:: FAIR PRACTICE CODE::

PREAMBLE:

Vallabhi Capital Private Limited (VCPL), a Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India, adopts this Fair Practices Code in compliance with Chapter III – Responsible Lending Conduct of the **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).

VCPL, having customer interface, shall adopt the guidelines enumerated below in the Directions. VCPL has the freedom of drafting this Fair Practices Code, enhancing the scope of the guidelines but in no way sacrificing the spirit underlying them. This Code is put up on VCPL's website for the information of various stakeholders, in English and vernacular language (Hindi) or language understood by borrowers.

OBJECTIVE OF THE FAIR PRACTICE CODE

1. Fair Practice while dealing with the customers.
2. Remaining transparent and enabling the customers to have better understanding of our various products to take informed decision.
3. Ultimately building customer confidence in VPCL to have long relations.

A. Fair Practices Code

1. APPLICATIONS FOR LOANS AND THEIR PROCESSING

All communications to the borrower shall be in the vernacular language or a language as understood by the borrower.

Loan application forms shall include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by another lender can be made, and informed decision can be taken by the borrower. The loan application form shall indicate the documents required to be submitted with the application form.

VCPL shall devise a system of giving acknowledgement for receipt of all loan applications. Preferably, the time frame within which loan applications will be disposed of shall also be indicated in the acknowledgement.

2. LOAN APPRAISAL AND TERMS / CONDITIONS

VCPL shall convey in writing to the borrower in the vernacular language as understood by the borrower by means of sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions including annualised rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record. The sanction letter and loan agreement shall specifically have a mention about the penalties charged for late payment in bold. VCPL shall furnish a copy of the loan agreement as understood by the borrower along with a copy each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction / disbursement of loans.

3. DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS

VCPL shall give notice to the borrower in the vernacular language or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. VCPL shall also ensure that changes in interest rates and charges are effected only prospectively.

Decision to recall / accelerate payment or performance under the agreement shall be in consonance with the loan agreement.

VCPL shall 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 they may have against borrower. If such right of set off is to be exercised, the borrower shall be given notice about the same with full particulars about the remaining claims and the conditions under which VCPL is entitled to retain the securities till the relevant claim is settled/paid.

4. GENERAL

VCPL shall refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless information, not earlier disclosed by the borrower, has been noticed).

In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise i.e., objection of VCPL, if any, shall be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.

In the matter of recovery of loans, VCPL shall not resort to undue harassment viz., persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc. VCPL shall ensure that the staff is adequately trained to deal with the customers in an appropriate manner.

5. LANGUAGE AND MODE OF COMMUNICATING FAIR PRACTICE CODE

This Fair Practice Code is displayed on VCPL's website for the information of borrowers and others.

6. REGULATION OF EXCESSIVE INTEREST CHARGED BY NBFCS

The Board of VCPL has adopted 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.

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

The rate of interest must be annualised rate so that the borrower is aware of the exact rates that would be charged to the account.

7. COMPLAINTS ABOUT EXCESSIVE INTEREST CHARGED BY NBFCS

VCPL shall ensure compliance with the spirit of responsible lending.

8. REPOSSESSION OF VEHICLES FINANCED BY NBFCS

VCPL in compliance of the RBI guidelines ensures that its Vehicle Loan Agreement has a built-in re-possession clause. Further, to ensure transparency, the terms and conditions of the said loan agreement also contains provisions regarding: (1) Notice period before taking possession; (2) Circumstances under which the notice period can be waived; (3) The procedure for taking possession of the security; (4) A provision regarding final chance to be given to the borrower for repayment of loan before the sale/ auction of the property; (5) The procedure for giving repossession to the borrower; and (6) The procedure for sale/auction of the property.

A copy of such terms and conditions shall be made available to the borrower. VCPL shall invariably furnish a copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction/ disbursement of loans, which forms a key component of such contracts/ loan agreements.

9. LOAN FACILITIES TO THE PHYSICALLY / VISUALLY CHALLENGED

VCPL shall not discriminate in extending products and facilities including loan facilities to physically / visually challenged applicants on grounds of disability. All branches / offices of VCPL shall render all possible assistance to such persons for availing of the various business facilities. VCPL 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, VCPL shall ensure redressal of grievances of persons with disabilities under the Grievance Redressal Mechanism already set up by them.

B. KEY FACTS STATEMENT FOR LOANS & ADVANCES

The following instructions shall be applicable in cases of all retail and MSME term loan products extended by VCPL.

Credit card receivables are exempted:

VCPL shall provide a Key Facts Statement (KFS) to all prospective borrowers to help them take an informed view before executing the loan contract, as per the standardised format prescribed by the RBI.

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.

The KFS shall be provided with a unique proposal number and shall have a validity period of at least three working days for loans having tenor of seven days or more, and a validity period of one working day for loans having tenor of less than seven days.

VCPL shall be bound by the terms of the loan indicated in the KFS, if agreed to by the borrower during the validity period.

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 VCPL.

Charges recovered from the borrowers by VCPL 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 VCPL is involved in recovering such charges, the receipts and related documents shall be provided to the borrower for each payment, within a reasonable time.

Any fees, charges, etc. which are not mentioned in the KFS, shall note be charged by VCPL to the borrower.

C. PENAL CHARGES IN LOAN ACCOUNTS

VCPL has placed on record a Board approved policy on penal charges or similar charges on loans. VCPL shall not introduce any additional component to the rate of interest.

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

The quantum and reason for penal charges shall be clearly disclosed to the customers in the loan agreement and most important terms & conditions/Key Facts Statement (KFS), in addition to being displayed on VCPL's website under Interest rates and Service Charges.

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

D. OTHER RESPONSIBLE LENDING CONDUCT

1. **Reset of Floating Interest Rate on Equated Monthly Instalments (EMI) based Personal Loans** — VCPL shall follow the guidelines in subsection D of Chapter III, including assessment of repayment capacity, communication of impact, options for switch/fixed rate/EMI enhancement/tenor elongation/prepayment, no negative amortisation, and quarterly statements.
2. **Pre-payment charges on loans** — VCPL shall follow subsection E, with no charges on floating-rate term loans to individuals for non-business purposes, disclosures, etc.
3. **Release of Movable / Immovable Property Documents on Repayment / Settlement** — VCPL shall follow subsection F, releasing documents within 30 days, compensation for delays, etc. (Note: The Directions have specific timelines and compensation of Rs.5,000 per day for attributable delays.)
4. **Other provisions** — With respect to gold/silver collateral, microfinance borrowers, and the responsibilities of DSA/DMA/Recovery Agents (subsections G, H, and I), VCPL shall adhere to those provisions that are specifically applicable to its business operations.

E. GRIEVANCE REDRESSAL MECHANISM GRIEVANCE REDRESSAL MECHANISM:

The Board of Directors of VCPL's has laid down the appropriate grievance redressal mechanism within the organization. Such a mechanism also ensure that all disputes arising out of the decisions of lending institution's functionaries are heard and disposed of at least at the
functioning next higher level.

The management shall also provide for periodical review of the compliance of the Fair Practices Code and the of the grievances redressal mechanism at various levels of management. A consolidated report of such reviews shall be submitted to the Board at regular intervals, as may be prescribed by it.

1. Level 1: The first point for immediate redressal of grievance

Any customer having a grievance / complaint with respect to the product and service offered by VCPL may write/call/visit to the Company' Customer Service Department in the following manner:

Customer Service Department
Email: office@vallabhicapital.com
Contact: +919289098583
Registered Office: SF-4C, Second Floor, Rishabh Ipex Mall,
Patparganj, IP Extension, Delhi 110092
Corporate Office: Corporate office at Office No. 1017-18, 10th Floor, World Trade Tower, Plot No, 1, Delhi Noida Direct Flyway, Block B, Sector 16, Noida, Uttar Pradesh-201301

2. Level 2: Nodal Officer/ Grievance Redressal Officer

If the customer is not satisfied with the resolution received through the above channels, within 10 working days of receipt of his/her complaint at the VCPL, the customer may write to the VCPL Nodal Officer/ Grievance Redressal Officer on Email **compliance@vallabhicapital.com** with loan account number and complete complaint details provided in the earlier interaction. All grievances shall be heard and disposed off by a person at least one level higher to the person / designation against / relating to whom the grievance is made. After examining the matter, it will be our endeavour to provide the borrower/applicant with our final or other response, within a period of one (1) months from receipt of such complaint / grievance.

3. Appeal to RBI

In case if the customer is not satisfied with the resolution received or if the customer does not hear from the NBFC in 30 working days of receipt of his/her complaint at the NBFC, he/she may lodge their complaint on RBI CMS portal https://cms.rbi.org.in or write them on e-mail id - crpc@rbi.org.in or send complaint form to the below mentioned address:

The Officer In-Charge
Consumer Education and Protection Cell
Reserve Bank of India
6, Sansad Marg
New Delhi - 110001

REVIEW OF COMPLIANCE

Management shall submit periodic reviews of compliance with this Fair Practices Code and grievance mechanism to the Board.

Date: 30.04.2026
Place: Noida