the rationale for charging different rates of interest to different categories of borrowers shall be disclosed in the application form and communicated explicitly in the sanction letter (para 22).

Website Disclosure: The rates of interest and the approach for gradation of risk shall be made available on the Company's website and updated whenever there is a change in the rates of interest (para 23).

Excessive Interest: The Company shall not levy interest or charges at levels that are excessive, unsustainable or not in conformity with normal financial practice (para 25).

Loan Agreements: Furnish a copy of the loan agreement, in a language as understood by the borrower, with a copy each of all enclosures quoted in the loan agreement to all borrowers at the time of sanction / disbursement (para 14).

Privacy: Keep customer information confidential and do not disclose it to a third party without written consent, except as required by law or regulatory bodies.

4. Loan Application and Processing, Appraisal and Disbursement

Loan Application: Loan application forms shall include all necessary information affecting the interest of the borrower, so that a meaningful comparison with the terms offered by other lenders can be made, and shall indicate the documents required to be submitted (para 11). Sanction loans based on a fair and transparent assessment of the borrower's needs and credit-worthiness.

Acknowledgement: Acknowledge receipt of all loan applications and indicate in the acknowledgement the time frame within which they will be disposed of (para 12).

Sanction Letter: Convey in writing to the borrower, in the vernacular language or a language understood by the borrower, by means of sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions, including the annualised rate of interest and method of its application, and keep the borrower's acceptance of these terms on record (para 13).

Penal Charges in Agreement: Mention the penal charges for late repayment in bold in the loan agreement (para 13).

Changes in Terms: Give notice to the borrower, in the vernacular language or a language understood by the borrower, of any change in the terms and conditions, including disbursement schedule, interest rates, service charges and pre-payment charges. Changes in interest rates and charges shall be effected only prospectively, and a suitable clause to this effect shall be incorporated in the loan agreement (para 15).

Recall / Acceleration: Any decision to recall or accelerate payment or performance under the agreement shall be in consonance with the loan agreement (para 16).

Non-interference: Refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement, unless information not earlier disclosed by the borrower has been noticed (para 18).

Loan Transfer: Convey consent or objection for a loan account transfer request within 21 days of receipt. Such transfer shall be as per transparent contractual terms in consonance with law (para 19).

Loan Closure: Release all securities on repayment of all dues or on realisation of the outstanding loan, subject to any legitimate right or lien for any other claim against the borrower. If such right of set-off is exercised, give the borrower notice with full particulars of the remaining claims and the conditions under which the securities will be retained till the claim is settled (para 17). Clearly outline the process for loan closure, including timelines for the return of property documents. Original property documents shall be released, and charges with any registry removed, within 30 days of full repayment / settlement; any delay attributable to the Company shall be compensated at ₹5,000 per day (Chapter III, Section F).

5. Loan Repayment and Recovery

Penal Charges: Inform customers that penal charges are for non-compliance of material terms and conditions of the loan and not for revenue enhancement. Penalty, if any, shall be levied only as penal charges and not as penal interest added to the rate of interest. Do not capitalize penal charges (i.e., do not compute interest on penal charges). The quantum and reason for penal charges shall be disclosed upfront in the loan agreement, the Key Facts Statement and on the website (Chapter III, Section C).

Recovery: Refrain from undue harassment, such as persistently bothering borrowers at odd hours, or using muscle power during loan recovery (para 20). Neither the Company nor its agents shall call borrowers before 8:00 a.m. or after 7:00 p.m. for recovery of overdues, use threatening, abusive or anonymous communication, or intrude upon the privacy of the borrower's family members, referees or friends. Recovery agents must be well-behaved and follow the company's policies.

Staff Training: Ensure that staff are adequately trained to deal with customers in an appropriate manner, as complaints often relate to rude behaviour (para 20).

Repossession: Where a loan is secured by a vehicle or other asset, the loan agreement shall contain a legally enforceable repossession clause specifying (a) the notice period before taking possession; (b) the circumstances under which the notice period can be waived; (c) the procedure for taking possession of the security; (d) a final chance to the borrower to repay before sale / auction; (e) the procedure for giving repossession to the borrower; and (f) the procedure for sale / auction of the property. A copy of these terms shall be made available to the borrower (paras 26 and 27).

6. Grievance Redressal

Mechanism: Establish a clear, accessible grievance redressal mechanism to resolve customer complaints promptly and effectively. The mechanism shall ensure that all disputes arising out of the decisions of the Company's functionaries are heard and disposed of at least at the next higher level (Chapter II, para 7, A.1(2)).

Escalation: Record all grievances and escalate them to the next level if not resolved to the customer's satisfaction within a specified timeframe. The name and contact details of the Grievance Redressal Officer shall be displayed at all branches and on the website. If a complaint is not resolved within 30 days, or the customer is dissatisfied with the response, the customer may approach the Reserve Bank – Integrated Ombudsman Scheme, 2021 (cms.rbi.org.in).

7. Review of Policy

Regular Review: Review and revise the policy at least annually, or as required by changed circumstances or regulatory updates.

Compliance Review: The Board shall provide for periodical review of compliance with this Code and of the functioning of the grievance redressal mechanism at various levels of management. A consolidated report of such reviews shall be submitted to the Board at regular intervals (Chapter II, para 8).

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