# FAIR PRACTICES CODE (FPC) POLICY

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| **Regulatory Basis** | RBI (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025 |
| **Approving Authority** | Board of Directors |
| **Review Frequency** | At least annually and earlier where required |

## 1. INTRODUCTION

**1.1.** Comero Leasing and Financials Private Limited ("Company", "we", "us" or "our") is committed to dealing with its borrowers and customers in a fair, transparent, respectful and responsible manner.

**1.2.** This Fair Practices Code ("FPC" or "Code") sets out the standards that the Company will follow while dealing with customers throughout the lending relationship, including loan application, appraisal, sanction, documentation, disbursement, servicing, recovery and grievance redressal.

**1.3.** This Code is intended to ensure that customers receive clear information about their loans and are treated fairly at every stage of their relationship with the Company.

**1.4.** The Code shall be read together with the applicable laws, regulations, RBI directions, loan agreements and other applicable policies of the Company.

**1.5.** Where there is any conflict between this Code and any applicable law or RBI direction, the applicable law or RBI direction shall prevail.

## 2. OBJECTIVES OF THE CODE

The objectives of this Code are to:

- Treat customers fairly and respectfully;
- Provide customers with clear and understandable information about their loans;
- Ensure transparency regarding interest, fees, charges and other important terms;
- Follow responsible lending practices;
- Protect customer information and privacy;
- Ensure that recovery activities are conducted in a fair and respectful manner;
- Provide an accessible and effective grievance redressal mechanism; and
- Maintain customer confidence through responsible and compliant business practices.

## 3. FAIR LENDING PRINCIPLES

### 3.1 Fair and Non-Discriminatory Treatment

The Company shall assess loan applications based on relevant factors such as the applicant's creditworthiness, income, repayment capacity and other applicable eligibility criteria.

The Company shall not discriminate against customers based on caste, race, religion, gender, ethnicity, disability, marital status or any other prohibited ground under applicable law.

Credit decisions shall be based on objective and relevant lending criteria.

### 3.2 Transparency and Disclosure

The Company should provide customers with important information about the loan in a clear and understandable manner. Depending on the nature of the loan and applicable regulatory requirements, such information may include:

- Amount of the loan;
- Applicable rate of interest;
- Annualized rate/APR, wherever applicable;
- Applicable processing fees and other charges;
- Late payment charges, if applicable;
- Prepayment or foreclosure charges, if applicable;
- Tenure of the loan;
- Repayment schedule;
- Applicable security or collateral requirements;
- Important conditions attached to the loan; and
- Other material terms and conditions.

The terms and conditions shall be communicated to the borrower in a language and manner that the borrower can reasonably understand.

The Company shall provide the borrower with a copy of the executed loan agreement and relevant loan documents, as applicable.

### 3.3 Responsible Lending

Before sanctioning a loan, the Company shall assess the applicant's ability to repay the loan, based on information and documents considered relevant under its credit policy.

The Company may consider factors such as income, existing financial obligations, credit history and other relevant information.

The Company shall not engage in coercive cross-selling of products or services. Where an optional product or service is offered, the customer shall be informed whether it is mandatory or optional.

### 3.4 Privacy and Protection of Customer Information

The Company shall handle customer information responsibly and in accordance with applicable law and regulatory requirements.

Customer information shall be used only for legitimate purposes connected with the Company's business and the services provided to the customer.

Customer information shall not be disclosed or used for unauthorized marketing purposes without the required consent, except where disclosure or use is permitted or required by law, regulation, court order, fraud prevention requirements or other legitimate purposes.

## 4. LOAN APPLICATION AND PROCESSING

### 4.1 Loan Application

The loan application process shall provide the customer with sufficient information to understand the loan being applied for. Where applicable, the application/documentation may include details relating to:

- Purpose of the loan;
- Loan amount;
- Repayment obligations;
- Applicable interest and charges;
- Required documents;
- Consent for credit and other permissible checks; and
- Other relevant terms.

### 4.2 List of Documents

The Company shall provide the applicant with a list of documents required for processing the loan application, wherever applicable.

The list may include KYC documents, income documents, bank statements, credit information and other documents relevant to the credit assessment.

### 4.3 Acknowledgement

The Company shall acknowledge receipt of the loan application and, where applicable, communicate the expected time required for processing the application.

The Company's internal processing standard is generally 7 to 15 days, subject to receipt of complete information and documents from the applicant and other circumstances relevant to processing the application.

### 4.4 Rejection of Loan Application

Where a loan application is rejected, the Company shall, within 30 days, communicate the reason(s) for rejection, wherever required under applicable law or regulatory requirements.

## 5. LOAN APPRAISAL AND SANCTION

### 5.1 Loan Appraisal

The Company shall assess loan applications in accordance with its approved credit policy and applicable regulatory requirements. Relevant factors may include:

- Repayment capacity;
- Income and financial position;
- Existing debt obligations;
- Credit history and credit information;
- Nature and purpose of the loan;
- Applicable eligibility criteria; and
- Other relevant risk factors.

The Company may use internal credit parameters and risk assessment criteria for evaluating loan applications. Such criteria may be revised from time to time in accordance with the Company's credit policy.

### 5.2 Sanction Letter

The sanction letter or other applicable loan communication shall specify the material terms of the loan, including, as applicable:

- Sanctioned loan amount;
- Rate of interest (fixed/reducing);
- Tenure;
- Repayment terms;
- Prepayment/foreclosure terms;
- Applicable fees and charges;
- Security/collateral requirements, if any; and
- Other material conditions.

The borrower shall accept the applicable terms through appropriate physical or electronic mode.

Any amendment to the agreed loan terms shall be made in accordance with the loan agreement and applicable law.

**6. DISBURSEMENT OF LOAN**

Loan disbursement shall be made after completion of the applicable documentation and satisfaction of the conditions required for disbursement.

The Company's internal target is to disburse the loan, where applicable, within 7 days after submission of the required documents and fulfilment of applicable conditions, subject to the terms of the sanction and other circumstances beyond the Company's control.

Disbursement may be made through the permitted banking/electronic mode, including credit to the borrower's designated bank account or other legally permissible mode.

Where there is any change in the applicable rate of interest or other material terms after sanction, the Company shall communicate such change to the borrower in accordance with the loan agreement and applicable regulatory requirements.

Any increase in the applicable interest rate shall be communicated to the borrower/customer by sending 30 days' notice in writing or electronically and it shall be operated prospectively and not retrospectively.

**7. REPOSSESSION AND ENFORCEMENT – SECURED LOANS**

Where a loan is secured by an asset, the rights of the Company in relation to repossession and enforcement shall be exercised strictly in accordance with the loan agreement and applicable law. Demand notice of 30 days shall be issued by the Company before exercising its right of repossession and enforcement.

The loan documentation shall, wherever applicable, clearly specify:

- Circumstances constituting default;
- The consequences of default;
- Applicable notice requirements;
- The procedure for repossession;
- The procedure for sale or auction of the secured asset; and
- The borrower's right to redeem the secured asset, where applicable.

Repossession shall be carried out in a lawful, peaceful and professional manner. The Company and its authorized representatives shall not use force, intimidation or abusive conduct.

Where a secured asset is sold or auctioned, the process shall be conducted in accordance with applicable law and the terms of the loan agreement.

Any surplus amount remaining after adjustment of the lawful dues and expenses, where applicable, shall be dealt with in accordance with the applicable legal and contractual provisions.

The borrower may redeem the secured asset before its sale by making payment of the applicable dues, subject to the loan agreement and applicable law.

## 8. RECOVERY PRACTICES

The Company is committed to conducting recovery activities in a fair, professional and respectful manner.

### 8.1 Conduct During Recovery

The Company, its employees and authorized recovery representatives shall:

- Communicate with borrowers respectfully;
- Avoid abusive, threatening or intimidating language;
- Not publicly shame or humiliate borrowers;
- Respect the privacy of borrowers;
- Maintain appropriate records of recovery communications and settlement arrangements; and
- Comply with applicable RBI directions and the Company's Code of Conduct for Recovery Agents.

### 8.2 Communication with Borrowers

As an internal operating standard, recovery-related calls and messages shall ordinarily be made between 8:00 a.m. and 7:00 p.m., subject to applicable regulatory requirements and the circumstances of the case.

The Company shall endeavour to avoid excessive or repeated communications that may amount to harassment.

### 8.3 Settlement

Where a settlement proposal is made or accepted, the material terms of the settlement shall be appropriately documented.

A settlement offer shall not, by itself, create a binding settlement unless accepted by the Company through an authorized person or process.

### 8.4 Recovery Agents

Where recovery agents or other authorized representatives are engaged, they shall be appropriately instructed and trained in professional conduct, customer privacy, applicable regulatory requirements and the Company's recovery practices.

The Company shall remain responsible for ensuring that its authorized recovery activities are conducted in accordance with applicable requirements.

### 8.5 Escalation

Where an account remains overdue for 90 days or more, the Company may issue a legal notice to the borrower and, where necessary, initiate appropriate legal proceedings as a last resort, in accordance with the loan agreement and applicable law.

## 9. GRIEVANCE REDRESSAL MECHANISM

The Company is committed to resolving customer complaints fairly and within a reasonable period.

### 9.1 How to Lodge a Complaint

A customer may lodge a complaint through:

**Complaint Lodgment Channels**

**Email:** Grievance@xpressloan.in

**Telephone:** 9697949896

**Branch:** At the Company office/branch concerned

**Online:** Through the Company's designated customer/complaint portal, where available

The customer should provide sufficient details of the complaint, including relevant loan/account details and support documents, wherever applicable.

### 9.2 Acknowledgement

The Company shall endeavour to acknowledge a complaint within 3 working days and, where applicable, provide a complaint/reference number.

### 9.3 Resolution

The Company shall endeavour to resolve complaints as expeditiously as possible. As an internal service standard:

- Straightforward complaints should ordinarily be resolved within 15 days; and

- Complaints requiring detailed investigation should ordinarily be resolved within 30 days.

Where additional time is required, the customer shall be informed of the reason for the delay and, where appropriate, provided with an interim response.

### 9.4 Escalation

If a customer is not satisfied with the response or does not receive a satisfactory resolution within the applicable period, the customer may escalate the complaint to the Company's designated Grievance Redressal Officer.

If the complaint remains unresolved after the applicable internal grievance redressal process, the customer may approach the appropriate RBI grievance redressal mechanism, including the RBI Ombudsman mechanism, where applicable and subject to the eligibility and procedural requirements prescribed by RBI.

## 10. CUSTOMER RIGHTS

Subject to applicable law and the terms of the relevant loan agreement, customers have the right to:

- Fair and transparent assessment of their loan application;
- Receive material information regarding their loan;
- Receive copies of relevant loan documents;
- Access information relating to their loan/account, subject to applicable procedures;
- Raise complaints and seek resolution through the Company's grievance redressal mechanism;
- Be treated respectfully during recovery and other communications;
- Have their personal information handled responsibly; and
- Exercise applicable rights relating to prepayment, foreclosure or other repayment options in accordance with the loan agreement and applicable law.

The Company shall not interfere in the private affairs of a borrower except where such intervention is required for legitimate business, legal, regulatory or recovery purposes.

## 11. MONITORING, TRAINING AND COMPLIANCE

The Company shall establish appropriate mechanisms to monitor compliance with this Code.

### 11.1 Responsibility

The designated Grievance Redressal Officer and relevant senior management personnel shall oversee implementation of the Code.

### 11.2 Internal Review

The Company's internal audit/compliance function shall periodically review adherence to the Code and identify areas requiring corrective action.

### 11.3 Employee and Agent Training

Employees and authorized recovery representatives shall receive appropriate training on:

- Fair customer treatment;
- Customer communication;
- Grievance handling;
- Data privacy;
- Recovery practices;
- Applicable regulatory requirements; and
- The Company's internal policies and Code of Conduct.

Training shall be conducted periodically and at least annually, as applicable.

### 11.4 Management Reporting and MIS

The Company shall maintain appropriate Management Information Systems (MIS) relating to customer grievances and their resolution. A quarterly MIS shall be placed before the Board of Directors covering, among other matters, the number and nature of complaints received, complaints resolved, complaints pending and the resolution rate. The Company shall endeavour to maintain a resolution rate of more than 95%.

Material breaches of this Code may result in appropriate corrective or disciplinary action.

## 12. REVIEW AND AMENDMENT

This Code should be reviewed at least annually and may also be reviewed earlier when there are changes in applicable laws, RBI directions, business practices or the Company's lending activities.

Any material amendment to this Code shall be approved by the competent authorities, including the Board of Directors, wherever required.

The latest version of the Code shall be made available to customers through the Company's website or other appropriate customer communication channels.

Where appropriate, the Code may be made available in English and/or relevant vernacular languages to facilitate customer understanding.

## 13. GOVERNING PRINCIPLE

The Company shall conduct its lending and customer-facing activities in a manner that promotes fairness, transparency, responsible lending and respectful treatment of customers.

Nothing in this Code shall restrict any right or remedy available to a customer under applicable law or RBI directions.

## 14. GRIEVANCE REDRESSAL OFFICER DETAILS

Customers may use the details below for raising or escalating grievances in accordance with the Company's grievance redressal procedure:

**Grievance Redressal Officer Contact Details**

**Name:** Ms. Babita Joshi

**Designation:** Grievance Redressal Officer

**Email:** Grievance@xpressloan.in