Fair Practices Code

Compliance Department

UGRO Capital Limited

Version	Prepared by	Reviewed by	Approved by	Approval date	Remarks
V.Jun/2026	Chief Compliance Officer	Risk Management Committee	Board of Directors	30.06.2026	Insertion of sections with respect to a) Release of Security Documents upon Repayment or Settlement of Personal Loans (including Housing Loans) b) Reset of Floating Interest Rates on Equated Monthly Instalment (EMI)-Based Personal Loans
V.Apr/2026	Chief Compliance Officer	Compliance Committee	Board of Directors	20.04.2026	Insertion of section with respect to Responsible Business Conduct
V. Apr/2025	Chief Compliance Officer	Compliance Committee	Board of Directors	26.04.2025	Insertion of Key Facts Statement for Loans and Advances in accordance with the RBI Circular dated April 15, 2024, as amended from time to time
V.Jan/2024	-	-	Board of Directors	23.01.2024	No change (Annual review)
V.Oct/2023	Chief Compliance Officer	Compliance Committee	Board of Directors	26.10.2023	Amended the policy to align with RBI circular dated August 18, 2023, on Fair Lending Practice - Penal Charges in Loan Accounts
V.Jan/2023	-	-	Board of Directors	25.01.2023	No change (Annual review)
V.Feb/2022	-	-	Board of Directors	08.02.2022	No change (Annual review)
V.Feb/2021	Chief Compliance Officer	Compliance Committee	Board of Directors	09.02.2021	Grievance redressal mechanism shall Specifically indicate redressal of complaints w.r.t to outsourcing activity. Added a

					line in this regard.
V.Jan/2020	-	-	Board of Directors	31.01.2020	No change (Annual review)
V1 (Original approval)	Chief Compliance Officer	Compliance Committee	Board of Directors	02.11.2018	-

Table of Contents

Contents

1 Introduction 4

2 Principles and Practices 5

2.1 **Loan applications and processing** 5

2.2 **Loan appraisal and terms/conditions; and Key Facts Statement for Loans and Advances** 5

2.3 **Disbursement of loans including changes in terms and conditions** 6

3 General 7

3.1 **Confidentiality** 7

3.2 **Interest Rates** 7

3.3 **Penal Charges** 7

3.4 **Other general aspects** 8

3.5 **Responsible Business Conduct** 8

3.6 **Release of Security Documents upon Repayment or Settlement of Personal Loans (including Housing Loans)** 9

3.7 **Reset of Floating Interest Rates on Equated Monthly Instalment (EMI)-Based Personal Loans** 9

4 Grievance Redressal 10

Responsibilities of Customer Care Team 12

5 Key Facts Statement (KFS) for Loans & Advances 13

6 Review of the Code 15

1 *Introduction*

The Fair Practice Code (hereinafter referred to as 'the Code') has been drafted in line with the Master Circular-Fair Practice Code' issued by the Reserve Bank of India on July 01, 2015 - RBI/2015-16/16 DNBR (PD) CC.No.054/03.10.119/2015-16 and RBI Circular on Fair Practices for the Lenders – Charging of Interest dated April 29, 2024.

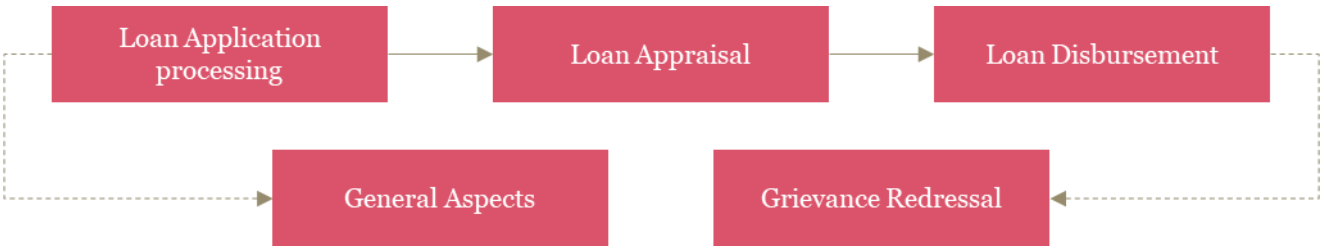
Further, RBI has subsumed the said guidelines with Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025 dated November 28, 2025 (FPC Directions). The Code covers general principles and practices followed by UGRO Capital Limited (hereinafter referred to as 'the Company' in serving our customers. It has been formulated to ensure –

- Fair and transparent practices in dealing with the customers.
- Fair relationship with the customers
- Regulatory compliance with regard to customer interaction
- Robust customer grievances redressal mechanism

The Code will be applicable to all the categories of products and services offered by the Company and also apply to our related operations such as customer sourcing, loan processing, loan servicing and collection activities.

2 *Principles and Practices*

The principles and practices followed by the Company has been categorized as per the following key components in the credit lifecycle.



2.1 Loan applications and processing

- All communications to the borrowers shall be in the vernacular language or in a language understood by them.
- Loan application forms shall include all necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and an informed decision can be taken by the borrower.
- The loan application form shall enlist the list of mandatory documents required to be submitted by the borrower,along with the application form, while applying for any of the credit facilities offered by the company.
- The loan application form will include the rate of interest charged and rationale for charging different rates of interest to different categories of borrowers. The rates of interest and the approach for ` of risks shall also be made available on the company's website.
- On receipt of loan application, the Company shall give an acknowledgment to the borrower. Preferably, the time frame within which loan applications will be disposed of should also be indicated in the acknowledgement.
- The Company shall verify the loan applications within a reasonable period of time and if additional details/ documents are required, it will accordingly intimate the borrowers.

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

- All the loan applications will be fairly assessed in line with the company's board approved credit policies and procedures.
- The Company shall convey in writing to the borrower in the vernacular language as understood by them, the amount of loan sanctioned along with 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 its record. The penal (additional) interest to be charged for late repayment shall be explicitly highlighted in bold in the loan agreements.
- In case of loan rejection the same shall also be communicated in writing to the borrowers in the language as understood by them.

A copy of the loan agreement along with a copy of all enclosures quoted in the loan agreement shall be provided to the borrower in the language as understood by them.

2.3 Disbursement of loans including changes in terms and conditions

- The company will ensure timely disbursement of loans as per the agreed terms and conditions.
- The Company shall make disbursement through any of the electronic modes including RTGS / NEFT etc., except in cases where the borrower may specifically request disbursal through issuance of cheque.
- Interest shall be levied from the actual date of disbursement of the funds to the borrower and not from the date of sanction of loan or date of execution of loan agreement or the date of cheque, in case of cheque disbursal. Wherever the Company has offered interest moratorium to the borrowers, the interest may be levied after such interest moratorium period and such date shall not be prior to the actual disbursement date.
- In the case of disbursal or repayment of loans during the course of the month, interest will be charged only for the period for which the loan was outstanding and not for the entire month.
- In cases where the Company may collect one or more instalments in advance, the interest shall be levied only on the loan amount net of such advance instalments.
- The Company shall ensure that the actual date of fund transfer is captured as the date of disbursement in the borrower's account and the same is reflected in the statement of account for each loan account.
- Any changes in interest rates and charges will take effect prospectively. A suitable clause to this effect shall be explicitly highlighted in the loan agreement.
- The Company shall furnish a copy of the loan agreement as understood by the borrower along with a copy of each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction / disbursement of loans.
- The company shall give notice in writing to the borrower, in a language as understood by them, of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges, etc.
- The decision to recall/ accelerate payment or performance under the agreement shall be in consonance withthe loan agreement.
- The Company may cancel the loan on account of non-submission of pending documents as communicated in the sanction letter or breach of other terms after informing the customer. In such cases the processing fees shall not be refunded.
- All securities pertaining to the loan shall be released 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 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.

3 General

3.1 Confidentiality

The Company shall respect the privacy of the customers and all the communication with the customers will be in a polite manner. Unless authorized by the customer, the Company shall not disclose the transaction details to any third party, except in the following cases:

- Disclosure required under any statute or regulation.
- Public obligation to disclose such information.
- If it is in the interest of the Company to make such disclosure to any bank/ financial institution/ group companies and associate companies. (E.g., fraudulent transactions, suspicious transactions, etc.)

3.2 Interest Rates

- To ensure that customers are not charged excessive interest rates, the Company has formulated a PricingPolicy and note on Pricing Methodology and Rationale for various Loan Products approved by the ALCO/ Board which details out the interest rate model adopted by the company which factors in cost of funds, margin and risk premium, etc. to 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 rates 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 information is also hosted on the Company's website.

- The rates of interest shall be annualized rates.

- The Company may charge foreclosure charges/ pre-payment penalties strictly in terms of the Pricing Policy subject to the extant restrictions as prescribed under the applicable provisions of FPC directions, as amended from time to time.

3.3 Penal Charges

- The Company shall disclose the quantum and reason for penal charges to customers in the loan agreements entered into between the parties, and most important terms & conditions / Key Fact Statement (KFS), as applicable.

- The Company shall display critical terms and conditions on penal charges on their website, under the head 'Interest rate and Services Charges'.

- The Company shall at the time of sending reminders to borrowers with respect to non-compliance of material terms and conditions of the loan, communicate the applicable penal charges, and at the instance of levying of such penal charges, also mention the reason for the same to the relevant borrower.

- The Company shall ensure that the penalty 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. Penal charge should not be capitalized, and no interest should be levied on penal charges and no additional component shall be introduced to the rate of interest.

- Penal charges for individual borrowers shall not be higher than charges levied on non-individual borrowers for similar non-compliance.

3.4 Other general aspects

- The Company shall not interfere 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 the lender.

- The request for transfer of borrower account should be received in writing from the borrower. In case oftransfer of borrower account the consent or otherwise i.e. objection of the Company, if any, shall be conveyed within 21 days from the date of receipt of such request. Such transfer shall be as per transparentcontractual terms in consonance with the law.

- For recovery of loans, the Company will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc. For this, the Company shall provide adequate training to the staff members to deal with the customers in an appropriate manner.

3.5 Responsible Business Conduct

UGRO Capital employees are expected to uphold the highest standards of integrity, fairness, and responsibility in all customer interactions. This includes:

• Conducting business in an environmentally responsible manner, minimizing waste and promoting sustainable practices wherever feasible.

• Respecting human rights and ensuring that no form of discrimination, harassment, or inappropriate conduct occurs in dealings with customers or colleagues.

• Maintaining safe and healthy working conditions and following occupational health and safety requirements in all customer-facing activities.

• Promoting diversity, equity, and inclusion in the workplace, ensuring equal opportunity and respectful treatment of all customers.

• Handling customer concerns with sensitivity, confidentiality, and without fear of reprisal for the customer.

Demonstrating transparency and accountability in lending and service delivery decisions, consistent with UGRO's values and regulatory obligations.

3.6 Release of Security Documents upon Repayment or Settlement of Personal Loans (including Housing Loans)

- Upon full repayment or settlement of a personal loan, the Company shall release all original security documents and remove any registered charge, lien, or encumbrance with any statutory or regulatory registry within thirty (30) days from the date of such repayment or settlement.
- Borrowers may collect the documents from the servicing branch or any other designated Company office. The loan sanction letter shall specify the timeline and location(s) for the return of documents upon closure of the loan.
- The Company shall maintain a documented procedure for the release of security documents to legal heirs in the event of the borrower's demise and make such procedure available on the Company's website for customer information.
- In case of any delay beyond thirty (30) days, the Company shall communicate the reasons for such delay to the borrower.
- Where the delay is attributable to the Company, compensation of ₹5,000 (Rupees Five Thousand only) per day shall be payable until the documents are released and/or the charge satisfaction process is completed, as applicable.
- In cases of loss or damage to the original documents, the Company shall assist in obtaining duplicate or certified copies, bear the associated costs and provide compensation as applicable.
- An additional thirty (30) days shall be permitted for completion of this process before compensation for delay becomes payable.

3.7 Reset of Floating Interest Rates on Equated Monthly Instalment (EMI)-Based Personal Loans

- Borrowers shall be informed at the time of sanction about the impact of benchmark rate changes on EMI and/or loan tenor and shall be notified of any subsequent revisions.
- At the time of an interest rate reset, borrowers may be provided options such as enhancement of EMI, extension of the loan tenor, a combination of both, and partial or full prepayment in accordance with applicable regulations and Company policy. In view of the business considerations, the Borrowers shall not be offered an option to convert the loans to fixed interest rate.
- The Company shall ensure that tenor extensions do not result in negative amortization and shall provide borrowers with quarterly statements containing key loan information, including:
    1. principal and interest recovered up to the reporting date;
    2. current EMI amount;
    3. number of remaining EMIs; and
    4. annualized rate of interest or Annual Percentage Rate (APR) applicable for the entire tenor of the loan.
- These provisions shall apply to all equated-instalment based personal loans irrespective of the repayment frequency or benchmark linkage. The Company shall maintain adequate systems and to ensure timely transmission of benchmark rate changes to the applicable lending rates.

4 *Grievance Redressal*

- The Company believes in maintaining strong relationships with its customers and understands the importance of addressing complaints or grievances in an efficient manner. The Company has a robust grievance redressal mechanism to resolve customer disputes. The grievance redressal mechanism will also deal with the issue/ complaints/ grievances relating to services provided by the outsourced agencies appointed by the Company.

- Outsourced agencies are further required to maintain confidential grievance mechanisms for their employees, covering labour, health & safety, and human rights concerns, consistent with the Company's standards. Serious incidents must be escalated to UGRO's Grievance Redressal Officer.

- The Company shall endeavor to resolve all the customer disputes within 7 working days from the date of receipt of customer disputes.

- The Company has multiple channels of communication and following are modes through which customers can raise or escalate a complaint with us through below escalation matrix:

Escalation Matrix			
Levels	**Contact Person/ Team**	**Mode through which the customer may connect**	**TAT to resolve the grievance**
Level 1	Customer Service team	i. **Email –** Customer can write to us at customercare@ugrocapital.com ii. **Telephone –** Customer can call us on toll free number: 1800-202-8476 or on the contact number: 022 4182 1600 (Telephone Lines are open on 9.30 AM to 6.30 PM on all working days except first two Saturdays and all Sundays of the month and public holidays) i. **Post –** Customer can write to us at UGRO Capital Limited, B-17, Fourth Floor, Art Guild House, Phoenix Market City, Kurla (West), Mumbai, Maharashtra – 400070	Within 7 working days from the date of receipt of customer disputes.
Level 2	Grievance Redressal Officer (GRO) GRO Name: Mr. Satyabrata Mohapatra	If the grievance is not resolved within 7 working days from the date of receipt of consumer disputes, the customer can escalate the grievance with GRO through below modes: i. **Email –** Customer can write to us at grievance@ugrocapital.com ii. **Telephone –** Customer can call us on 022 6826 9135 (Telephone lines are open on Monday to Friday from 9:30 AM to 6:00 PM) (Please note that Grievance can only be escalated to GRO only when the complaint is not resolved by the	Within 7 working days from the date of escalation of grievance with GRO.

		customer service team within prescribed TAT or the customer is not satisfied with the resolution provided by the customer service team. It shall be mandatory to provide ticket number of the complaint/ grievance to GRO for grievance escalation to GRO)	
Level 3	Internal Grievance Redressal Committee	If the customers are not satisfied with the resolution provided on their complaints, they may escalate their complaint to the 'Internal Grievance Redressal Committee' in writing, at the below mentioned address: Internal Grievance Redressal Committee UGRO Capital, B-17, Fourth Floor, Art Guild House, Phoenix Market City, Kurla (West), Mumbai, Maharashtra – 400070	Within 30 days of date of receipt of complaint.
Level 4	Officer in Charge of the Regional Office of Department of Supervision, Reserve Bank of India	If the grievances/ complaints are rejected wholly or partly or the customer is not satisfied with the reply or are not redressed within a period of one month, the customer can lodge a complaint over the Complaint Management System (CMS) portal (https://cms.rbi.org.in/) under the Reserve Bank-Integrated Ombudsman Scheme (RB-IOS) or send a physical complaint to "Centralised Receipt and Processing Centre, 4th Floor, Reserve Bank of India, Sector-17, Central Vista, Chandigarh - 160017" Telephone no: 022 – 22150573 Fax No: 22180157	-

- "Pursuant to Reserve Bank – Integrated Ombudsman Scheme, 2026 dated January 16, 2026, as amended from time to time, the Company has appointed Nodal Officers/Principal Nodal Officer. The Nodal Officers/Principal Nodal Officer will have the following responsibilities, -

  - Representing the company and furnishing information to the Ombudsman and the Appellate Authority in respect of complaints filed against the company.
  - Coordinating and liaising with the Customer Education and Protection Department (CEPD), RBI, Central Office.

- The name and contact details of the Grievance Redressal Officer / Principal Nodal Officer/Nodal officers, along with the name and contact details of the Ombudsman, copy of the Scheme and details of the complaint lodging portal of the Ombudsman (https://cms.rbi.org.in) have been displayed at our branches and is hosted on the company's website.

- The compliance officer of the Company shall be responsible for monitoring the email address of the grievance redressal division as designated by the Company for the purpose of registering complaints by customers.

Responsibilities of Customer Care Team

- The customer care team is responsible for the resolution of a grievance to the utmost satisfaction of the customers. They are also responsible to send an acknowledgement for the grievance with tentative timelines for resolution.

- If in case the grievance has not been resolved, the team is required to make the customers aware of the alternative avenues available to escalate the grievance.

- In any case, where the customers care team manager is unable to address a grievance, he may refer the case to the Grievance Redressal Officer.

- Once the grievance has been resolved, it is required to inform the customers within the defined timelines.

5 *Key Facts Statement (KFS) for Loans & Advances*

Definitions:

a. **Key Facts** of a loan agreement between the Company and a borrower are legally significant and deterministic facts that satisfy basic information required to assist the borrower in taking an informed financial decision.

b. **Key Facts Statement (KFS)** is a statement of key facts of a loan agreement, in simple and easier to understand language, provided to the borrower in a standardised format.

c. **Annual Percentage Rate (APR)** is the annual cost of credit to the borrower which includes interest rate and all other charges associated with the credit facility**.**

d. **Equated Periodic Instalment (EPI)** is an equated or fixed amount of repayments, consisting of both the principal and interest components, to be paid by a borrower towards repayment of a loan at periodic intervals for a fixed number of such intervals; and which result in complete amortisation of the loan. EPIs at monthly intervals are called EMIs.

The Company 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 by the Reserve Bank of India (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 he/she has understood the same.

Further, 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.

Explanation

Validity period refers to the period available to the borrower, after being provided the KFS by the Company, to agree to the terms of the loan. The Company 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 the Company.

Charges recovered from the borrowers by the Company 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 Company 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 KFS, cannot be charged by the Company to the borrower at any stage during the term of the loan, without explicit consent of the borrower.

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

6 *Review of the Code*

- The Fair Practices Code shall be subject to annual review and periodic review in accordance with any regulatory or statutory requirement and shall be approved by the Board of the Company. A consolidated report of such reviews maybe submitted to the Compliance Committee/ Board at regular intervals.

- The company shall periodically review the compliance of the Fair Practices Code and the functioning of the grievance's redressal mechanism at various levels of management.

----------X----------X----------