COMFORT FINCAP LIMITED

POLICY ON FAIR PRACTICES CODE

April 2026

Version.1.0

1. **Introduction**

   Comfort Fincap Limited ("CFL" or "the Company") is a non-deposit taking NBFC registered with the Reserve Bank of India ("RBI") and classified as an NBFC–Investment and Credit Company ("NBFC-ICC"). The Company provides inter-corporate loans, personal loans, loans against shares and securities, loans against property, trade financing, and bills discounting, and also undertakes trading in shares and securities.

   The Company has implemented a Fair Practice Code ("FPC") in line with RBI guidelines, as approved by the Board of Directors. The Code sets out the principles of fairness, transparency, and ethical conduct and is applicable to all existing and future products and services offered by the Company.

2. **Key Commitments**

   i. Fair and Transparent Dealings
   - CFL will act fairly and reasonably in all interactions with customers.
   - The Company will adhere to the standards outlined in this Code for all products, services, and internal practices.
   - All products and services will be offered in compliance with applicable laws and RBI regulations.
   - CFL's customer dealings will be guided by integrity, honesty, and transparency.

   ii. Clarity and Understanding
   - CFL will help customers clearly understand the features of its products and their financial implications.

   iii. Prompt and Considerate Issue Resolution
   - CFL will promptly rectify any errors.
   - Customer complaints will be addressed efficiently and courteously.
   - Customers will be informed of the escalation process if they are not satisfied with the resolution.

   iv. Accessibility of the Code
   - CFL will make the Fair Practice Code publicly available on its website and provide copies to customers upon request.

3. Applications for loans and their processing

i. All communication with the borrower will be in the vernacular language or in a language that the borrower understands.

ii. Loan application forms will contain all essential information relevant to the borrower's interests, enabling meaningful comparison with terms offered by other NBFCs. The form will also specify the documents required to be submitted.

iii. A system will be in place to provide an acknowledgment for every loan application received, along with the expected timeframe for processing the application.

iv. All loan applications will be evaluated after verifying the documents submitted, assessing the borrower's creditworthiness, and considering the information provided. Borrowers may contact the customer service team to obtain an update on the status of their application.

v. The completed loan application form will clearly indicate details such as the annualized rate of interest, applicable processing fees (if any), and other information that may affect the borrower's interest.

4. Loan appraisal and terms/conditions

i. The borrower will be notified in writing, in the vernacular language or a language they understand, about the sanctioned loan amount along with all terms and conditions, including the annualized interest rate and its method of calculation. The borrower's acceptance of these terms will be kept on record.

ii. Any penal charges applicable for late payment or other defaults will be clearly highlighted in bold within the loan agreement.

iii. A copy of the loan agreement, preferably in the borrower's vernacular language, along with all annexures and enclosures referred to in the agreement, will be provided at the time of sanction or disbursement.

iv. Repayment details—including due dates, repayment frequency, breakup of principal and interest, and illustrative SMA/NPA classification timelines—will be communicated at the time of sanction and whenever any changes occur during the loan tenure.

v. For loans that include a moratorium on principal and/or interest, the exact commencement date of repayment will also be communicated to the borrower.

5. Penal Charges in Loan Accounts

Penalty imposed for the borrower's non-compliance with material terms of the loan agreement will be charged only as penal charges and not as penal interest added to the regular interest rate. These penal charges will not be capitalized, meaning no additional interest will be calculated on them. This does not affect the standard compounding of interest applicable to the loan account. All other applicable regulatory requirements under the relevant RBI circular will also be adhered to.

6. Disbursement of loans including changes in terms and conditions

i. Borrowers will be informed in the vernacular language of any changes to the terms and conditions of their loan, including modifications to the disbursement schedule, interest rates, service charges, or prepayment charges. Any revision in interest rates or fees will apply only on a prospective basis, and this provision will be included in the loan agreement.

ii. Any decision to recall the loan or accelerate repayment obligations will be made strictly in accordance with the terms of the loan agreement.

iii. The Company will release all securities 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 the Company may have again borrower. If such right of set off is to be exercised, the borrower will 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.

7. **Responsible lending conduct – release of movable/immovable property documents on Repayment/ settlement of personal loans**

   The Company will return all original movable or immovable property documents and remove any registered charges within 30 days of full repayment or settlement of the loan account.

   Borrowers will be given the choice of when and where they want to collect these original documents. The timeline and location for returning the documents will be specified in the loan sanction letter (for loans sanctioned on or after the effective date).

   If the Company fails to release the documents or file the charge-satisfaction form within 30 days, it will inform the borrower of the reason for the delay. If the delay is the Company's responsibility, the borrower will receive compensation of ₹5,000 for each day of delay.

   All other applicable standards of the relevant RBI circular will be followed.

8. **Reset of Floating Interest Rate on Equated Monthly Instalments (EMI) based Personal Loans**

   At the time of loan sanction, borrowers will be clearly informed about how changes in the benchmark interest rate may affect their loan, including any potential variation in EMI, tenure, or both. Any subsequent increase in EMI and/or tenure resulting from such changes will be promptly communicated through appropriate channels. All other options required under the relevant RBI circular will also be made available to the borrower.

   Apart from the equated monthly instalment loans, these instructions would also apply, mutatis mutandis, to all equated instalment-based loans of different periodicities.

9. **General**

   Non-Interference:

   i. The Company and its employees will not intervene in the borrower's affairs except in situations permitted under the loan agreement.

   ii. This restriction will not apply if new or previously undisclosed information about the borrower comes to the Company's notice.

Transfer of Account:
Upon receiving a borrower's request to transfer their loan account, the Company will respond within 21 days. Approval or refusal will be communicated as per the terms of the loan agreement.

Recovery Process:
Any recovery action will be undertaken strictly in line with the rights outlined in the loan agreement and in compliance with legally accepted practices. Employees involved in recovery will be properly trained to conduct themselves professionally. The Company will not use coercive methods such as repeated calls at odd hours, intimidation, or any form of harassment.

Foreclosure Charges / Pre-payment Penalties on Floating-Rate Term Loans:
The Company will not levy foreclosure charges or pre-payment penalties on floating-rate term loans granted to individual borrowers (with or without co-obligants) when such loans are sanctioned for non-business purposes.

10. Grievance Redressal

The Company will conduct periodic reviews to ensure adherence to the Fair Practices Code and to assess the effectiveness of the grievance redressal system across different management levels. A consolidated summary of these reviews will be presented to the Board at regular intervals.

The following information will be prominently displayed for customers at all branches or business locations of the Company:

i. the Name and Contact details (Telephone / Mobile no. as also email address) of the Grievance Redressal Officer who can be approached for resolution of complaints against the Company.

ii. If customer's complaint/concern is not redressed within a period of 30 days, customer can lodge a complaint on RBI CMS portal - https://cms.rbi.org.in . Or

   send Complaint Form to the below mentioned address:

   Centralised Receipt and Processing Centre,
   Reserve Bank of India, 4th Floor,
   Sector 17, Chandigarh – 160017
   Tollfree Number- 14448

11. Reserve Bank – Integrated Ombudsman Scheme, 2021

Under the Ombudsman Scheme, the Company has appointed Nodal Officers (NOs) who will represent the Company and provide required information to the Ombudsman for any complaints received. The Principal Nodal Officer (PNO) will, among other responsibilities, represent the Company before the Ombudsman and the Appellate Authority under the Scheme. The PNO will also coordinate and liaise with the Customer Education and Protection Department (CEPD), RBI, at the Central Office.

For the benefit of the customers, at the branches/ places where business is transacted, the name and contact details (Telephone/ Mobile number and email) of the PNO along with the details of the complaint lodging portal of the Ombudsman (https://cms.rbi.org.in) will be displayed.

The salient key features of the Scheme will be prominently displayed in English, Hindi, and the regional language at all offices and branches to ensure that visitors have adequate information.

The salient features of the Ombudsman Scheme, a copy of the Scheme, and the PNO’s contact details will also be prominently available and regularly updated on the Company’s website.

Appointment of Internal Ombudsman - In accordance with the RBI guidelines on ‘Appointment of Internal Ombudsman by Non-Banking Financial Companies’, the Company has appointed Internal Ombudsman and shall adhere to the corresponding guidelines.

12. Hosting on Website

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

13. Loan facilities to the physically/visually challenged by the Company

The Company will not discriminate against physically or visually challenged applicants when offering products or loan facilities. The company will provide appropriate support to ensure such applicants can access the Company’s services without difficulty.

14. Fair Practice Code for Microfinance Loans

The Reserve Bank of India (RBI), through its notification dated November 28, 2025 (RBI/DOR/2025-26/371 DOR.FIN.REC.290/03-10-038/2025-26), issued the Master Direction – Non-Banking Financial Companies – Microfinance Institution Directions, 2025, which became effective immediately upon issuance. These Directions apply to all commercial banks, NBFCs (including Microfinance Institutions), and Housing Finance Companies.

In addition to the Fair Practices Code outlined earlier, the Company will also implement the following fair practices specifically applicable to Microfinance Loans.

General

i. Display of Fair Practices Code

The Fair Practices Code, in the vernacular language, will be displayed in all offices and branch premises and also made available on the Company's website.

ii. Field Staff Training & Borrower Assessment

Field staff will receive appropriate training to assess the borrower's income and existing indebtedness before lending.
Any training provided to borrowers will be offered free of charge.

iii. Disclosure of Interest Rates

The minimum, maximum, and average interest rates applicable to microfinance loans will be prominently displayed at all offices, in borrower-facing materials (in vernacular language), and on the website.

iv. Accountability for Staff Behaviour

The loan agreement and the FPC displayed at branches and on the website will include a declaration that the Company is accountable for any inappropriate behaviour by its employees or outsourced staff and will ensure timely grievance redressal.

v. No Security Deposit or Margin

No security deposit or margin money will be collected from microfinance borrowers.

vi. Standard Loan Agreement

A standard form of microfinance loan agreement, preferably in the vernacular language will be used, with all terms and conditions clearly disclosed.

vii. Loan Card Requirements

The loan card will include:
- A simplified pricing factsheet
- All applicable loan terms and conditions
- Adequate borrower identification details
- Acknowledgment of all repayments, including instalments and final closure
- Details of the grievance redressal mechanism and the nodal officer's contact information
- Fee structure for any non-credit product (offered only with the borrower's explicit consent)

All entries on the loan card will be in the vernacular language or in a language understood by the borrower.

Non-Coercive Recovery Practices

Loan recovery will normally occur at a designated central location. Field staff may collect payments at the borrower's residence or workplace only if the borrower fails to appear at the central location on two or more consecutive occasions.

15. Review of Fair Practice Code

The Board of Directors shall be authorized to review and approve any modifications to the Fair Practice Code from time to time.

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