

# **FAIR PRACTICES CODE & GRIEVANCE** **REDRESSAL**

Version 1.0

January 2026

Equirus Finance Private Limited

Website: [www.equirusfinance.com](http://www.equirusfinance.com)

Approved in the Board Meeting held on: 28<sup>th</sup> Jan 2026

**Document review history**

Version	Author	Date	Revision
1.0	Manishkumar Jain	23 <sup>rd</sup> Jan 2026	Drafting and approval of policy document

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## **FAIR PRACTICES CODE**

**Equirus Finance Private Limited (the Company/ EFIL), in pursuance of the Directions issued by Reserve Bank of India** for Non-Banking Financial Companies (NBFCs), has adopted the following Code for fair practices while dealing with customers. The Fair Practice Code (FPC) is intended to cover the following areas:

- Applications for loans and their processing
- Loan appraisal and terms/conditions
- Disbursement of loans, including changes in terms and conditions
- General provisions and
- Grievance redressal mechanism

### **1. Objectives of the Code**

- (a) To ensure Fair Practices while dealing with the customers and promote good, fair and trustworthy practices by setting up minimum standards.
- (b) To ensure greater transparency enabling customers in having a better understanding of the product and taking informed decisions.
- (c) To ensure that clients are advised of the terms and conditions of products/ services provided in a comprehensive manner for their consideration prior to commitment of a transaction.
- (d) To monitor and administer client accounts in a fair and transparent manner consistent with the terms and conditions of the facility provided.
- (e) Recovery and enforcement, where necessary is conducted following due process of law.
- (f) To ensure compliance of applicable regulations prescribed by RBI relating to fair practices.

### **2. Applications for loans and their processing**

- (a) All relevant information pertaining to the loan/loan facility will be made available in the relevant loan application form(s) or through other modes (term sheet, teasers, etc.) The loan application form will also indicate the documents required to be submitted together with the duly completed application form.
- (b) The client will have the option to receive all the correspondences, loan documents, recall notices etc relating to loan in English or in vernacular language/language understood by the Client. For this purpose the Client need to indicate his/her/its preference in the loan application form by selecting the appropriate option.
- (c) Receipt of completed applications forms will be duly acknowledged. Applicants are required to insist for an acknowledgement in this regard.
- (d) The acknowledgement would also indicate the approximate timeframe within which the applicant should contact the Company at its registered office to ascertain the status of the loan application.
- (e) EFPL will furnish a copy of loan agreement along with a copy of each enclosure quoted in the loan agreement to all the borrowers at the time of sanction/disbursement of loan.

### **3. Loan appraisal and terms/conditions**

- (a) Loan applications shall be assessed in accordance with the Company's credit appraisal process and policies. The client shall be advised in the language selected by him/her/it in the loan application of

the outcome of the credit appraisal (approval/rejection) within the period for appraising the loan application indicated in the acknowledgment to loan application.

- (b) Upon approval of the loan, the Company shall convey the amount of loan sanctioned, annualized interest rate, default interest rate and other important terms and conditions to the Client by way of sanction letter or otherwise in the language selected by the Client in the application form for correspondence, etc. The penal interest, if any, to be charged by the Company for late repayment, etc shall be mentioned in bold in the loan agreement including key fact statement (KFS), sanction letter, etc. An acceptance of such terms and conditions shall be retained by the Company.
- (c) The Company shall enter into an agreement indicating the amount of loan sanctioned, annualised rate of interest applicable, including method of application thereof, along with the terms and conditions with the client. A copy of the said agreement along with schedule(s) and annexure(s) to the agreement will be provided to the client in the language opted by the client.

#### **4. Disbursement of loans, including changes in terms and conditions**

- (a) Any changes to the terms and conditions, including disbursement schedule, interest rates, service charges, prepayment charges, etc, shall be informed individually to the borrowers in case of account specific changes, and in case of others, the same shall be available at the registered office

/ corporate office of the Company or on website or be disseminated through print media if the Company so decide.

- (b) Changes in the interest rates and charges shall be effected prospectively. A suitable condition to this effect will be inserted in the loan agreement.
- (c) Decision to recall / accelerate payment or performance under the agreement shall be in accordance with the terms and conditions of the loan documents executed by the borrower with the Company.
- (d) All securities pertaining to the loan would be released on receipt of full and final payment of the loans, subject to any legitimate or contractual right or lien or right to set-off which the Company or any other person may have under the loan documents against the borrowers. If such right of set-off is to be exercised, the borrower shall be given notice about the same, with full particulars about the remaining claims and the conditions under which the right to retain or setoff the securities/sale proceeds from the securities or right to transfer the securities or sale proceeds is exercised by the Company. In the event of full and final payment of the loans along with other dues, if any, "No outstanding dues" certificate shall be issued by the Company within 1 month from the date of receipt of request from the borrower / customer.
- (e) All notices, correspondence in respect of the loan will be made in the language opted by the Client in the loan application form.

#### **5. Responsible Lending Conduct – Release of movable/immovable property documents on repayment/ settlement of personal loans**

- (a) EFPL will release all original movable and immovable property documents within 30 days after the complete repayment / settlement of the loan account / closure of the loan account.
- (b) EFPL will give flexibility to collect original property documents either from the branch where the loan account was serviced or any other office of the regulated entity (RE) where the documents are available, based on borrower's preference.
- (c) The timeline and place of return of original movable / immovable property documents will be mentioned in the loan sanction letters issued on or after the effective date.
- (d) In cases of the borrower's death/demise, EFPL has a well-defined procedure for returning property documents to legal heirs. This procedure must be readily accessible on our website.
- (e) If EFPL fails to release documents or file charge satisfaction forms within 30 days, we must communicate the reasons for the delay to the borrower. In cases where the EFPL is responsible for the delay, we must compensate the borrower at the rate of ₹5,000 per day of delay.
- (f) In case of loss or damage to original property documents, either partially or entirely, EFPL must assist the borrower in obtaining duplicate or certified copies. EFPL will bear the associated costs and pay compensation as mentioned in paragraph e. However, we are granted an additional 30 days to complete this process (30+30=60days).
- (g) The compensation provided under these directives does not affect the borrower's rights to seek further compensation as per applicable laws. This provision safeguards the borrower's interests.

#### **6. Applicant with Disability (ies)**

The Company shall not discriminate in extending products and facilities including loan facilities to the physically / visually challenged applicants on the grounds of disability. They shall be treated at par with the other applicants and their application shall be dealt on merit as per the credit process and policy of the Company. All possible assistance will be provided to the applicants with the disability (ies) to enable them to understand, select and avail appropriate product or loan facility.

#### **7. Credit Reference Agencies and Credit Information Companies**

- (a) When a person applies for a loan product, Company may pass on such details, for purposes of credit reporting, verification, and risk management, as may be required to Credit Reference Agencies. The

company will exchange information about our customers with reputable reference sources and clearing house services.

- (b) The company may give information to such credit reference agencies about the loans taken from us, Customer repayment track record and other appropriate details to build your credit profile.
- (c) Company may provide such credit reference agencies information about day to day running of your account as per the consent provided by the Customer in our loan agreement terms.

#### **8. Protection of Customer**

- (a) Company may provide such information to our group/associate entities or companies when we have tie up arrangements for providing other financial products, provided we have permission of customer, through consent obtained as a part of our terms and conditions.
- (b) Company will treat our customer's personal information as private and confidential and will not reveal details of customer's dealings with us to a third party unless authorized by customer. Unless authorized by customer, we will not reveal transaction details to any other entity including other than the following exceptional cases:
  - If we have to give the information by law.
  - If there is a duty towards the public to reveal the information.
  - If our interest requires us to provide this information (e.g. fraud prevention) to Banks/Financial Institutions/Our Group or Associate Companies.

#### **9. Interest Charges:**

- (a) The Board of Directors has adopted an interest rate model for determining the rate of interest to be charged on loans and advances, processing and other charges taking into account relevant factors such as, cost of funds, margin and risk premium, etc. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers shall be disclosed to the borrower or customer in the application form and agreed interest shall be communicated explicitly in the sanction letter.
- (b) The rates of interest and the approach for gradation of risks shall also be made available on the website of the company. The information published in the website or otherwise published will be updated, whenever there is a change in the rates of interest.
- (c) The rate of interest would be annualized rates so that the borrower is aware of the exact rates that would be charged to the account.

#### **10. Reset of floating interest rate on Equated Monthly Instalments (EMI) based personal loans**

- (a) EFPL must clearly communicate to borrowers at the time of loan sanction about the potential impact of changes in the benchmark interest rate on the loan, which could lead to changes in EMI amount and/or loan tenor. Any subsequent increase in EMI or tenor due to such changes must be promptly communicated to the borrower. The benchmark rate would be reset as decided from time to time.
- (b) Borrowers should be given the choice to opt for an increase in EMI, elongation of tenor, or a combination of both the options. Additionally, borrowers should have the option to prepay either in part or in full at any point during the loan tenor, with any foreclosure charges or prepayment penalties subject to existing instructions.
- (c) EFPL must ensure that elongation of tenor for floating rate loans does not result in negative amortization.
- (d) EFPL must provide borrowers with statements at the end of each quarter containing essential loan information, including principal and interest recovered, EMI amount, number of EMIs left, and

annualized rate of interest/Annual Percentage Rate (APR) for the entire loan tenor. These statements should be simple and easily understood by borrowers.

## **11. Penal Charges**

- (a) Penalty, if charged, for non-compliance of material terms and conditions of loan contract by the borrower shall be treated as 'penal charges' and shall not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances.
- (b) There shall be no capitalisation of penal charges i.e., no further interest computed on such charges. However, this will not affect the normal procedures for compounding of interest in the loan account.
- (c) The quantum of penal charges shall be reasonable and commensurate with the non compliance of material terms and conditions of the loan agreement without being discriminatory within a particular loan/product category.
- (d) The penal charges in case of loans sanctioned to individual borrowers for purposes other than business shall not be higher than the penal charges to non-individual borrowers for similar non-compliance of material terms and conditions.
- (e) EFPL may send reminders to borrowers for non-compliance with the material terms and conditions of the loan agreement, as well as the applicable penal charges, and communicate the instance of penal charges levy and the reasons for the same.
- (f) The loan agreement and the most important terms and conditions/key fact statement, as applicable, would be clearly disclosed to customers. The interest rate policy will be displayed on the website. The quantum and reason for penal charges would be clearly disclosed by the Company to the customers (in the loan agreement).
- (g) The most important terms and conditions/ key fact statement, as may be applicable, would be disclosed to the customers and where standardized, displayed on the website under Interest rates and Service Charges.

## **12. General provisions**

- (a) The Company shall refrain from interference in the affairs of the borrower, except for the purposes and as provided in the terms and conditions of the loan documents or unless new information, not earlier disclosed by the borrower, has come to the notice of the Company.
- (b) In case of receipt of request from the borrower for transfer of borrower account, the consent or otherwise, i.e. objection of the Company, if any, shall be conveyed within 21 days from the date of receipt of request.
- (c) In the matter of recovery of loans, the Company shall not resort to undue harassment viz persistently bothering the borrower at odd hours, use of muscle power for recovery of loans and would operate within the legal framework. The Company will ensure that all its employees are adequately trained to deal with the borrowers in an appropriate manner.
- (d) The Company shall not charge foreclosure charges/ pre-payment penalties on any floating rate term loan sanctioned for purposes other than business to individual borrowers, with or without co-obligant(s).

## **13. Grievance Redressal**

The implementation of the Fair Practice Code shall be the responsibility of the Company. The Company shall make every effort to ensure that its dealing with borrowers / customers is smooth and hassle free. Any complaint brought to the notice of the Company by a borrower / customer will be handled expeditiously.

All disputes / complaints arising out of the decisions of the Company's functionaries including issues relating to services provided by the outsourced agency would be heard and disposed of after it is brought to their notice.

A consolidated report of periodical review with compliance with the Fair Practices Code and functioning of the grievances redressal mechanism at various levels of management would be submitted to the Board of Directors (Committee thereof) at regular intervals.

The contact details of the Grievance Redressal Officer ("GRO") and the local office of RBI (which can be approached, if the complaint / dispute is not resolved within a period of one month) will be displayed at all the branches / places where the Company conducts its business.

#### 14. Grievance Redressal Mechanism

The Company has provided following Grievance Redressal Mechanism to resolve any of its Customer Query / Grievance / Complaints:

<b>LEVEL – 1</b>	<ul style="list-style-type: none"><li>a. The borrowers can directly approach the Head office and enter his/her complaint/grievance in the compliant register maintained at the branch.</li><li>b. The concerned Employee / Relationship Manager / shall guide the borrowers who wish to lodge a complaint.</li><li>c. The borrower may also lodge complaints / grievances at the following email id : <a href="mailto:Compliance@equirusfinance.com">Compliance@equirusfinance.com</a></li></ul>
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<b>LEVEL – 2</b>	<p>The borrower / customer can also approach Grievance Redressal Officer at the following address:-  Mr. Amit Ablani  12th Floor, C Wing, Marathon Futurex, N M Joshi Marg,  Lower Parel, Mumbai - 400 013  Tel No. +91-22- 4332 0700 Ext.  Email id: <a href="mailto:compliance@equirusfinance.com">compliance@equirusfinance.com</a></p> <p>The Grievance Redressal Officer shall endeavor to provide the borrower / applicant with the resolution / response to the queries / complaints / grievances received from them within a period of <b>minimum 15 days and maximum 30 days</b> from the day of the receipt of the of the complaint / grievances.</p>
<b>LEVEL – 3</b>	<p>If the Complaint / Grievances is not resolved within a period of one month, the borrower / customer / applicant may appeal to :-</p> <p>The Officer – in – Charge  Department of Supervision  Reserve Bank of India  3<sup>rd</sup> Floor, Near Maratha Mandir, Byculla,  Mumbai Central, Mumbai - 400008; Tel: +91 22-23084121/  23028436  Fax: +91 22-23022011  Email id - <a href="mailto:dnbsmro@rbi.org.in">dnbsmro@rbi.org.in</a></p>

## 15. Review of Policy

This Code is effective from 28<sup>th</sup> Jan 2026 in the light of the Circulars, Directions, etc issued by the Reserve Bank of India and the practices followed by the Company.