

POLICIES AND PROCEDURES

FAIR PRACTICES CODE

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1. PREAMBLE & OBJECTIVES OF THE CODE

LendThrive Finance Private Limited (“LendThrive” or the “Company”) is a Non-Deposit taking Non-Banking Financial Company registered with the Reserve Bank of India (RBI) under Certificate of Registration (CoR) No. N-13.02526 dated July 08, 2025, issued as Type-II NBFC-ND. The Company is presently classified in the Base Layer under Reserve Bank of India (RBI’s) Scale-Based Regulation (SBR) framework.

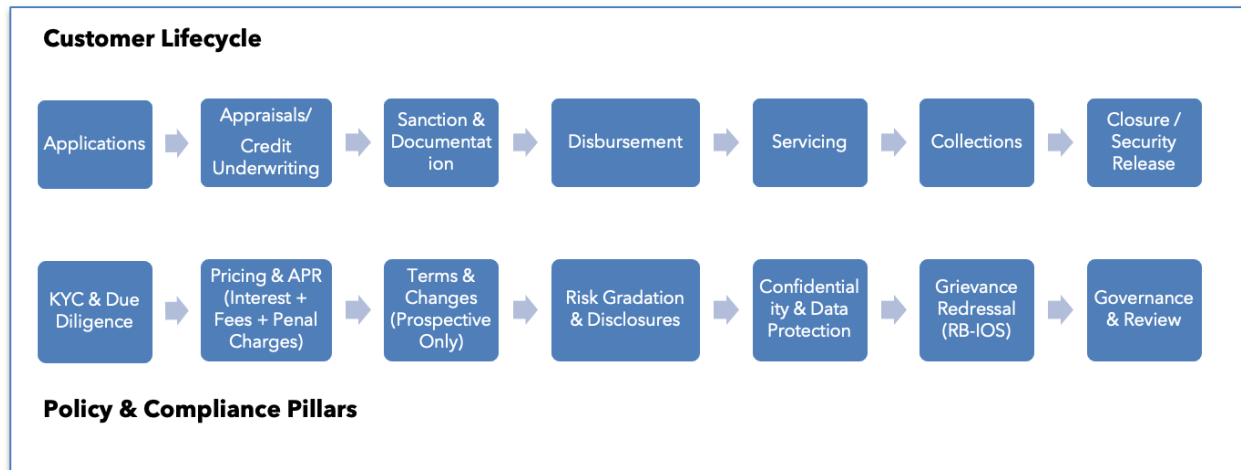
The Company is committed to treating every customer fairly, transparently and with dignity across the credit lifecycle. This Fair Practices Code (“Code”) sets the minimum standards for sourcing, appraisal, sanction, documentation, disbursement, servicing, collections, and grievance redressal. It aligns with the Reserve Bank of India’s Master Circular on Fair Practices Code (July 1, 2015 [Direct PDF link](#)) and subsequent guidance, including the circular on interest-charging practices (April 29, 2024 [Direct PDF Link](#)) and related updates. The Code applies all categories of products and services offered by the Company (currently offered and which may be introduced in future) .

Objectives:

- Adopt industry best practices in customer dealings and regulatory compliance.
- Give customers clear, accurate and comparable information to make informed decisions.
- Ensure transparent pricing covering interest, fees and penal charges and fair contract terms.
- Safeguard customer data and uphold dignity in all interactions, including recovery.
- Provide a robust, time-bound grievance redressal and escalation mechanism, including access to Reserve Bank - Integrated Ombudsman Scheme (RB-IOS).
- Continuously improve standards through training, competition and customer feedback.
- Foster a fair, courteous and long-term relationship between customers and the Company.

2. CORE PILLARS OF THE FAIR PRACTICES CODE

We align policies and practices to each stage of the customer credit lifecycle to ensure fairness, transparency, and compliance end-to-end.



3. POLICY SUMMARY (KEY PARAMETERS)

Topic	Policy at a glance
Entity & layer	NBFC-ND (Type-II), Base Layer under SBR; CoR No. N-13.02526 dated 08-Jul-2025.
Scope	All lending products/services; applies throughout lifecycle – sourcing, appraisal, sanction, documentation, disbursement, servicing, collections, grievance.
Language & disclosures	Pre-contract communication in English/vernacular or a language understood by the customer.
Key Facts Statement (KFS)	Provided before execution or collection of any fee (other than disclosed out-of-pocket). Shows APR, all charges and the repayment schedule; undisclosed fees not levied without explicit consent.
Sanction & copies	Sanction letter/loan agreement provided with annualized rate of interest, charges (incl. penal), repayment schedule, collateral/covenants; copies offered and acknowledgement retained.
Interest charging	Interest charged only from actual date of disbursement and only on actual outstanding; no back-dating or 'full-month' charging.
Penal charges	Penalties are treated as penal charges (not interest); no interest-on-penal and no capitalization. For individual (non-business) borrowers, penal charges shall not exceed those for non-individuals for similar non-compliance. Quantum/reasons disclosed in agreement, KFS and website; communicated with reminders/levy.

Changes in terms	All changes communicated in vernacular/understood language; applied only prospectively.
Release of original property documents	All originals released and charges removed within 30 days of closure; borrower may choose pickup location; legal-heir process published. If delay attributable to Company – compensation as per Board schedule (benchmark ₹5,000/day). If documents lost/damaged – Company assists to obtain duplicates, bears costs; reasonable extra time allowed.
Loan transfer / portability	Consent/objection conveyed within 21 days of request.
Collections & conduct	No undue harassment (no persistent odd-hour calls, no intimidation). Staff adequately trained; outsourced agents follow conduct code and carry identification.
No foreclosure charges (consumer floating)	No foreclosure/prepayment charges on floating-rate term loans to individuals for non-business purposes; comply with RBI Pre-payment Directions from 01-Jan-2026.
Grievance redressal	3-level escalation: Customer Service → GRO (outer limit 30 days) → RBI (RB-IOIS via CMS/CRPC). GRO/PNO, CMS link and CRPC address displayed on website/branches.
RB-IOIS applicability (current status)	As a start-up NBFC currently below RB-IOIS threshold, complaints after 30 days may be filed on CMS/CRPC; on eligibility, appoint Principal Nodal Officer (PNO) and adopt RB-IOIS timelines & displays.
Website/branch displays	FPC; Rol & charges (incl. penal); business hours/holidays; GRO/PNO & RB-IOIS details;
Privacy & data protection	Personal data processed per applicable law – consent, purpose limitation, retention, and data-subject rights;
Review & reporting	Compliance oversees implementation; periodic reviews to Board;

4. APPLICATIONS FOR LOANS & THEIR PROCESSING

- **Language & clarity:** All pre-contract communication (application form, checklists, SMS/email) will be in English, vernacular, or a language understood by the customer, and written in clear, simple terms.
- **Application form contents:** The Company's loan application form shall clearly disclose all information material to a customer's decision—including key terms/conditions 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 customer. The form shall also list the supporting documents required (KYC, income, security, etc.)
- **Acknowledgement & TAT:** On receipt of a complete application, the Company will issue an acknowledgement (tear-off/email/SMS) indicating the expected turnaround time and any pending requirements.
- **Additional information:** Any need for further information or documents will be communicated promptly with the impact on timelines.

- **Status updates & rejection:** Customers will be kept informed of application status. If a proposal is declined, the reason will be conveyed in a language understood by the customer.

5. LOAN APPRAISAL AND TERMS & CONDITIONS

- **Sanction & Loan Agreement Copies:** The Company will provide by means of sanction letter or otherwise the amount of loan sanctioned along with the terms and conditions including annualised rate of interest (RoI), fees/charges, penal charges, repayment schedule, security/collateral, and key covenants and the executed loan agreement (with all annexures/enclosures) in a language understood by the customer.
- **Key Facts Statement (KFS):** KFS will be provided before execution of loan documents or collection of any fee (other than disclosed out-of-pocket). The customer will receive KFS in a simple, standard format showing Annual Percentage Rate (APR), all charges and an amortisation/repayment schedule; Fees not disclosed in the KFS will not be levied without the customer's explicit consent.
- **Acknowledgement & records:** The Company will obtain and retain customer acknowledgment of the sanction letters & KFS; offer copies to the customer.
- **Turnaround & updates:** The Company will appraise and dispose applications expeditiously subject to receipt of information, documentation and security creation.

6. PENAL CHARGES IN LOAN ACCOUNTS

- 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. There shall be no capitalization 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.
- The Company shall not introduce any additional component to the rate of interest and ensure compliance to RBI Guidelines on Fair Practice Code in both letter and spirit.
- The quantum of penal charges shall be reasonable and commensurate with the non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan / product category.
- The penal charges in case of loans sanctioned to 'individual borrowers, for purposes other than business', shall not be higher than the penal charges applicable to non-individual borrowers for similar non-compliance of material terms and conditions.
- The quantum and reason for penal charges shall be clearly disclosed by the Company to the customers in the loan agreement and most important terms & conditions / Key Fact Statement (KFS) as applicable, in addition to being displayed on the Company's website under Interest rates and Service Charges.

- Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the applicable penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefor shall also be communicated to the borrowers.

7. DISBURSEMENT OF LOANS & CHANGES IN TERMS & CONDITIONS

- **Pre-disbursement:** The Company will disburse only after execution of required documents and completion of security creation (wherever applicable).
- **Interest charging practice:** The Company will charge interest only from the actual date of disbursement and only on the outstanding balance for the actual number of days the loan remains outstanding; no back-dating or “full-month” charging where not due.
- **Changes in Terms & Conditions:** The Company shall 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.
- **Prospective changes:** All changes in interest rates and charges will be affected only prospectively. A suitable condition in this regard will be incorporated in the loan agreement.
- **Recall/acceleration:** Decision to recall/accelerate payment or performance under the agreement shall be in consonance with the loan agreement.
- **Release of security:** The Company shall release all securities promptly on repayment of all dues or on realisation of the outstanding amount of loan subject to any legitimate right or lien for any other claim they may have against borrower. 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 NBFCs are entitled to retain the securities till the relevant claim is settled/paid.

8. RESPONSIBLE LENDING CONDUCT - RELEASE OF MOVABLE / IMMOVABLE PROPERTY DOCUMENTS ON REPAYMENT / SETTLEMENT OF LOANS

a) Release of movable/immovable property documents

- The Company shall release all the original movable / immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/settlement of the loan account.
- The borrower has the option of collecting the original movable/ immovable property documents either from the outlet/branch where the loan account was serviced or any other office of the Company where the documents are available, as per her/his preference.
- The timeline and place of return of original movable/immovable property documents shall be mentioned in the loan sanction letters issued on or after the effective date.

- In order to address the contingent event of demise of the sole borrower or joint borrowers, the Company has a procedure for return of original movable/immovable property documents to the legal heirs. The procedure is displayed on the website of the Company.

b) Compensation for delay in release of movable/immovable property documents

- In case of delay in releasing of original movable/immovable property documents or failing to file charge satisfaction form with relevant registry beyond 30 days after full repayment/settlement of loan, the Company shall communicate to the borrower reasons for such delay. In case where the delay is attributable to the Company, it shall compensate the borrower at the rate of ₹5,000 for each day of delay.
- In case of loss/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 the movable/immovable property documents and shall bear the associated costs, in addition to paying compensation as indicated at clause (i) above. The Company shall complete this procedure in additional 30 days delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).
- The compensation provided under these directions shall be without prejudice to the rights of the borrower to get any other compensation as per any applicable law.

9. GENERAL CONDUCT

- The Company will 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).
- 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, will be conveyed within 21 days from the date of receipt of request.
- In the matter of recovery of loans, the Company will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc. To avoid rude behaviour from the staff of the Company, the Company shall ensure that the staff are adequately trained to deal with the customers in an appropriate manner.
- The Company shall not charge foreclosure charges/ pre-payment penalties on floating rate term loans sanctioned for purposes other than business to individual borrowers, with or without co-obligant(s).
- In respect of loans (including term loans as well as demand loans) and advances sanctioned or renewed on or after January 1, 2026, the Company shall ensure compliance with the instructions issued vide 'Reserve Bank of India (Pre-payment Charges on Loans) Directions, 2025', dated July 02, 2025, as amended from time to time.

10. GRIEVANCE REDRESSAL MECHANISM

Access & TAT: The Customer(s) can register his/ her grievance through any of the following channels.

- Branch – Customers can walk into any of the existing branches of the Company from Monday to Friday – 10:00 am to 6:00 pm
- Website – www.lendthrivefinance.co.in – Customers can reach us using the form on the website.
- Email – Customer can reach us through the customer care email displayed on the website.
- Letter/post – Customer can send the letter to registered address of the Company as displayed on the website.

Escalation matrix: The Company shall display on its registered office and branches and website, details of the customer service team, the name and contact details of the Grievance Redressal Officer who can be approached for resolution of complaints against the Company.

The Company shall also display contact details of the Officer-in-Charge of the Regional Office of the Department of Supervision of the Reserve Bank of India (RBI) under whose jurisdiction the registered office of the Company falls, which can be approached to, if the complaint/ dispute is not redressed by the Company within a period of one month.

Level	Owner	Next Step/TAT
1	Customer Service team	Customer may reach us at: customercare@lendthrivefinance.co.in Resolve within 7 working days → else escalate to Level 2
2	HO Grievance Redressal Officer (GRO)	If your complaint is not resolved within 7 working days from the date of receipt, you may escalate the matter to our Grievance Redressal Officer (GRO) at: grievance@lendthrivefinance.co.in Overall outer limit: 30 days from first complaint. If unresolved/dissatisfied → approach RBI under RB-IOS via CMS or post to CRPC, Chandigarh
3	Officer in Charge of the Regional Office of Department of Supervision, Reserve Bank of India	If the grievances/ complaints are rejected wholly or partly or the customer is not satisfied with the reply or are not redressed within a period of one month, the customer can lodge a complaint over the Complaint Management System (CMS) portal (https://cms.rbi.org.in/) under the Reserve Bank-Integrated Ombudsman Scheme (RB-IOS) or send a physical complaint to Centralised Receipt & processing Centre located at 4th Floor, Reserve Bank of India, Sector-17, Central Vista, Chandigarh - 160017 Telephone no: 022 - _22150573 Fax No: 22180157

Complaints relating to outsourced service providers (DSAs/collection agents/LSPs & apps etc.) are covered under the same mechanism.

11. RESERVE BANK OF INDIA - INTEGRATED OMBUDSMAN SCHEME, 2021

As a newly set-up NBFC presently below the RB-IOs applicability threshold, complaints unresolved within 30 days of lodging with us may be filed on RBI's CMS portal or sent to the Centralised Receipt & Processing Centre (CRPC); such complaints are handled by RBI's Consumer Education & Protection Cells (CEPCs) when the RE is not yet covered under RB-IOs. Reserve Bank of India

Upon meeting RB-IOs applicability, the Company will:

- Appoint a Nodal Officer and a Principal Nodal Officer (PNO) for RB-IOs matters and publish their contact details. Reserve Bank of India
- Update our website and branch displays to show RB-IOs information, including the CMS portal link and CRPC address, alongside GRO/PNO contacts. Reserve Bank of India
- Follow RB-IOs timelines and processes and adopt any RBI amendments from their effective dates. Reserve Bank of India

12. INTEREST RATES & RISK GRADATION

- The Board of Directors has adopted an interest rate framework taking into account relevant factors such as, cost of funds, operating expenses, margin and risk premium, etc. and accordingly determine the rate of interest to be charged for loans and advances.
- 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 customer in the application form and communicated explicitly in the sanction letter.
- The rate of interest will be annualized rates so that the customer is aware of the exact rates that would be charged to the account.
- The rates of interest and the approach for gradation of risks shall also be made available on the website of the Company

Board of Directors shall lay out appropriate internal principles and procedures in determining interest rates and processing and other charges.

13. LOAN FACILITIES TO THE PHYSICALLY / VISUALLY CHALLENGED

The Company shall not discriminate in extending products and facilities including loan facilities to physically/visually challenged customers on grounds of disability. All branches of the Company shall render all possible assistance to such persons for availing of the various business facilities.

14. CONFIDENTIALITY & DATA PROTECTION

- All personal data is processed in accordance with applicable Indian law, including consent, purpose limitation, retention and data-subject rights
- All personal information of the customer would be confidential and would not be disclosed to any third party unless agreed through an explicit consent from the customer. The term Third party' excludes all Law Enforcement Agencies, Credit Information Bureau, Reserve Bank of India, other banks and financial institutions and any other State, Central or Other regulatory body.
- **Permitted sharing:** Sharing with group/associate/outsourced partners is limited to what is authorised by the customer or permitted by law and subject to contractual confidentiality and information-security safeguards.

15. WEBSITE DISPLAYS

Fair Practices Code shall be put up on the website of the Company for the information of various stakeholders.

The website will also display business hours, the rate-of-interest and charges (including penal charges), details of customer care team, Grievance Redressal Officer, Principal Nodal Officer and Reserve Bank-Integrated Ombudsman Scheme (RB-IOS)

16. PERIODIC REVIEW

The Compliance Officer shall oversee the implementation of the Code and grievance redressal and review its functioning periodically.

A consolidated report of such reviews shall be submitted to the Board at regular intervals, as may be prescribed by it.