GRIEVANCE REDRESSAL

Customers who wish to provide feedback or send in their complaint may use the following channels between 9:00 am and 6:00 pm, from Monday to Friday (except on national holidays).

The Company has provided for three tier Grievance Redressal Mechanism to resolve any of its customers query / grievance.

Level 1: The customer may register his/her query/ complaint to the Company which shall be addressed to the Grievance Redressal Officer in connection with any matter pertaining to business practices, lending decisions, credit management, recovery and complaints relating to updation/ alteration of credit information. The details of the Grievance Redressal Officer are given as follows:

Name of the Grievance redressal officer	Ms Savitri Mete (or any other official of the NBFC as designated by the Managing Director of the NBFC from time to time)
Designation	Grievance Redressal Officer
Address	Conatus Finserve Private Limited Building No 9, " Veersaro maleege ", no 78, 1st floor, Bellary main road, Near CBI office, Ganganagar, Bangalore - 560032
Tel No	080 29905615
Email id	care@conatusfin.com

Level 2: If the complaint is not resolved within 15 days, the customer shall complain to the Chief Executive Officer of the Company at his following email id: bhaskar@conatusfin.com

Level 3: If the complaint / dispute is not redressed within a period of one month from date of its receipt, the customer may appeal to:

Deputy General Manager, Department of Supervision Reserve Bank of India, Regional Office, 10/3/8, Nrupathunga road, Bangalore 560001, Karnataka Tel No. 080 22180667

CONATUS FINSERVE PRIVATE LIMITED (CFPL)

FAIR PRACTICES CODE & GRIEVANCE REDRESSAL POLICY

HUMAN RESOURCE DEPARTMENT

FPC & GRP: Version Control

Version	Effective Date	Prepared by	Reviewed by	Approved by	Approval Date	Next Review Date
v.2.1	22-Oct-2026	Savitri Mete Human Resources	Bhaskar Priyadarshi MD & CEO	Board of Directors	22-Oct-2026	By 22-Oct-2027
v.2.0	11-Feb-2026	Savitri Mete Human Resources	Bhaskar Priyadarshi MD & CEO	Board of Directors	11-Feb-2026	By 28-Feb-2027
older	17-Dec-2024	Shruthi Shetty	M Rajaram Kamath	Board of Directors		

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1. Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 – RBI/DOR/2025-26/339 DOR.FIN.REC.No.258/03.10.119/2025-26 dated November 28, 2025 (updated as on July 1, 2026)
2. Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025 – RBI/DOR/2025-26/362 DOR.MCS.REC.No.281/01-01-039/2025-26 dated November 28, 2025 (updated as on July 1, 2026)
3. Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Amendment Directions, 2026 – RBI/2026-27/70 DOR.STR.REC.59/21-04-048/2026-27 dated April 29, 2026 (measures in case of declaration of calamity; effective July 1, 2026)
4. Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Second Amendment Directions, 2026 – RBI/2026-27/123 DOR.MCS.REC.No.102/01-01-039/2026-27 dated June 15, 2026 (advertising, marketing and sale of products; effective January 1, 2027)
5. Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Third Amendment Directions, 2026 – RBI/2026-27/230 DOR.MCS.REC.No.199/01-01-039/2026-27 dated August 6, 2026 (recovery of loan dues; effective January 1, 2027)
6. Reserve Bank of India (Pre-payment Charges on Loans) Directions, 2025 dated July 2, 2025 (as consolidated in the RBC Directions, 2025)
7. Reserve Bank of India (Non-Banking Financial Companies – Resolution of Stressed Assets) Directions, 2025 – RBI/DOR/2025-26/357 DOR.STR.REC.276/21.04.048/2025-26 dated November 28, 2025 (updated as on October 1, 2026) – Part B, as applicable to a non-deposit taking NBFC with asset size of less than ₹500 crore

Summary of Changes

Sl. No.	Section	RBI Reference	Old Contents	New Contents	Comments
1	3. Applicability	-	Six areas	Areas 3.7 to 3.9 added (insurance and marketing; recovery; calamity relief)	Covers the new provisions in Section 9.
2	4. Applications for loans	RBC 12, 28, 105; 2nd Amdt 101S	Acknowledgement without time frame	Disposal within 30 working days; acknowledgement by SMS/e-mail with a contact number; accessible KYC for persons with disabilities	SMS/e-mail acknowledgement from 1-Jan-2027.
3	5. Loan appraisal	RBC 13, 14, 29	Copy of loan documents "made available"; reference to KFS circular	Agreement and all enclosures furnished at sanction/disbursement; penal charges in bold; KFS as per para 29 and Annex I	
4	6. Penal charges	RBC 30	Board-approved policy on fees and charges	Section restated as the Board-approved policy on penal charges; levy only on amount in default; no penal charge on penal charges; interest on unpaid EMIs at contracted rate; GST as per CBIC; not a revenue tool; website reference alone insufficient	Policy wordings as per RBC Directions
5	7.5 Possession of security	3rd Amdt 100R	-	Six matters to be stated in the loan agreement	From 1-Jan-2027; loan agreement templates to be updated.
6	8. Release of property documents	RBC 35-41	Sanction letters "issued on or after the effective date"	Timeline and place stated in sanction letters issued to the customer; legal-heir procedure displayed on website	Scope retained as personal loans (RBC Section F).
7	9.3 Transfer of account	RBC 19	Consent "generally" conveyed within 21 days	Consent/objection shall be conveyed within 21 days	
8	9.4 Recovery of dues	RBC 100; 3rd Amdt 100A-100AB	General clause on harassment	Current conduct rules (8:00 a.m. to 7:00 p.m., no harassment); recovery policy; conduct and harsh practices; call records; recovery grievances; definitions of DSA/DMA and recovery agency	9.4.2 to 9.4.5 from 1-Jan-2027; para 100 applies until then.
9	9.5 Pre-payment charges	RBC 33, 34	No charge on floating rate loans to individuals	Fixed-rate loans; charges as per Schedule on the amount pre-paid; nil where CFPL-initiated; disclosure; no retrospective levy of waived charges	
10	9.7 Insurance and sale of products	2nd Amdt 6(13), 101A-101Z	-	CFPL's role disclosed; no compulsory bundling; explicit consent; disclosure and suitability; sale policy and code of conduct; advertising and sales conduct; feedback; refund and compensation for mis-selling	From 1-Jan-2027; applies to CFPL's own loans as well as insurance covers.
11	9.8 Calamity relief	RSA 13A, 122A-122O; RBC 105A	-	Relief as per stressed-asset policy; eligibility; 45/135-day timelines; opt-out; publicity; discretionary fee waiver up to one year	Calamity provisions in force from 1-Jul-2026.

Sl. No.	Section	RBI Reference	Old Contents	New Contents	Comments
12	9.9 Financial difficulty	RSA 87, 91, 95, 163, 167, 168	-	Restructuring only with consent and not retrospectively; compromise settlement not a right; 12-month cooling period; technical write-off does not waive dues	Underlying Board policies required under RSA paras 13 to 16A.
13	9.10 to 9.12	RBC 102, 103, 21, 7(1)	-	Three months' notice of branch closure; rounding off; publication of the FPC	
14	10. Interest rate	RBC 22-24	-	All loans at fixed rate on reducing balance, as per the Interest Rate Policy	
15	12. Grievance redressal	RBC 7(2), 8	GRO name, address and contact; DNBS; hr@ e-mail; 9:30 am start	GRO designation and e-mail, escalation matrix and turnaround times at branches and on website; Department of Supervision; care@conatusfin.com; 9:00 am to 6:00 pm; acknowledgement within 7 working days and response within 30 working days; annual Board review	

1. Preamble

1.1 The Reserve Bank of India (RBI) has issued guidelines on Fair Practices Code for Non-Banking Financial Companies (NBFCs) thereby setting standards for fair business and corporate practices while dealing with their customers. Conatus Finserve Private Limited (CFPL/ the Company/ the NBFC) has put in place the Fair Practices Code ("the FPC") based on the guidelines issued by RBI to conform to the standards that may be prescribed by RBI from time to time.

1.2 The Board of Directors of the NBFC has also laid down the appropriate grievance redressal mechanism within the organization. Such a mechanism shall ensure that all disputes arising out of the decisions of the NBFC's employees/ representatives/ service providers appointed by the NBFC are heard and disposed of at least at the next higher level within a reasonable time.

2. Key Objectives of the Code

The code has been developed with an objective of:

2.1 Ensuring fair practices while dealing with customers.

2.2 Greater transparency enabling customers in having a better understanding of the product and taking informed decisions.

2.3 The Company will make every attempt to ensure that its customers would have trouble-free experience in dealing with it. However, in case of error of commission and/or omissions, it shall:

2.3.1 Deal with the errors promptly and effectively;

2.3.2 Deal with the Grievances redressal in a quick and efficient manner and to the satisfaction of the customers;

2.3.3 Promptly handle Complaints; and

2.3.4 Have Escalation process, in the event of dissatisfaction of the borrower in handling his complaint(s).

3. Applicability of the Fair Practices Code (FPC)

The FPC will be applicable to the following broad areas:

3.1 Loan applications and processing thereof

3.2 Loan appraisal and terms/conditions

3.3 Disbursement of loans including changes, if any, in terms and conditions

3.4 General provisions

3.5 Grievance Redressal Mechanism

3.6 Regulation of Excessive interest charged

3.7 Insurance and other third-party arrangements, advertising and marketing

3.8 Recovery of dues and conduct of recovery

3.9 Relief in areas affected by natural calamities

4. Applications for Loans and their Processing

4.1 The 'Application Form / appropriate documents' of CFPL will include all information that is required to be submitted by the Borrower. Necessary information will be provided by CFPL to facilitate the Borrower in making a meaningful comparison with similar terms and conditions offered by other Non-Banking Financial Companies (NBFCs) and taking an informed decision based on the aforesaid comparison.

4.2 The 'Application Form/ appropriate documents' of CFPL may also indicate the list of documents required to be submitted by the Borrowers along with the Application form.

4.3 CFPL has a mechanism of giving an acknowledgement for receipt of Application form to its Borrower for availing loans. CFPL would inform the Borrower about its decision within reasonable period of time from the date of receipt of all the required information in full. The acknowledgement shall indicate the time frame within which the application will be disposed of, which shall not exceed 30 working days from receipt of the complete application. With effect from January 1, 2027, the acknowledgement shall be sent by SMS, e-mail or any other secure medium and shall contain a telephone number on which the applicant may contact CFPL with any query on the application.

4.4 All communication with the borrowers shall be in the vernacular language or in a language understood and confirmed by borrowers.

4.5 **Loan facilities to the physically/visually challenged-** The NBFC shall not discriminate in extending products and facilities including loan facilities to physically/visually challenged applicants on grounds of disability. All branches of the NBFC shall render all possible assistance to such persons for availing of the various business facilities. The NBFC shall include a suitable module containing the rights of persons with disabilities guaranteed to them by the law and international conventions, in all the training programmes conducted for their employees at all levels. Further, the NBFC shall ensure redressal of grievances of persons with disabilities under the Grievance Redressal Mechanism already set up by them. The NBFC shall also ensure that its KYC and digital on-boarding processes are accessible to persons with disabilities, including visually impaired applicants, in line with the Supreme Court's order dated April 30, 2025.

5. Loan Appraisal and Terms/Conditions

5.1 The Company shall consider all the loan applications keeping in mind the risk-based assessment procedures adopted by it. The Company, before sanctioning the loan, would assess the ability of the borrowers to repay the loan.

5.2 CFPL shall convey in writing to the Borrower by way of a sanction letter or otherwise, the amount of limit sanctioned along with all the terms and conditions including annualized rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on CFPL's record. A copy of the loan agreement, together with a copy each of all enclosures quoted in the loan agreement, shall be furnished to every borrower, in a language understood by the borrower, at the time of sanction/disbursement of the loan. The penal charges for late repayment shall be mentioned in bold in the loan agreement.

5.3 The Company shall comply with the instructions contained in the RBI Directions (including para 29 and Annex I of the RBC Directions, 2025) on 'Key Facts Statement (KFS) for Loans & Advances', as updated from time to time.

6. Policy on Penal Charges in Loan Accounts

6.1 The NBFC has the following Board approved policy on penal charges and a Board approved schedule of Fees & Charges, including penal charges.

6.1.1 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 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.

6.1.2 The NBFC shall not introduce any additional component to the rate of interest and ensure compliance to these guidelines in both letter and spirit.

6.1.3 The quantum of penal charges are reasonable and commensurate with the non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan/product category.

6.1.4 The penal charges in case of loans sanctioned to 'individual borrowers, for purposes other than business', are not higher than the penal charges to non-individual borrowers for similar non-compliance of material terms and conditions.

6.1.5 Penal charges shall be levied only on the amount in default (overdue) and not on the entire outstanding loan amount, shall be applied in a non-discriminatory manner within a loan/product category, and shall be as set out in the Board-approved Schedule of Fees & Charges. Any penal charge not so disclosed shall not be levied.

6.1.6 No additional or fresh penal charges shall be levied on the earlier outstanding amount of penal charges. Interest on unpaid interest (including unpaid EMIs) shall be charged only at the contracted rate of interest till the date of remediation, and not at any penal rate. The applicability of GST on penal charges shall be as per the instructions and clarifications issued by the Central Board of Indirect Taxes & Customs (CBIC). Penal charges are intended to inculcate credit discipline and shall not be used as a revenue enhancement tool.

6.1.7 The quantum and reason for penal charges shall be clearly disclosed by the NBFC to the customers in the loan agreement and most important terms & conditions/Key Fact Statement (KFS), in addition to being displayed on the website of the NBFC under Interest rates and Service Charges, rather than providing only a reference, in the sanction letter or loan agreement, to the schedule of penal charges displayed on the website.

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

7. Disbursement of Loans including Changes in Terms and Conditions

7.1 Disbursement of amount of loans sanctioned may be made available to the borrowers on demand subject to completion of all formalities including execution of loan documents.

7.2 Any change in the terms and conditions, disbursement schedule, interest rate, service charges, prepayment charges, etc. shall be notified to the borrowers in writing in the vernacular language or a language as understood by the borrower.

7.3 Change in the interest rates and service charges shall be made applicable prospectively. The loan agreement shall contain a specific clause in this regard.

7.4 Decision to recall/ accelerate payment or performance under the Agreement will be in consonance with the respective loan Agreement. The Company shall give reasonable time to the borrowers before recalling the loan or asking for accelerating the payment or performance subject to the terms and conditions contained in the Loan Agreement and other related documents.

7.5 **Possession of security (effective January 1, 2027)-** Where the loan agreement permits CFPL to take possession of the mortgaged property or otherwise enforce its security, the loan agreement shall legally and clearly disclose, at the time of signing, (i) the notice period before possession is taken; (ii) the circumstances in which that notice may be waived; (iii) the procedure for taking possession; (iv) a final opportunity to the borrower to repay before the property is sold; (v) the procedure for return of the property; and (vi) the procedure for sale or auction. This is without prejudice to the rights and procedures under the SARFAESI Act, 2002 and other applicable law.

7.6 CFPL will release all securities of its Borrower only on repayment of all dues by such Borrower, or only on realization of the outstanding amount of the Borrower's availed limit, subject to any legitimate right or lien for any other claim which CFPL may have against its 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 conditions under which CFPL will be entitled to retain the securities till the relevant claim is settled or paid by the Borrower. No-objection certificate will be issued to the customer on fulfilment of said terms within 15 working days of completion of formalities.

8. Release of Movable/Immovable Property Documents on Repayment/Settlement of Personal Loans

8.1 The NBFC 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 personal loan account.

8.2 The borrower shall be given the option of collecting the original movable/ immovable property documents either from the banking outlet/branch where the loan account was serviced or any other office of the NBFC where the documents are available, as per her/his preference.

8.3 The timeline and place of return of original movable/immovable property documents shall be mentioned in the loan sanction letters issued to the customer.

8.4 In order to address the contingent event of demise of the sole borrower or joint borrowers, the NBFC shall have a well laid out procedure for return of original movable/immovable property documents to the legal heirs. For this purpose, the legal heir will have to submit the 'Legal Heir Certificate' issued by the competent authority/ Court of Law and make the full repayment/settlement of the loan account. This procedure shall be displayed on CFPL's website along with other similar policies and procedures for customer information.

8.5 Compensation for Delay in Release of Movable/Immovable Property Documents

8.5.1 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 NBFC shall communicate to the borrower reasons for such delay. In

case where the delay is attributable to the NBFC, it shall compensate the borrower at the rate of ₹5,000 for each day of delay.

8.5.2 In case of loss/damage to original movable/immovable property documents, either in part or in full, the NBFC 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 the NBFC to complete this procedure and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).

8.5.3 The compensation provided under these directions shall be without prejudice to the rights of a borrower to get any other compensation as per any applicable law.

9. General

9.1 CFPL will refrain from interference in the affairs of its Borrower except for the purposes provided in the terms and conditions of the respective loan agreement (unless new information, not earlier disclosed by the Borrower, which may come to the notice of CFPL).

9.2 The Company shall not discriminate on the grounds of gender, caste or religion in its lending policy and activities.

9.3 In case of receipt of request from the Borrower for transfer of borrowal account, the consent or otherwise i.e., objection of CFPL, if any, shall be conveyed to such Borrower within 21 days from the date of receipt of the Borrower's request. Such transfer will be as per transparent contractual terms in consonance with all the applicable laws.

9.4 Recovery of Dues

9.4.1 In the matter of recovery of outstanding dues of its Borrower, CFPL does not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans/dues, etc. Training will be imparted to ensure that staff is adequately trained to deal with customers in an appropriate manner. In particular, CFPL and its staff shall not resort to intimidation or harassment of any kind, either verbal or physical, against any person in their debt collection efforts, including acts intended to humiliate publicly or intrude upon the privacy of the borrower's family members, referees and friends, sending inappropriate messages on mobile or through social media, making threatening and/or anonymous calls, persistently calling the borrower, calling the borrower before 8:00 a.m. or after 7:00 p.m. for recovery of overdue loans, or making false and misleading representations.

9.4.2 **Recovery policy (effective January 1, 2027)-** Recovery of dues shall be carried out in accordance with a Board-approved Recovery Policy covering: the triggers for recovery action and graded escalation; a code of conduct for CFPL employees engaged in recovery; recovery of dues after the death of a borrower; a framework for borrowers in financial distress; and compensation to borrowers/guarantors for any recovery action that breaches the RBI Directions. The policy shall also provide for documented engagement with a borrower in financial distress before escalation, and guidance on the resolution options available under CFPL's Board-approved policy on resolution of stressed assets.

9.4.3 **Conduct of recovery (effective January 1, 2027)-** CFPL's staff engaged in recovery shall carry identity cards, discuss dues only with the borrower or guarantor, be civil in conduct, and contact borrowers only between 08:00 and 19:00 unless the borrower consents otherwise. Abusive language, threats, harassment of the borrower's contacts, publishing borrower details or recordings on social media, inappropriate or excessive calls and messages, violence, and misleading statements about the debt are harsh practices and are prohibited. Recovery targets and incentives shall not encourage such practices. Calls with

borrowers shall be logged and recorded after informing the borrower, and the records kept for six months (or until disposal where the matter is sub judice). Recovery communications shall show the name, e-mail, telephone number and address of the Grievance Redressal Officer. Staff shall ordinarily contact the borrower at the place of his/her choice, honour a request to avoid calls or visits at a particular time, and avoid inappropriate occasions such as bereavement, medical emergencies or marriage functions. Only representatives authorised by CFPL shall visit the borrower. Written communications shall be sent only with CFPL's prior approval and shall show the sender's name and contact details, and a receipt shall be issued promptly for every amount collected. Calls made by the borrower to the telephone numbers advised by CFPL shall also be recorded. Borrower information shared with staff shall be limited to what is needed for recovery, with penal provisions against its misuse.

9.4.4 **Recovery-related grievances (effective January 1, 2027)-** CFPL shall have a dedicated mechanism for redressal of recovery-related grievances. Its details shall be included in the loan agreement, and every recovery-related communication shall carry the name, e-mail address, telephone number and address of the Grievance Redressal Officer.

9.4.5 **Agents-** CFPL does not appoint DSAs, DMAs or recovery agents. If it decides to engage any recovery agency in future, this policy shall first be amended and the applicable RBI requirements complied with, including due diligence, IIBF Debt Recovery Agent certification of agents, website disclosure of the agencies engaged (updated within seven calendar days of any change) and advance intimation of the agency's details to the borrower. For this purpose, any entity or individual (other than CFPL's own employee) engaged to sell or market CFPL's products, by whatever name called (including a loan service provider, connector or referral partner), is a DSA/DMA, and any entity or individual engaged under an outsourcing arrangement to assist in recovery of dues, including taking possession of a security, is a recovery agency.

9.5 **Pre-payment charges-** CFPL presently offers only fixed-rate loans. Pre-payment/foreclosure charges on full or part pre-payment shall be as per the Board-approved Schedule of Fees & Charges and, in the case of term loans, shall be based on the amount being pre-paid. No pre-payment or foreclosure charge shall be levied where the pre-payment is effected at the instance of CFPL, including on restructuring or recall of the facility. These charges shall be disclosed in the Key Facts Statement, sanction letter, loan agreement and on CFPL's website; no pre-payment charge not so disclosed shall be levied; and no charge or fee waived earlier shall be levied retrospectively at the time of pre-payment. If CFPL ever offers a floating-rate term loan, no foreclosure charge or pre-payment penalty shall be levied on such loans to the categories of borrowers specified in the RBI Directions.

9.6 Outsourcing arrangements shall not affect the rights of a customer against the NBFC, including the ability of the customer to obtain redress as applicable under relevant laws. The NBFC's Grievance Redressal Machinery will also deal with the issue relating to services provided by the outsourced agency.

9.7 Insurance Arrangements and Sale of Products (with effect from January 1, 2027)

9.7.1 **Insurance and other third-party arrangements-** CFPL does not sell third-party products on its own account. However, CFPL has arrangements with insurance companies under which customers may, at their option, obtain life insurance, medical insurance, EMI-protect and similar covers. Such covers are third-party products; CFPL acts only as a facilitator or referrer, shall state its role clearly to the customer, and shall not present any such product as its own.

9.7.2 **No bundling-** No loan shall be sanctioned, priced or disbursed on the condition that the customer buys an insurance cover or any other third-party product through an arrangement facilitated by CFPL. Where a cover is required as a risk mitigant for the loan, the customer

shall be free to buy it from any insurer of his/her choice. The premium shall not be funded out of the loan or deducted from the disbursal without the customer's explicit consent, and no cover shall be added by default, including through pre-selected options in any digital journey.

9.7.3 **Explicit consent-** An insurance cover shall be offered only with the customer's explicit, product-wise consent (signed declaration, OTP, digitally recorded confirmation or a clearly marked section of the loan application form/agreement), with the default choice set to 'No'/'I do not agree', and consent cannot be given without going through the applicable terms and conditions. Consent records shall be retained for at least one year after the end of the contract.

9.7.4 **Disclosure and suitability-** Before consent is taken, the customer shall be told the name of the insurer, the premium and other charges, the key features, exclusions, lock-in and exit terms, and CFPL's role. Suitability and appropriateness shall be assessed and documented. Premium or charges recovered through CFPL on behalf of insurers shall be disclosed separately, form part of the APR in the Key Facts Statement, and be supported by receipts to the customer.

9.7.5 **Advertising, marketing and sale of products-** CFPL shall have a Board-approved policy on advertising, marketing and sale of its own as well as third-party financial products/services, covering among other things the criteria for suitability and appropriateness, the customer feedback mechanism and compensation to customers for mis-selling. CFPL shall also have a Code of Conduct for sale and marketing, applicable to its employees (and to any representative of a third-party provider deployed in its premises), obtain their undertaking to abide by it, and display it on its website. Loans and other products shall be sold only with the customer's explicit consent, after the key features (interest rate, fees and charges, risks, financial commitment, lock-in and exit terms) are prominently disclosed, using the Key Facts Statement where it applies. Consent and related records shall be preserved until one year after the contract ends.

9.7.6 **Advertising and conduct of sales staff-** CFPL's advertising and promotional material shall be clear and factual, shall disclose the interest rate and other fees and charges, and the terms and conditions shall be prominently displayed at all points of sale and on digital channels. Promotional communication shall be sent only to customers who have given explicit consent, and unsubscribing shall be easy. CFPL's employees shall disclose fees, charges and interest rate upfront; contact or visit customers for sales normally only between 09:00 and 19:00 unless the customer has asked otherwise; not visit a customer's residence, business or office without explicit consent; respect privacy and 'Do Not Disturb' preferences; and shall not mislead or coerce a customer or make any unauthorised commitment. Application forms shall be product-specific, sale documents shall be available in the language of the region or a language understood by the customer, a copy of the signed terms shall be given to the customer securely, and CFPL's digital interfaces shall not use dark patterns.

9.7.7 **Feedback and mis-selling-** CFPL shall seek feedback from customers within 30 days of the sale of any financial product/service, including a loan, to ensure that they have understood its features and risks. This shall be done by a function not connected with sales (for example, random call-backs or surveys), and a half-yearly report of the findings shall be used to review policies and products. Policies and incentive structures shall not encourage mis-selling, and CFPL's employees shall not receive any incentive, directly or indirectly, from a third-party provider. A customer may complain of mis-selling within the time limit specified by the relevant financial sector regulator or, where none is specified, within 30 days of receiving the signed terms and conditions/agreement. Where mis-selling is established, CFPL shall refund the entire amount paid by the customer for the product/service, intimate cancellation of the sale wherever applicable, and compensate the customer for any loss as per its approved policy.

9.8 **Relief to borrowers affected by calamities-** Where a natural calamity (an event recognised under the NDRF/SDRF), or an external event such as riots or disturbances resulting in loss of economic activity, is declared by the Central/State Government and the State Level Bankers' Committee/District Consultative Committee recommends relief, CFPL may extend relief in accordance with its Board-approved policy on resolution of stressed assets. That policy shall set out the objective principles for the terms of relief for different borrower/loan categories, the potential relief measures and the verifiable parameters for determining them, and the delegation matrix for deciding and implementing relief. Borrowers whose accounts are 'Standard' and not in default for more than 30 days on the date of the calamity shall be eligible. Relief may include rescheduling of payments, conversion of accrued interest into another credit facility and additional finance, based on an assessment of viability. Resolution shall be invoked within 45 days and implemented within 135 days of the declaration of the calamity. Where CFPL implements a resolution plan on its own initiative, it shall inform the borrower, who may opt out at any time until the end of 135 days from the declaration. CFPL shall give adequate publicity to the relief decisions of the SLBC/DCC, make available interest subvention or prompt repayment incentive benefits notified by the Government to all eligible borrowers, and factor in relief already provided by the Government. CFPL may also, at its discretion, waive or reduce fees and charges for customers in areas where a calamity has been declared, for a period not exceeding one year.

9.9 **Borrowers in financial difficulty-** Borrowers in financial difficulty shall be dealt with in accordance with CFPL's Board-approved policy on resolution of stressed assets. Restructuring shall be undertaken only with the formal consent/application of the borrower (or, where initiated by CFPL, on the borrower agreeing to the terms and conditions), only where financial viability is established, and never with retrospective effect. Compromise settlement is not available to a borrower as a matter of right; it is at CFPL's discretion based on its commercial judgement and its Board-approved policy, and after a compromise settlement CFPL shall not take a fresh exposure to the borrower for a cooling period of at least 12 months. A technical write-off of a loan does not waive the borrower's liability or CFPL's right to recover.

9.10 **Closure of branches/offices-** CFPL shall give at least three months' public notice before closing any branch/office, in at least one leading national newspaper and one leading local vernacular newspaper, indicating the purpose and the arrangements made to service its customers.

9.11 **Rounding off-** All transactions, including the charging of interest on loans, shall be rounded off to the nearest rupee: fractions of 50 paise and above shall be rounded off to the next higher rupee and fractions of less than 50 paise shall be ignored.

9.12 **Publication of the FPC-** This Fair Practices Code, as approved by the Board, shall be placed on CFPL's website for the information of all stakeholders and shall be made available at its branches, preferably in the vernacular language or a language understood by the borrowers.

10. Regulation of Excessive Interest Charged by NBFCs

10.1 The NBFC has a Board Approved Interest Rate Policy covering an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and 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 borrower or customer in the application form and communicated explicitly in the sanction letter.

10.2 The rates of interest and the approach for gradation of risks shall also be made available on the website of the NBFC. The information published on the website shall be updated whenever there is a change in the rates of interest.

10.3 The rate of interest is an annualised rate so that the borrower is aware of the exact rates that would be charged to the account. All loans of CFPL carry a fixed rate of interest, charged on reducing balance, as set out in the Board-approved Interest Rate Policy.

11. Key Facts Statement for Loans & Advances

11.1 The NBFC shall provide a KFS to all prospective borrowers to help them take an informed view before executing the loan contract, as per the standardised format given in the applicable RBI directions/circulars. The KFS shall be written in a language understood by such borrowers. Contents of KFS shall be explained to the borrower and an acknowledgement shall be obtained that they have understood the same.

11.2 The KFS shall be provided with a unique proposal number and shall have a validity period of at least three working days.

Explanation: *Validity period refers to the period available to the borrower, after being provided the KFS by the NBFC, to agree to the terms of the loan. The NBFC shall be bound by the terms of the loan indicated in the KFS, if agreed to by the borrower during the validity period.*

11.3 The KFS shall also include a computation sheet of annual percentage rate (APR), and the amortisation schedule of the loan over the loan tenor. APR will include all charges which are levied by the NBFC. Illustrative examples of calculation of APR and disclosure of repayment schedule for a hypothetical loan are given below:

Illustration for computation of APR for Retail and MSME loans

Sl. No.	Parameter	Details
1	Sanctioned Loan amount (in Rupees) (Sl. No. 2 of the KFS template – Part 1)	20,000
2	Loan Term (in years/ months/ days) (Sl. No.4 of the KFS template – Part 1)	
a)	No. of instalments for payment of principal, in case of non-equated periodic loans	-
b)	Type of EPI Amount of each EPI (in Rupees) and nos. of EPIs (e.g., no. of EMIs in case of monthly instalments) (Sl. No. 5 of the KFS template – Part 1)	Monthly 970 24
c)	No. of instalments for payment of capitalised interest, if any	-
d)	Commencement of repayments, post sanction (Sl. No. 5 of the KFS template – Part 1)	30 days
3	Interest rate type (fixed or floating or hybrid) (Sl. No. 6 of the KFS template – Part 1)	Fixed
4	Rate of Interest (Sl. No. 6 of the KFS template – Part 1)	15%
5	Total Interest Amount to be charged during the entire tenor of the loan as per the rate prevailing on sanction date (in Rupees)	3,274
6	Fee/ Charges payable (in Rupees) Note: Where such charges cannot be determined prior to sanction, NBFCs may indicate an upper ceiling	400
A	Payable to the NBFC (Sl. No.8A of the KFS template-Part 1)	240
B	Payable to third-party routed through NBFC (Sl. No.8B of the KFS template – Part 1)	160
7	Net disbursed amount (1-6) (in Rupees)	19,600
8	Total amount to be paid by the borrower (sum of 1 and 5) (in Rupees)	23,274*
9	Annual Percentage rate- Effective annualized interest rate (in percentage) (Sl. No.9 of the KFS template-Part 1) Note: Computed on net disbursed amount using IRR approach and reducing balance method	17.07%
10	Schedule of disbursement as per terms and conditions	Detailed schedule to be provided
11	Due date of payment of instalment and interest	DDMMYYYY

Sl. No.	Parameter	Details
* The difference in repayment amount calculated from the total of instalments given under the detailed repayment schedule i.e., ₹23,280 (=970*24) vis-à-vis the amount of ₹23,274 (₹20,000 (loan amount) + ₹3,274 (Interest charges) mentioned under (8) is due to rounding off the instalment amount of ₹969.73 to ₹970 under the detailed repayment schedule.		

Illustrative Repayment Schedule under Equated Periodic Instalment for the above-mentioned hypothetical loan

Instalment No.	Outstanding Principal (in Rupees)	Principal (in Rupees)	Interest (in Rupees)	Instalment (in Rupees)
1	20,000	720	250	970
2	19,280	729	241	970
3	18,552	738	232	970
4	17,814	747	223	970
5	17,067	756	213	970
6	16,310	766	204	970
7	15,544	775	194	970
8	14,769	785	185	970
9	13,984	795	175	970
10	13,189	805	165	970
11	12,384	815	155	970
12	11,569	825	145	970
13	10,744	835	134	970
14	9,909	846	124	970
15	9,063	856	113	970
16	8,206	867	103	970
17	7,339	878	92	970
18	6,461	889	81	970
19	5,572	900	70	970
20	4,672	911	58	970
21	3,761	923	47	970
22	2,838	934	35	970
23	1,904	946	24	970
24	958	958	12	970

11.4 Charges recovered from the borrowers by the NBFC on behalf of third-party service providers on actual basis, such as insurance charges, legal charges etc., shall also form part of the APR and shall be disclosed separately. In all cases wherever the NBFC is involved in recovering such charges, the receipts and related documents shall be provided to the borrower for each payment, within a reasonable time.

11.5 Any fees, charges, etc. which are not mentioned in the KFS, cannot be charged by the NBFC to the borrower at any stage during the term of the loan, without explicit consent of the borrower.

11.6 The KFS shall also be included as a summary box to be exhibited as part of the loan agreement.

12. Grievance Redressal Mechanism

In order to make CFPL's redressal mechanism more meaningful and effective, a structured system has been built. This system would ensure that the redressal sought is just and fair and is within the given framework of rules and regulation.

12.1 Machinery to Handle Customer Complaints/Grievances

12.1.1 Customers who wish to provide feedback or send in their complaint may use the following channels between 9:00 am and 6:00 pm, from Monday to Friday (except on national holidays).

12.1.2 The Company has provided for three tier Grievance Redressal Mechanism to resolve any of its customers query / grievance.

12.1.3 **Level 1:** The customer may register his/her query/ complaint to the Company which shall be addressed to the Grievance Redressal Officer in connection with any matter pertaining to business practices, lending decisions, credit management, recovery and complaints relating to updation/ alteration of credit information. The details of the Grievance Redressal Officer are given as follows:

Name of the Grievance redressal officer	Ms Savitri Mete (or any other official of the NBFC as designated by the Managing Director of the NBFC from time to time)
Designation	Grievance Redressal Officer
Address	Conatus Finserve Private Limited Building No 9, " Veersaro maleege ", no 78, 1st floor, Bellary main road, Near CBI office, Ganganagar, Bangalore - 560032
Tel No	080 29905615
Email id	care@conatusfin.com

12.1.4 **Level 2:** If the complaint is not resolved within 15 days, the customer shall complain to the Chief Executive Officer of the Company at his following email id: bhaskar@conatusfin.com

12.1.5 **Level 3:** If the complaint / dispute is not redressed within a period of one month from date of its receipt, the customer may appeal to:

Deputy General Manager,
Department of Supervision Reserve Bank of India
Regional Office, 10/3/8, Nrupathunga road, Bangalore 560001, Karnataka Tel No. 080 22180667

12.2 Mandatory Display Requirements

12.2.1 CFPL has the following in all its branches:

(a) Appropriate arrangement for receiving complaints and suggestions.

(b) Display of the name, designation, address, telephone number and e-mail ID of the Grievance Redressal Officer and the escalation matrix with turnaround times, at every branch and on CFPL's website.

12.2.2 The process of the complaint's redressal unit will ensure closure of all complaints to the customers' satisfaction.

12.2.3 The grievance redressal procedure of the NBFC and the time frame fixed for responding to the complaints shall be placed on the NBFC's website.

12.3 Time Frame

12.3.1 If the complaint has been received in writing, CFPL will endeavor to send an acknowledgement / response within a week (7 working days) of its receipt. Once the matter is examined, CFPL will send either a final response to the customer or an intimation seeking more time within one month (30 working days) upon receipt of complaint.

12.3.2 Complaints that are received at our end will be seen in the right perspective and would be analyzed from all possible angles.

12.3.3 The Board of Directors shall also provide for periodical review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management. Accordingly, the Status Report on all complaints shall be placed before the Board of Directors for their review on quarterly basis.

12.3.4 The aforesaid policy will be reviewed at least annually by the Board /revised as and when there are any new changes incorporated by CFPL in handling complaints / grievances of the customer which includes introduction of new grievance channels, if any.