FAIR PRACTICES CODE

S.I.Capital and Financial Services Limited

(Base Layer Non-Deposit Taking Non-Banking Financial Company)
(Modified and adopted on 10th November 2023 and updated thereafter)

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1. PREAMBLE

This Fair Practices Code ("the Code") has been formulated by S.I.Capital and Financial Services Limited ("the Company") with reference to the Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025 ("the RBC Directions"), issued by the Reserve Bank of India ("RBI") on November 28, 2025, which consolidate and replace the erstwhile Fair Practices Code requirements under Chapter VII of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (now withdrawn).

The Company is classified as a Base Layer NBFC under the Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025. This Code accordingly incorporates only those provisions of the RBC Directions that are applicable to a Base Layer, non-deposit-taking NBFC without microfinance, gold/silver-loan, or mobile-device-financing operations. Provisions of the RBC Directions applicable exclusively to Middle Layer / Upper Layer NBFCs, deposit-taking NBFCs, or specific product lines not undertaken by the Company (including the mandatory appointment of an Internal Ombudsman, and the microfinance-specific Fair Practices Code and loan-card requirements) have accordingly not been reproduced, and shall be adopted separately if and when applicable to the Company.

The objective of this Code is to promote fair, transparent and ethical conduct in the Company's dealings with its borrowers and to foster customer confidence in the Company's operations. This Code applies to all employees of the Company and to any person authorised to represent the Company in its dealings with customers, across all products and services offered by the Company.

2. APPLICATIONS FOR LOANS AND THEIR PROCESSING

1. All communications to the customer shall be in a language understood by the customer, preferably the vernacular language, or in English where the customer has confirmed proficiency; loan application forms and key documents shall similarly be made available in a language understood by the borrower.
2. Loan application forms shall contain all information affecting the borrower's interest, including the rate of interest applicable, so as to enable a meaningful comparison with other NBFCs and an informed decision by the borrower. The list of documents required to be submitted along with the application form shall be specified.
3. The Company shall acknowledge receipt of all loan applications and indicate the approximate timeframe within which the application will be disposed of.

4. Where a loan application is rejected, the Company shall convey the reasons for rejection in writing to the borrower, and shall maintain a register of all rejected applications, updated on a monthly basis.

3. LOAN APPRAISAL, TERMS AND CONDITIONS, AND KEY FACTS STATEMENT

1. Every loan application shall be appraised in accordance with the Company's Board-approved credit and risk policies.
2. Upon sanction of a loan, the Company shall furnish to the borrower a Key Facts Statement (KFS), in the standardised format prescribed under the RBC Directions, disclosing the Annual Percentage Rate (APR), all fees and charges, the amortisation/repayment schedule, and the validity period of the KFS. No charge that is not disclosed in the KFS shall be levied on the borrower subsequently, unless mutually agreed and disclosed in a revised KFS.
3. A sanction letter shall separately be issued indicating the amount sanctioned, applicable interest rate, method of application of interest, processing fees, EMI structure, and other applicable terms and conditions. Penal charges for delayed repayment shall be expressly stated in bold in the loan agreement.
4. The borrower's written acceptance of the sanction letter/KFS shall be retained on record, and a copy of the signed loan agreement, together with all enclosures referred to therein, shall be furnished to the borrower at the time of disbursement.

4. PENAL CHARGES

5. Penalty charged for non-compliance with material terms and conditions of the loan contract by the borrower shall be treated as a 'penal charge', and shall not be levied in the form of 'penal interest' added to the rate of interest charged on the advance. There shall be no capitalisation of penal charges, i.e., no further interest shall be computed on penal charges.
6. The quantum of penal charges shall be reasonable and commensurate with the non-compliance, without being discriminatory within a particular loan/product category, and shall not be higher for individual borrowers (for non-business purposes) than for non-individual borrowers for similar non-compliance.
7. The quantum and reason for penal charges shall be clearly disclosed to the borrower in the loan agreement and in the Key Facts Statement, and shall be displayed on the Company's website under Interest Rate and Service Charges.

5. DISBURSEMENT OF LOANS AND CHANGES IN TERMS AND CONDITIONS

8. Any change in interest rate, service charges, prepayment charges or repayment schedule shall be communicated to the borrower in advance, in a language understood by the borrower, and such changes shall be given prospective effect only.
9. The Company shall not charge foreclosure charges or pre-payment penalties on any floating-rate term loan sanctioned to individual borrowers (with or without co-obligant(s)) for purposes other than business.
10. Any decision to recall or accelerate payment, or to seek additional security, shall be in consonance with the loan agreement, and reasonable prior notice shall be given to the borrower.
11. On repayment of all dues, the Company shall release all movable/immovable property documents and remove charges registered with any registry, within 30 days of such full repayment or settlement. Where the release is delayed for reasons attributable to the Company, the Company shall compensate the borrower at the rate of ₹5,000 for each day of delay. Where the original documents are lost or damaged, the Company shall assist the borrower in obtaining duplicate/certified copies, and shall bear the associated costs, with the above compensation becoming payable after allowing an additional period of 30 days. Loan sanction letters shall specify the timeline and place for return of such documents, and defined procedures shall be followed for release of documents to legal heirs in the event of the borrower's demise.

6. RECOVERY OF LOANS

12. The Company shall not resort to undue harassment or coercive practices in its recovery efforts, including persistently bothering borrowers at odd hours or using force.
13. Recovery staff/agents shall be adequately trained to deal with customers with sensitivity, and to respect customer privacy and dignity.
14. Borrowers shall not be contacted by or on behalf of the Company at inappropriate hours, i.e., before 9:00 a.m. and after 7:00 p.m.
15. The Company shall refrain from interference in the affairs of the borrower except as permitted by the terms and conditions of the loan agreement, unless new information not earlier disclosed by the borrower has come to the Company's notice.

7. INTEREST RATE POLICY

16. The Company shall have a Board-approved Interest Rate Model / Policy, taking into account cost of funds, risk premium and margin, laying down the principles for determining the rate of interest and processing and other charges.
17. The rate of interest shall be intimated to the borrower in the sanction letter/KFS, and shall be applied on a reducing balance basis.
18. The rates of interest, the risk gradation approach, and the rationale for charging different rates to different categories of borrowers shall be disclosed on the Company's website and updated periodically.

8. CUSTOMER EDUCATION

19. The Company shall clearly inform borrowers of their repayment obligations, including due dates, applicable penal charges, and the consequences of non-payment, at the time of sanction and disbursement.
20. Relevant educational material regarding the Company's products, processes, and this Code shall be displayed on the Company's website and, where applicable, at its office(s).

9. GRIEVANCE REDRESSAL MECHANISM

The Company has established a grievance redressal mechanism to ensure that customer complaints arising from its decisions are heard and resolved in a fair and time-bound manner, as detailed below.

Stage 1 – Company Level

Customers may register complaints through the following channels during working hours (10:00 a.m. to 5:00 p.m., Monday to Saturday, excluding public holidays): Email; Telephone; and Post, at the Company's registered/branch office address, as displayed on the Company's website and premises.

Stage 2 – Grievance Redressal Officer

Where a grievance is not resolved within 30 days of lodging, or where the customer is not satisfied with the resolution, the complaint may be escalated to the Company's designated Grievance Redressal Officer, whose name and contact details shall be displayed at all offices and on the Company's website.

Stage 3 – RBI Ombudsman

If the complaint is not resolved within the timelines specified, or if the borrower is not satisfied with the Company's resolution, the borrower may approach the Reserve Bank – Integrated Ombudsman

Scheme, 2021 (RBIOS, 2021) or the concerned Regional Office / Department of Supervision (NBFC) of RBI having jurisdiction over the Company. The Company shall appoint a Nodal Officer for the purpose of coordinating with the Office of the RBI Ombudsman and for representing the Company in proceedings under the RBIOS, 2021, as required of NBFCs having customer interface.

Note: As a Base Layer NBFC not meeting the asset-size or branch-count thresholds prescribed under the Reserve Bank of India (Non-Banking Financial Companies – Internal Ombudsman) Directions, 2026, the Company is not presently required to appoint an Internal Ombudsman. This position shall be reassessed if the Company's scale of operations crosses the prescribed thresholds in the future.

10. COMPLIANCE AND MONITORING

21. The Company shall make internal arrangements for monitoring compliance with this Code, including periodic review by the Internal Audit function.
22. A consolidated report on compliance with this Code and the functioning of the grievance redressal mechanism shall be placed before the Board at regular intervals.
23. The Board of Directors shall review this Code at least once every year, or earlier if warranted by regulatory changes.

11. DISPLAY AND DISSEMINATION

24. This Code shall be displayed on the Company's website and at its office(s), and shall be made available to customers upon request, in the vernacular language or a language understood by the customer.
25. All updates to this Code shall be made promptly upon change in the underlying regulatory framework and communicated to relevant stakeholders.

12. GENERAL

This Code supersedes all previous versions of the Company's Fair Practices Code and is applicable with immediate effect from the date of Board approval. For matters not specifically covered herein, the Company shall be guided by the RBC Directions and other applicable guidelines issued by RBI from time to time.