APAC FINANCIAL SERVICES PRIVATE LIMITED
(“APAC ” or ‘the Company”)

FAIR PRACTICES CODE

Review Calendar:

Scheduled Board review in August of each year, unless, in the opinion of the Managing Director or the Policy Owner, an earlier review of the policy is deemed necessary.

Approval Date: August 06, 2026

Owner: Company Secretary & Compliance Officer

Owner:			
Name	**Designation**	**Date**	**Signature**
Akhil Parikh	Company Secretary & Compliance Officer		

Reviewer:			
Name	**Designation**	**Date**	**Signature**
K Selvaraj	Chief Compliance Officer and General Counsel		
Nikhil Bandi	Chief Technology Digital and Operations Officer		
Sanjay Sharma	Chief Administrative and Governance Officer		
Prashant Hegde	Product – Head		

Approved by the Board of Directors on			
Name	**Designation**	**Date**	**Signature**
Gunit Chadha	Managing Director		
Sankar Sastri	Executive Director		

Version Control

Version 1.0	**Approved on 05.05.2022**
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Fair Practices Code (FPC)

Introduction

This Fair Practice Code has been prepared in compliance with the "Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025 ("**RBI Master Directions**") " as issued by the Reserve Bank of India ("**RBI**") and amended from time to time and aims to provide our customers an effective overview of the practices followed by APAC Financial Services Private Limited ("**the Company**" or "**APAC**") and to enable customers to take informed decisions in respect of the financial facilities and services offered by the Company. This Fair Practice Code ("**FPC**" or "**the Code**") covers the general principles on adequate disclosures on the terms and conditions of the loan and the procedures to be followed while dealing with the customers. The Code applies to all categories of products and services offered by the Company.

In the event of any conflict in interpretation or inconsistency between this Code and the Regulations, Rules, Guidelines, Notifications, Clarifications, Circulars, Master Circulars, or Directions issued by the Reserve Bank of India (RBI), the provisions of such RBI Regulations, Rules, Guidelines, Notifications, Clarifications, Circulars, Master Circulars, or Directions shall prevail.

Objectives of the Code

The following are the primary objectives of this Code:

i. To make all our products available to all eligible and qualified applicants, without discrimination based on race, caste, colour, religion, sex, marital status, age, sexual orientation or disability.
ii. Promote fair, ethical and transparent practices by setting minimum standards in dealings with customers, including transparent communication of loan terms and conditions, charges, and rate of interest.
iii. Foster a fair and cordial relationship between the customers and the Company. The Company will also communicate its FPC to customers and all concerned by making it available on Company's website and displaying at all the branches of the Company.
iv. To ensure compliance with regulatory requirements with respect to customer interface and conduct.
v. To strengthen mechanisms for effective redressal of customer grievances ensuring timely resolution, and escalation, where necessary in accordance with the Grievance Redressal Policy of the Company.

Key Commitments

The Key Commitments which the Company promises to follow in its dealings with its customers are:

- The Company will communicate its FPC to its customers by making it available on its website and accessible at all branches.

- The Company's Board of Directors and the Management Team are responsible for implementing the fair practices hereinafter detailed and ensuring that its practices reflect its strong commitment to all the stakeholders. The Company shall ensure that all the employees are aware of and adhere to this commitment while dealing with the customers.

- The Company shall make every attempt to ensure that its customers have a smooth and trouble-free experience. In the event of errors of commission and omission, the Company will address such issue quickly, fairly and sympathetically, in line with its Grievance Redressal Policy.

Applications for loans and their processing

The Company is engaged in the business of providing various loan products.

All communications to the customers shall be in English and/or in the language as understood by the customers. Customers will receive key correspondences, loan documents, recall notices, and other communications relating to loan in English or any other language understood by the customers.

At the time of any submission of application forms for any loan, the Company will provide information about the interest rates applicable (annualised), the processing fees/charges, pre-payment options & charges, if any, penalties for late repayment, and any other matter which affect the interests of the borrower.

All relevant information pertaining to the product which affects the interest of the customers with regard to the loan facility that is being applied for will be made available in the relevant loan application form(s) or through Key Fact Statement /sanction letters, so that a meaningful comparison with the terms and conditions offered by other lenders can be made and an informed decision can be taken by the customers. The loan application form will also indicate the details of the various documents required to be submitted together with the duly completed application form.

APAC shall adopt an interest rate model which considers relevant factors such as expected cost of borrowings, credit costs and operating costs to originate, collect and servicing of such customer segments, resulting in fair risk-adjusted returns to stakeholders for sustainable business continuity and determine the rate of interest to be charged for loans and advances. The rate of interest applicable to customers shall be dependent on factors laid down in the Board approved Interest Rate Policy which is hosted on the website and all branches of the Company. The rate of interest and the approach for gradations of risk and rationale for rate of interest to different categories of customers shall be disclosed to the customers in the application form and communicated explicitly in the sanction letter. APAC shall, at the time of disbursal, ensure that the interest rate, processing fee, and other charges on loans and advances are in strict adherence to internal norms and procedures, and the Code, including the adopted interest rate model by APAC.

The rate of interest would be annualised rate so that the customers are aware of the exact rates that would be charged to the account. The Company shall give an acknowledgement for receipt of all loan applications by SMS/WhatsApp. The acknowledgement would also indicate the approximate timeframe within which loan application will be disposed of. The Company shall verify the loan applications within a reasonable period and if additional details / documents are required, it shall inform the applicants accordingly.

The Company shall furnish a copy of the loan agreement along with all enclosures quoted therein to the borrower at the time of sanction/upon disbursement of loans.

For disbursement, interest will be charged by APAC from the date of debit reflecting in the bank statement of the Company towards disbursement of the loan to the borrower. Due to any issues including cheque-based disbursement, if the interest is charged from a date earlier than the aforementioned date, in all such cases, Company will refund the interest to the borrower for the intervening period. All such refunds will be processed withing 30 days from the date of disbursement of such loan.

Any decision of APAC to recall or accelerate payment shall be in line with the loan agreement entered into with the borrower.

Loan appraisal and terms/conditions and Key Facts Statement for Loans and Advances

All particulars required for processing the loan application shall normally be collected by the Company at the time of application. In case the Company needs any additional information, applicant shall be informed appropriately.

The Company shall ensure that there is a proper assessment of credit applications made by the customers. The assessment would be in line with the Company's internal Credit Policies, Product Program, Norms and Procedures.

The Company will convey in writing to the borrower by means of sanction letter or otherwise in English and/or in the language as understood by the customers, the amount of loan sanctioned along with the terms and conditions These shall include annualised rate of interest, and method of application thereof including EMI structure, if any, prepayment charges, and other applicable charges. The Company shall keep the acceptance of these Terms and Conditions by the borrower in the Company's records. The Company will furnish a copy of the Loan Agreement in English and/or in the language as understood by the borrower along with a copies of all the material enclosures referred to therein, at the time of disbursement of the loan. These documents shall be sent either electronically or physical paper copy as applicable to all the customers upon disbursement of the loan.

The penal charges, if any, to be charged by the Company for non-compliance with the material terms and conditions of the loan, including delayed repayment, shall be clearly disclosed and prominently displayed in bold in the Loan Agreement and/or Sanction Letter.

The Company shall along with the Sanction Letter, provide a Key Fact Statement (KFS) as per the applicable RBI Master Directions, containing most important terms and conditions of the loan along with computation sheet of Annual Percentage Rate (APR) and amortisation schedule of the loan over the loan tenor.

Penal charges in loan accounts

APAC shall charge penalty for non-compliance with the material terms and conditions of loan contract by the borrower. Such penalty shall be treated as 'penal charges' and will not be levied in the form of 'penal interest'. There will 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. APAC shall not introduce any additional component to the rate of interest and ensure compliance to these guidelines in both letter and spirit. APAC has formulated a Board approved policy on penal charges or similar charges on loans. 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 customers, for purposes other than business', shall not be higher than the penal charges to non-individual customers for similar non-compliance of material terms and conditions. The quantum and reason for penal charges shall be clearly disclosed by the Company to its customers in the loan agreement /most important terms & conditions/Key Fact Statement (KFS), in addition to being displayed on the website of APAC under Interest rates and Service Charges. Whenever reminders for non-compliance of material terms and conditions of loan are sent to customers, the penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefor shall also be communicated.
APAC shall also comply with instructions and clarifications issued by the Central Board of Indirect Taxes & Customs (CBIC) regarding applicability of GST on penal charges.

Reset of floating interest rate on Equated Monthly Instalments (EMI) based personal loans

At the time of sanction of EMI based floating rate personal loans[1], APAC will consider the repayment capacity of customers to ensure that adequate headroom/margin is available for elongation of tenor and/or increase in EMI, in the scenario of possible increase in the external benchmark rate during the tenor of the loan. Further (i) At the time of sanction, APAC shall clearly communicate to the customers about the possible impact of change in benchmark interest rate on the loan leading to changes in EMI and/or tenor or both. Subsequently, any increase in the EMI/ tenor or both on account of the above shall be communicated to the borrower immediately through appropriate channels. (ii) At the time of reset of interest rates, APAC shall provide the option to the customers to switch over to a fixed rate as per its Board approved policy. (iii) The customers shall also be given the choice to opt for (a) enhancement in EMI or elongation of tenor or for a combination of both options; and (b) to prepay, either in part or in full, at any point during the tenor of the loan. Levy of foreclosure charges/ prepayment penalty shall be subject to extant instructions. (iv) All applicable charges for switching of loans from floating to fixed rate and any other service charges/ administrative costs incidental to the exercise of the above options shall be transparently disclosed in the sanction letter and at the time of revision. Such charges/ costs shall be as per the Board approved policy and displayed on APAC's website. (v) APAC shall ensure that the elongation of tenor in case of floating rate loan does not result in negative amortisation. (vi) APAC shall share/ make accessible to the customers, through appropriate channels, a statement at the end of each quarter which shall at the minimum, enumerate the principal and interest recovered till date, EMI amount, number of EMIs left and annualized rate of interest/Annual Percentage Rate (APR) for the entire tenor of the loan. APAC shall ensure that the statements are simple and easily understood by the borrower. Apart from the equated monthly instalment loans, the above guidelines would also apply, mutatis mutandis, to all equated instalment-based loans of different periodicities.

Disbursement of loans including changes in terms and conditions

i. The Company shall give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. The Company shall also ensure that changes in interest rates and charges are affected only prospectively. A suitable condition in this regard shall be incorporated in the Sanction letter/loan agreement.

ii. The decision of the Company to recall / accelerate payment or performance under the loan agreement shall be in consonance with the loan documents executed by the borrower with the Company.

iii. The Company will release all securities 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 borrower. If such right of set off is to be exercised, the borrower shall be given notice about the same with full information about the remaining claims and the conditions under which the Company is entitled to retain the securities till the relevant claim is settled/paid. 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 30 days from the date of closure of loan.

[1] As per RBI definition - Personal loans refers to loans given to individuals and consist of (a) consumer credit, (b) education loan, (c) loans given for creation/ enhancement of immovable assets (e.g., housing, etc.), and (d) loans given for investment in financial assets (shares, debentures, etc.).

iv. Further the Company shall adhere to the following key guidelines stated in Responsible Lending Conduct – Release of movable/immovable property documents on repayment/ settlement of personal loans[2].

(a) 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. (b) Customers shall be given the option to collect
the original movable/ immovable property documents either from originating branch /branch where the loan account was serviced or any other office of the Company where the documents are available, as per her/his preference. (c) 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. (iv) In order to address the contingent event of demise of the sole borrower or joint customers, APAC shall have a well laid out procedure for return of original movable/immovable property documents to the legal heirs. Such procedure shall be displayed on the website of APAC along with other similar policies and procedures for customer information. (d) Compensation for delay in release of movable/immovable property documents (i) 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, APAC shall communicate to the borrower reasons for such delay. In case where the delay is attributable to APAC, it shall compensate the borrower at the rate of ₹5,000 for each day of delay. (ii) In case of loss/damage to original movable/immovable property documents, either in part or in full, APAC 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 above. However, in such cases, an additional time of 30 days will be available to APAC to complete this procedure, and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).

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. Further, the Company shall ensure redressal of grievances of persons with disabilities under the Grievance Redressal Mechanism already established by the Company.

General

i. 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 / been noticed by the Company).

ii. In case of receipt of a request from the borrower for transfer of the loan account, the consent or otherwise i.e. objection of APAC, if any, is generally conveyed within 21 days from the date of such receipt of request. Such transfer will be as per transparent contractual terms in consonance with law.

iii. In the matter of recovery of loans, the Company will resort only to remedies which are legally and legitimately available to it and will not resort to undue harassment viz. persistently bothering the

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customers at odd hours, use of muscle power for recovery of loans, etc. The Company will make all efforts so that its staff is adequately trained to deal with customers in an appropriate manner.

iv. As a measure of customer protection and to bring in uniformity regarding prepayment of various loans by customers, the Company shall not charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned for the purpose other than business to "Individual customers" with or without co-obligants.

v. The Company shall not discriminate on grounds of sex, caste and religion including physically/visually challenged applicants/HIV affected persons on grounds of disability in the matter of lending. However, this does not preclude the Company from participating in credit – linked schemes framed for weaker sections of the society.

vi. In the matter of recovery of loans, APAC shall not resort to any harassment – such as persistently bothering the customers at odd hours i.e before 8:00 a.m. and after 7:00 p.m, use of muscle power for recovery of loans, etc.

Responsibility of Board of Directors towards an effective Grievance Redressal Mechanism

The Board of Directors of the Company has laid down an appropriate grievance redressal mechanism for addressing and resolving customer grievances relating to the products and services/ offered by the Company, employees, Direct Sales Agent ("DSA"), Sub agents of DSA and other stakeholders of the Company

Such a mechanism shall ensure that all disputes arising out of the decisions of its functionaries are heard and disposed of at least at the next higher level if not resolved within the defined TAT.

Further, if complaint of the customer is not responded within 30 days from the date of lodging the complaint with the Company or if the customer is not satisfied with the reply/resolution provided by the Company the customer may lodge a complaint under the RBI – Integrated Ombudsman Scheme, 2026 within 90 days from the above timeline.

Force Majeure

The various commitments outlined and made by APAC are applicable under a normal operating environment. In the event of Force Majeure, the Company may not be able to fulfil its commitments under the FPC to the entire satisfaction of its customers or the other stakeholders. Further, APAC may at its sole discretion, provide relief measures to borrower in accordance with Policy on Relief Measures in areas affected by Natural Calamities and as may be decided by the Board in respect of customers in the areas where a calamity has been declared, for a period not exceeding one year.

Outsourcing

Outsourcing of any activity by the Company does not diminish its obligations, as the onus of compliance with regulatory instructions rests solely with the Company. If the Company engages digital lending platforms as their agents to source customers and/ or to recover dues, the Company follow the following instructions:

a. Names of digital lending platforms engaged as agents shall be disclosed on the website of the Company.
b. Digital lending platforms engaged as agents shall be directed to disclose upfront to the customer, the name of the Company on whose behalf they are interacting with him.
c. Immediately after sanction but before execution of the loan agreement, the sanction letter shall be issued to the borrower on the letter head of the Company.
d. A copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement shall be furnished to all customers after disbursement of loans.
e. Effective oversight and monitoring shall be ensured over the digital lending platforms engaged by the Company.
f. Adequate efforts shall be made towards creation of awareness about the grievance redressal mechanism.

Review of the Fair Practices Code

Compliance with respect to all aspects of the FPC and the Grievance Redressal Mechanism shall be reviewed by the Board annually unless regulatory changes require a review of the policy sooner. Relevant details are published in the Company's website https://apacfin.com/