Equentia Financial Service Private Limited

FAIR PRACTICES CODE

OF

EQUENTIA FINANCIAL SERVICE PRIVATE LIMITED

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FAIR PRACTICES CODE

The Reserve Bank of India, ("**RBI"**), vide its notification number DNBS (PD) CC No.80/03.10.042/2005-06 dated September 28, 2006 and subsequently through various other notifications has prescribed the broad guidelines on fair practices that are to be framed and approved by the Board of Directors of all Non-Banking Financial Companies ("**NBFC**s"). All these notifications, circular or guidelines on Fair Practices Code has been consolidated in last RBI (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025, (Directions) as amended from time to time, issued vide notification No. DOR.MCS.REC.No.281/01-01-039/2025-26 dated November 28, 2025 under RBI Press releases dated November 28, 2025 and circular DOR.RRC.REC.302/33-01-010/2025-26 dated November 28, 2025.

This Fair Practices Code ("**Code**") is aimed to provide all the stakeholders, especially customers/borrowers and external representatives an effective overview of the practices followed by Equentia Financial Service Private Limited ("**EFSPL", "Company**", "**CredAble", "We", "Us", "Our**") in respect of the financial facilities and services offered by the Company to its customers/borrowers. This Fair Practice Code has created taking into account the directions issued by Reserve Bank of India that include guidelines on 'Fair Practice Code for NBFCs'.

The requirement further prescribes that the Fair Practices Code ("**Fair Practice Code or FPC**") so framed and approved by the Board of Directors should be published and disseminated on the website of the company, for the information of the public.

As a result, we framed a comprehensive Fair Practice Code which is covered in this document.

APPLICABILITY

The Code will be applicable to all the offices of the Company located across India including the Head Office, Mumbai. The Code shall be binding on all the employees and officers of the Company.

OBJECTIVE OF THE CODE

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

To increase transparency to enable the customers to have a better understanding of what they can reasonably expect of the services;

To monitor and administer customer's accounts in a fair and transparent manner consistent with the terms and conditions of the facility provided;

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

The FPC is aimed to provide to the customers effective overview of practices, which will be followed by the Company in respect of the financial facilities and services offered by the Company to its customers through the terms and conditions of the facility. The Code will facilitate the customers to take informed decisions in respect of the financial facilities and services to be availed by them and will apply to any loan that the Company may sanction and disburse.

OUR KEY COMMITMENTS AND DECLARATIONS

A. The Company shall act efficiently, fairly and diligently in dealing with all its customers by:

Meeting the commitments and standards in this Fair Practices Code for the financial products and services, it offers, and the procedures and practices its staff follows;

(i) Ensuring that all the financial services meet relevant laws and regulations;

(ii) Providing professional, courteous and speedy services;

(iii) Providing accurate and timely disclosure of terms and conditions, costs, rights and liabilities with regards to the financial transactions.

B. The Company shall help the customer understand how its financial products and services work, by:

A. Providing relevant information about the financial schemes in the mode consented by the borrower in Facility Agreement.

(i) as understood by the customer;

(ii) Ensuring that the advertising & promotional literature is clear and is not misleading;

(iii) Explaining financial implications of the transactions;

(iv) Helping the customer choose the financial scheme.

C. The Company shall quickly and proactively:
(i) Assist in rectifying the errors, if any;
(ii) Attend customer complaints;
(iii) Inform the customers how to proceed with their complaint in case of non-satisfactory assistance;

NON-DISCRIMINATION POLICY

A. CredAble shall offer all financial products, to eligible qualified applicants, without discrimination on the basis of caste, colour, creed, race, religion, sex or handicap.
B. All communications to the borrowers shall be made in accordance with the mode consented to by the borrower in Facility Agreement.
C. The Loan application forms of the Company will include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and informed decision can be taken by the borrower. The loan application form indicates the documents required to be submitted with the application form.
D. The Company will have a system of giving acknowledgement for receipt of loan applications. The time frame within which loan applications will be disposed of will be indicated in the acknowledgement.
E. The Company will offer credit to eligible qualified applicants who express their need to borrow through the written request received by them.

LOAN APPRAISAL AND TERMS/CONDITIONS

A. Company shall convey in writing by means of sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions including annualised rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the customer on record.
B. Subject to receipt of all the requisite documentation and information, loan applications shall be disposed. In any case the customer will be kept informed by the sales person/relationship manager with regards to the status of his application from time-to-time. The customer may also contact Company's customer service team at the prescribed email id to obtain an update on the status of application.
C. Further, the Company shall furnish a copy of the loan agreement as understood by the customer along with a copy each of all enclosures quoted in the loan agreement to all the customers at the time of sanction / disbursement of loans.
D. The Company shall specify the loan amount along with the rate of interest so charged and the tenure shall be mandatorily specified in the sanction letter, or any other document so issued by the Company along with the loan agreement issued at the time of agreement.
E. The customer shall be informed of the penalties charged for the late repayment of loan upfront at the time of entering into the agreement.

If any additional details/ documents are required, the same shall be intimated to the customers.

DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS

A. The Company shall conduct a due diligence on the credit worthiness of the customer, which will be an important parameter for taking decision on the application. The assessment would be in line with the Company's credit policies, norms and procedures in respect thereof.

B. The Company shall invariably be bound to furnish a copy of the loan documents containing the terms and conditions of the loan ("Loan Documents"), preferably in the vernacular language or a language as understood by the borrower, along with a copy of all enclosures quoted in the Loan Documents to all the borrowers at the time of sanction/ disbursement of loans. The Company shall ensure that the Loan Documents and all enclosures furnished to all borrowers contain the terms and conditions and the rate of interest. Further, the Company shall mention the penal interest charged for late payment in bold in the Loan documents.

C. The Company shall have a built-in repossession clause wherever applicable in the contract/Loan Documents so as to have legal enforceability.

D. Wherever applicable, the terms and conditions contained in the Loan documents of the Company shall also contain the following provisions:

(i) Notice period before taking possession.

(ii) Circumstances under which the notice period can be waived.

(iii) Procedure for taking possession of the security.

(iv) Provision regarding final chance to be given to the borrower for repayment of loan before the sale/auction of the property.

(v) Procedure for giving repossession to the borrower and

(vi) Procedure for sale/ auction of the property.

E. The Company shall frame appropriate internal principles and procedures for determining and ensuring that the interest rates and processing and other charges are not excessive. The Company shall, at the time of disbursal, ensure that the interest rate and processing and other charges on loan and advances are in strict adherence to above referred internal principles and procedures.

F. The disbursement will be made immediately upon compliance of all the terms and conditions of the sanction by the borrower.

RESPONSIBILITY OF BOARD OF DIRECTORS

The Board of Directors of Company should also lay down the appropriate grievance redressal mechanism within the organization. Such a mechanism should ensure that all disputes arising out of the decisions of lending institutions' functionaries are heard and disposed of at least at the next higher level. The Board of Directors should also provide for periodical review of the compliance of the Fair Practices Code and the functioning of the grievance's redressal mechanism at various levels of management. A consolidated report of such reviews may be submitted to the Board at regular intervals, as may be prescribed by it.

POST DISBURSAL MONITORING / SUPERVISION

A. The Company will give notice to the borrower in the vernacular language or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. The Company will also ensure that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard will be incorporated in the loan agreement.

B. Any decision to recall/accelerate payment or performance under the Loan Documents shall be in consonance with the Loan Documents.

C. All securities offered by the customer shall be released on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim the Company may have against the customer. If such right of set off is to be exercised, the customer shall be given notice about the same with full particulars about the remaining claims and the conditions under which the Company is entitled to retain the securities till the relevant claim is settled/ paid.

GENERAL

A. The Company shall not interfere in the affairs of the customer except for the purposes provided in the Loan Documents, unless new information not earlier disclosed by the customer has come to the notice of the Company.

B. In the matter of recovery of loans, the Company shall not resort to undue harassment like bothering the customer at odd hours, use of muscle power for recovery of loans etc. The Company shall ensure that its staff is adequately trained to deal with the customers in an appropriate manner.

C. The Company or its representative will call delinquent customers between 8:00 am to 7:00 pm unless special circumstances of the customer's business require to call them otherwise outside the hours mentioned.

D. The Company may arrange for enforcing security charged to it of the delinquent borrower, if required, with an aim only to recover dues and will not be aimed at whimsical deprivation of the property.

E. The Company shall ensure that the entire process of enforcing its security, valuation and realisation thereof be fair and transparent.

F. In case of receipt of a request from the customers for transfer of their account to other NBFC or Bank, the consent or otherwise i.e. objection of the Company, if any, shall be conveyed within 21 days from the date of receipt of such request in writing. Such transfer shall be as per transparent contractual terms in consonance with law.

COMPLAINT REDRESSAL MECHANISM

A. At the operational level, Company shall display the following information prominently, for the benefit of their customers, at their branches / places where business is transacted:

(a) the name and contact details (Telephone / Mobile nos. as also email address) of the Grievance Redressal Officer who can be approached by the public for resolution of complaints against the Company.

(b) If the complaint / dispute is not redressed within a period of one month, the customer may appeal to the Officer-in-Charge of the Regional Office of DNBS of RBI (complete contact details), under whose jurisdiction the registered office of the Company falls.

(c) The grievance redressal mechanism followed by the company, together with details of the grievance redressal officer and of the Regional Office of the RBI shall be highlighted for this purpose.

B. If the above is not adhered to then the Company has set up product wise turn-around time ("TAT") for resolution of customer grievances within the above period of one month and shall ensure to resolve the complaints within such defined TATs.

C. If the grievance is not redressed within the Turn-Around-Time (TAT) referred above, the customer may appeal to:

The Officer in Charge,

Department of Non-Banking Supervision,

Reserve Bank of India,

3rd Floor, Opposite Mumbai Central Railway Station,

Byculla, Mumbai – 400 008,

mail id: dnbsmro@rbi.org.in

D. The Company shall request the customer to provide feedback on the services rendered. This can be done through direct contact by staff or through specific customer satisfaction surveys that may be conducted from time to time.

POLICY FOR DETERMINING INTEREST RATES, PROCESSING AND OTHER CHARGES

A. To ensure that there the Customers are not charged excessive interest rate and charges on loans and advances by the Company, the Board of the Company has adopted a Policy for Determining Interest Rates, Processing and Other Charges Interest Rate Policy which is a part of the Schedule of Charges and the same has been put up on the Company's website credable.in. Further the Board of the Company also undertakes periodical review of the Interest Rate Policy.

B. CredAble has been lending at interest rate based on weighted average cost of funds, operating cost, margin and risk premium and determined rate of interest charged for loans and advances. The rate of interest shall be fixed on the basis of the risk gradation of the client and shall be charged on per annum basis. The risk committee will monitor the rates periodically.

C. The Company intimates the Borrower, the loan amount and Rate of Interest at the time of sanction of the loan along with the tenure.

D. The processing fee, if any, shall be determined on the basis of quantum of work involved in credit appraisal, volume of documentation and other expenses involved in the transaction. The rate of interest is subject to change as the situation warrants due to market compulsions and change in regulatory norms and is subject to the discretion of the management on a case-to-case basis.

LOAN FACILITIES TO THE PHYSICALLY/VISUALLY CHALLENGED BY THE COMPANY

The Company shall not discriminate in extending products and facilities including loan facilities to physically/visually challenged applicants on grounds of disability. All offices of the Company shall render all possible assistance to such persons for availing of the various business facilities. Further, the Company shall ensure redressal of grievances of persons with disabilities under the Grievance Redressal Mechanism already set up by the Company.

KEY FACTS STATEMENT FOR LOANS & ADVANCES

1. <u>The Company shall provide a KFS to all prospective borrowers to help them take an informed view before executing the loan contract, as per the standardised format given as Annex I in the aforesaid Directions. The KFS shall be written in a language understood by such borrowers. Contents of KFS shall be explained to the borrower and an acknowledgement shall be obtained that they have understood the same.</u>
2. The KFS shall be provided with 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 a validity period of one working day for loans having tenor of less than seven days.

   Explanation: Validity period refers to the period available to the borrower, after being provided the KFS by the NBFC, to agree to the terms of the loan. The NBFC shall be bound by the terms *of the loan indicated in the KFS, if agreed to by the borrower during the validity period.*

3. The KFS shall also include a computation sheet of Annual Percentage Rate (APR), and the amortisation schedule of the loan over the loan tenor. APR will include all charges which are levied by the Company.

   Illustrative examples of calculation of APR and disclosure of repayment schedule for a hypothetical loan are given in the aforesaid Directions.

4. Charges recovered from the borrowers by the Company on behalf of third-party service providers on actual basis, such as insurance charges, legal charges etc., shall also form part of the APR and shall be disclosed separately. In all cases wherever the Company is involved in recovering such charges, the receipts and related documents shall be provided to the borrower for each payment, within a reasonable time.
5. Any fees, charges, etc. which are not mentioned in the KFS, cannot be charged by the Company to the borrower at any stage during the term of the loan, without explicit consent of the borrower.
6. The KFS shall also be included as a summary box to be exhibited as part of the loan agreement.

PENAL INTEREST / LATE PAYMENT CHARGES

The Company has adopted Policy on Penal charges in Loan Account. Besides normal interest, the Company may collect penal interest / late payment charges for any delay or default in making payments of any dues on the basis of penal charges policy stated above.

The Company shall abide by this Fair Practices Code following the spirit of the Code and in the manner, it may be applicable to its business.

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