



Version	Approval Date
Version 2	10.3.2026

FAIR PRACTICES CODE (Version 2)

Introduction

Arthan Finance Private Limited (hereinafter referred to as “Arthan Finance” or “the Company”) is a private limited company incorporated under the provisions of the Companies Act, 2013 and has received approval from the Reserve Bank of India (RBI) to become a Non-Deposit Accepting Holding Non-Banking Financial Company.

Arthan Finance is engaged in the business of extending loans to micro, small and medium enterprises with limited access to formal financial services.

Arthan Finance has formulated this Fair Practices Code in conformity with the Master Direction (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025 dated November 28, 2025 as amended from time to time (“RBI Direction”) . This sets minimum standards for the Company to follow when dealing with the customers. It provides information to customers and explains how the Company is expected to deal with them on a day-to-day basis.

This Fair Practices Code shall apply to all categories of products and services offered by the Company. This policy applies to all customers including those with any complaints/inquiries as posted on social / any other media and we encourage all customers to reach out to the below platforms as required.

This Policy is displayed on the website of the Company for information to the public.

The objective of the Code

The code has been developed with the following main objectives:

- a. Ensuring fair practices while dealing with customers
- b. Ensuring transparency to enable customers to have a better understanding of the products for taking informed decisions
- c. Building customer confidence

Operating Guidelines

A. Applications for Loans and their processing

- a. Company’s official language for all communications within the Company or with third parties and customers shall be English.
- b. All communication to the customer shall be in English and/or in vernacular language as understood and confirmed by the customer. The Company shall take vernacular language declaration, wherever its necessary.



- c. The loan application form shall indicate the documents required to be submitted with the application form.
- d. The 'Application Form/appropriate documents' of the Company shall include the necessary information to facilitate the customer in making an informed decision.
- e. The 'Application Form/ appropriate documents of the Company may also indicate the list of documents required to be submitted by the customer along with the Application form.
- f. The loan system shall include feature of giving acknowledgment for receipt of all loan applications and the time frame within which the loan applications will be disposed off..

B. Loan appraisal and terms/conditions

- a. The Company shall convey to the customer in english language and regional language to customer, by way of a sanction letter, key fact statement (KFS) or otherwise, the amount of loan/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 customer on the Company's record.
- b. Any clause relating to penal charges charged for late payment will be specified in bold in the sanction letter or loan agreement.
- c. The Company at the time of sanction/disbursement of loans will furnish a copy of the loan agreement along with all enclosures quoted in the loan agreement to the customer.
- d. The Company upon the request of the customer will ensure to convey and explain in detail all the terms and conditions of the sanction letter, agreement etc., in the language preferred by the customer.

C. Disbursement of loans including changes in terms and conditions

- a. Through its published website or as appropriate if specific to a customer, the Company will give notice to its customer(s), in English and/or in vernacular language, if required as understood by the customer, of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. The Company will also ensure that changes in interest rates and charges are affected only prospectively.
- b. Decision to recall/ accelerate payment or performance under the Agreement will be in consonance with the respective loan Agreement.
- c. The Company will release all securities of its customer on realization of outstanding amount subject to any legitimate right or lien for any other claim which the Company may have against its customer. If such right of set-off is to be exercised, the customer will be given prior notice with full particulars about the remaining claims and conditions under which the Company will be entitled to retain the securities till the relevant claim is settled or paid by the customer. Upon request of the customer, No-Due certificate will be issued to the customer on fulfilment of said terms within 15 working days of completion of formalities.

D. General



- a. The Company will refrain from interference in the affairs of its customer except for the purposes provided in the terms and conditions of the respective loan agreement (unless new information, not earlier disclosed by the customer, which may come to the notice of the Company).
- b. In case of receipt of request from the customer for transfer of loan account, the consent or otherwise i.e. objection of the Company, if any, will generally be conveyed to such customer within 21 days from the date of receipt of the customer's request. Such transfer will be as per transparent contractual terms in consonance with all the applicable laws.
- c. In the matter of recovery of outstanding dues of its customer, the Company shall not resort to undue harassment viz. persistently bothering the customer 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 customer in an appropriate manner.
- d. The Company shall not discriminate while issuing its product and services to physically / visually challenged customer on grounds of disability. The Company will ensure all product policies and processes have such simplified arrangement to such persons for availing various loan and other services from the Company.
- e. There shall be a no-prepayment penalty on an unsecured loan issued to a customer with a household income less than Rs. 3 lakhs.
- f. The Company will provide a KFS in the English language and in vernacular languages as well to the customer which shall include; (i) Information which adequately identifies the customer; (ii) a Simplified factsheet on pricing; (iii) terms and conditions attached to the loan; (iv) Acknowledgements by the RE of all repayments including installments received and the final discharge; and (v) Details of the grievance redressal system, including the name and contact number of the nodal officer of the RE.
- g. Non-credit products issued by the Company shall be with full consent of the customer and fee structure for such products shall be explicitly communicated to the customer in the loan card itself.

E. Interest Rate and Other Charges

- a. The Company has devised policies and procedures for determining interest rates and processing and other relevant charges.
- b. The Company will not charge or levy foreclosure/pre-payment charges on all floating rate term loans sanctioned to individual customer for purposes other than business with or without co-obligant(s). However, in case of term loans, pre-payment charges, if levied by the Company for loans granted for business purpose to Individual and MSME shall be as per Board approved policy.
- c. Interest cost and other relevant charges applied to the customer shall be based Interest Rate policy and schedule of charges of the company. The Company adopted an Interest rate model taking into account relevant factors such as cost of funds, margin and risk premium etc and determine the rate of interest to be charged for the facility extended to the customer. The rate of interest and approach for gradation of risk and rationale for charging the Interest rate shall be communicated explicitly in the sanction letter/KFS.
- d. The rate of interest will be annualized so that the customer is aware of the exact rates that would be charged to his/her/it's account.
- e. Wherever the Company levy penal charges for breach of the terms and conditions of loan contract by the customers. The penal charges levied by the Company shall not be capitalized.



- f. The Company shall display the minimum; maximum and average interest rates charged on loan products in its branch office and website.

F. Grievance Redressal Mechanism

In the present competitive scenario, excellent customer service is an important tool for sustained business growth. customer complaints are part of the business life in any corporate entity. At Arthan Finance, customer service and satisfaction are our prime focus. We believe that providing prompt and efficient service is essential not only to attract new customer but also to retain existing ones. In order to make the Company's redressal mechanism more meaningful and effective, a structured grievance redressal system is in place. This system would ensure that the redressal sought is just and fair and is within the given framework of rules and regulations.

Grievance redressal framework for handling customer complaints/grievances

Stage 1: Grievance Redressal at Branch level.

- ✓ The customer can also personally visit the branch office and make the complaint in writing to the Branch Manager in the complaint register available in the branch;

Stage 2 - Grievance Redressal Framework at Head Office.

- ✓ If the customer is not satisfied with the resolution provided by the local branch office, the customer may provide their feedback or lodge/re-lodge their complaint using the following channels during the business hours (i.e Monday to Saturday, between 9:30 am to 6:30 pm except 2nd Saturday and holidays) or customer can directly raise their grievance to Head office as well.
 - ❖ Call our Customer Care Helpline on 18003133525
 - ❖ Email us at: hello@arthan.finance ; or
 - ❖ Write to us at the below mentioned address: Customer Care Department, Arthan Finance Private Limited, 302, 3rd floor, Building No. 2, Star Hub, Sahar Airport Road, Andheri East -400059, Mumbai

Stage 3 – Escalation.

- ✓ In case the complaint is not resolved within the given time or if the customer is not satisfied with the solution provided, the customer can approach the Grievance Redressal Officer/Principal Nodal Officer (PNO). The name and contact details of the Grievance Redressal Officer is as follows:
 - ❖ Mr. Rupesh Kalokhe: Chief Operating Officer, Arthan Finance Private Limited, 302, 3rd floor, Building No. 2, Star Hub, Sahar Airport Road, Andheri East -400059, Mumbai
 - Email id – gro@arthan.finance

The response to complaint/grievance received at every stage will be resolved within 7 working days from



date of receipt of complaints.

Whereas cases which need legal help or require additional information or retrieval of original documents of further information, the resolution TAT will be extend but the overall resolution should be maximum of 30 days.

Stage 4 – Appeal.

- ✓ If the complaint/dispute is not redressed within a period of 30 days or the customer is not satisfied with the resolution, the customer can register and appeal their grievance to the Reserve Bank of India (RBI) Ombudsman. A complaint can be filed through any of the following methods:
 - ❖ Online - on CMS portal of RBI at <https://cms.rbi.org.in>.
 - ❖ Physical complaint (letter/post) to “Centralised Receipt and Processing Centre, 4th Floor, Reserve Bank of India, Sector -17, Central Vista, Chandigarh - 160017”.
 - ❖ Complaints can be sent by email (crpc@rbi.org.in)

G. Mandatory Display Requirements

The Company shall ensure that the following details are displayed prominently in its offices including branch offices:

- a. Fair Practices Code.
 - b. Appropriate arrangement for receiving complaints and suggestions.
 - c. Display Name, address, contact number and e-mail address of the Principal Grievance redressal officer, who can be approached for redressal of the complaint across all products.
 - d. Time frame for resolving customer complaints together with escalation matrix for escalating the complaint, in case the complaint is not resolved to the satisfaction of the customer within the specified time period.
 - e. Salient Features of the Integrated Ombudsman Scheme, 2021
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- a. **Release of Movable / Immovable Property Documents on Repayment /Settlement of Credit Facilities** The Company 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 loan account to customer or its legal heirs in case of the contingent event of demise of the sole customer or joint customer.
 - b. The details process shall be uploaded on websites of the Company and all branch notice board.
 - c. The Company shall communicate to the customer reasons for delays, if any, 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. However, in case of loss/damage, the Company shall complete the same within 60 days i.e additional 30 days to complete the procedure. The delay period penalty shall be calculated after total period of 60 days.
 - d. The Company shall compensate the customer as per RBI directions if any.



- e. In case of loss/damage to original movable / immovable property documents, either in part or in full, the Company shall assist the customer in obtaining duplicate/certified copies of the movable / immovable property documents and bear the cost and compensation as per RBI directions.

H. Responsibilities of Direct Sales Agents (DSA) / Direct Marketing Agents (DMA) / Recovery Agents

The Company shall ensure that the DSA / DMA / Recovery Agents hired and appointed shall be experienced in managing the responsibilities at utmost care including maintenance of privacy of the customer and customer information.

The DSA / DMA / Recovery Agents shall abide by the code of conduct of the Company as mentioned in the Annexure -1 of the code of conduct.

The respective department while appointing or hiring such agent shall execute and take undertaking to comply with the code of conduct of the Company.

The Company will not appoint any Telemarketers (DSA / DMA / Recovery Agents) who do not have any valid registration certificate from DoT, Government of India, as telemarketers.

The Company shall abide by the guidelines issued by the Telecom Regulatory Authority of India (TRAI) and RBI from time to time in this regard.

The Company shall use '140/ 160' numbering series for commercial communication through voice calls & SMS messages as per the RBI guidelines on Prevention of financial frauds perpetrated using voice calls and SMS – Regulatory prescriptions and Institutional Safeguards issued on January 17, 2025 (as amended from time to time).

I. Review of Fair Practice Code

The Managing Director and CEO shall be authorized to approve any modifications to the Fair Practice Code from time to time and shall be placed annually for Board review.

Annexure -1

Code of Conduct (DSA / DMA / Recovery Agents).

1. APPLICABILITY.

This Code will apply to all person(s) involved in marketing, distribution, collection of loan/financial product of AFPL. They must agree to and abide by this code prior to undertaking any Direct Distribution and Marketing operation on behalf of AFPL. Any agent(s) violating this code or failure to comply with the requirement shall result in blacklisting/permanent termination of business with AFPL.

2. COMPLY WITH LAWS, REGULATIONS.



It is Service Provider's responsibility to ensure compliance with laws, rules, regulations, and local guidelines wherever they operate. Service Provider should always act ethically and honestly.

3. RESPECT CUSTOMER CONFIDENTIALITY.

- ✓ Service Provider must exercise care in relation to confidential or sensitive information and data belonging to customers or the company. It should not be lost.
- ✓ Do not disclose such customer information unless expressly authorised to do so by the company. If information has been lost, contact AFPL or its Branches immediately.
- ✓ Customer personal data must be:
 - Accurate and up to date, neither biased nor misleading.
 - Used only for the purposes for which it is given.
 - Kept only as long as is necessary and held securely.
 - Should not distributed unnecessarily with the outsiders.

4. TELE-CALLING A PROSPECTIVE CUSTOMER (PROSPECT).

A prospect is to be contacted for sourcing a AFPL products only under the following circumstances:

- ✓ When a prospect has expressed a desire to avail loan from AFPL website /application/ Call- Centre / Branch or through a Relationship Manager at AFPL or has been referred by another prospect / customer or is an existing customer who has given consent for accepting calls.
- ✓ When the prospect's Name/Tel. No./address is available & has been taken from one of the lists/directories/databases approved by the Service Provider Manager/Team leader, after taking his/ her consent.
- ✓ Follow the DND (SCB & NDNC) scrubbing process.

5. WHEN YOU MAY CONTACT A PROSPECT ON TELEPHONE.

- ✓ Telephonic contact must normally be limited between 09.00 a.m. to 07.00 p.m. However, it may be ensured that a prospect is contacted only when the call is not expected to inconvenience him/her.
- ✓ Calls earlier or later than the prescribed time may be placed only when the prospect has expressly authorized Service Provider to do so either in writing or orally over calls.

6. DISCUSSING THE PROSPECT'S INTEREST WITH THIRD PARTY.

- ✓ Respect a prospect's privacy. The prospect's interest may normally be discussed only with the prospect and any other individual/family member such as prospect's accountant/secretary /spouse, authorized by the prospect.
- ✓ **Leaving messages and contacting persons other than the prospect:** Calls must first be placed to the prospect. In the event the prospect is not available, a message may be left for him/her. The aim of the message should be to get the prospect to return the call or to check for a convenient time to call again. Ordinarily, such messages may be restricted to:
- ✓ Please leave a message that XXXXX (Name of officer) representing AFPL called and requested to call back at ZZZZZZ (Phone Number). As a general rule, the message must indicate that the purpose of the call is selling AFPL loan product.

7. NO MISLEADING STATEMENTS/MISREPRESENTATIONS PERMITTED.

Treating customers fairly is important to build long term relationships with prospective customers and help to grow the business by enhancing our reputation. Service Provider must treat customers fairly and meet their needs and expectations. Service Provider should not:



- ✓ Mislead the prospect on any service / product offered.
- ✓ Mislead the prospect about their business or organization's name, or falsely represent themselves.
- ✓ Make any false / unauthorised commitment on behalf of AFPL for any facility/ service.

8. TELEMARKETING ETIQUETTES.

Pre- Call:

- ✓ No calls prior to 09.00 a.m or post 07.00 p.m unless specifically requested.

During Call:

- ✓ Identify yourself, your company and your principal.
- ✓ Request permission to proceed.
- ✓ If denied permission, apologize and politely disconnect.
- ✓ State reason for your call.
- ✓ Always offer to call back on landline, if call is made to a cell number.
- ✓ Never interrupt or argue.
- ✓ To the extent possible, talk in the language which is most comfortable to the prospect.
- ✓ Keep the conversation limited to business matters.
- ✓ Check for understanding of "Most Important Terms and Conditions" by the customer if he plans to buy the product.
- ✓ Reconfirm next call or next visit details.
- ✓ Provide your telephone no, your supervisor's name or AFPL officer's contact details if asked for by the customer.
- ✓ Thank the customer for his/her time.

Post Call:

- ✓ Customers who have expressed their lack of interest for the offering should not be called for the next 3 months with the same offer.
- ✓ Provide feedback to the AFPL on the customers who have expressed their desire to be flagged "Do Not Disturb".
- ✓ Never call or entertain calls from customers regarding products already sold. Advise them to contact the Customer Service Staff of AFPL.

9. GIFTS OR BRIBES

- ✓ Any Service Provider must not accept gifts from prospects or bribes of any kind. In case any customer offers a bribe or payment of any kind, it must promptly report it to his/her management.

10. PRECAUTIONS TO BE TAKEN ON VISITS/ CONTACTS SERVICE PROVIDER SHOULD.

- ✓ Respect personal space - maintain adequate distance from the prospect.
- ✓ Not enter the prospect's residence/office against his/her wishes.
- ✓ Not visit in large numbers - i.e. not more than one person and one supervisor, if required.
- ✓ Respect the prospect's privacy.
- ✓ If the prospect is not present and only family members /office persons are present at the time of the visit, he/she should end the visit with a request for the prospect to call back.
- ✓ Provide his/her Telephone No., Supervisor's name or AFPL employee contact details, if asked for by the customer.



- ✓ Limit discussions with the prospect to the business and maintain a professional distance.
- ✓ Eating Paan, smoking or consuming alcohol in the presence of the Customer is strictly prohibited
- ✓ Wear a helmet while using 2-wheeler.
- ✓ Use masks and follow social distancing rules as per the govt directives/ as per Arthan's policy.

11. OTHER IMPORTANT ASPECTS - APPEARANCE & DRESS CODE.

- ✓ **For men this means**-Well ironed trousers and well ironed shirt, shirt sleeves preferably buttoned down. Jeans and /or T-Shirt, open sandals are not considered appropriate.
- ✓ **For women this means**-Well ironed formal attire (Saree, Suit etc.). Well-groomed appearance.

12. HANDLING OF LETTERS & OTHER COMMUNICATION.

- ✓ Any communication sent to the prospect should be only in the mode and format approved by the AFPL.

13. COLLECTION DOS AND DON'TS.

DO'S	DON'TS
<p>Do dress in formal clothes and carry the company identity card during work hours positively</p> <p>Be punctual and available at the Branch Office / customer's place as required</p> <p>Visit and analyze the customer situation</p> <p>Do talk in a pleasant, polite and nonaggressive manner at all times. Answers should be factual and to the point</p> <p>Collection interactions should be based on fair conduct and persuasion</p> <p>Present all the information required by the customer in an appropriate manner</p> <p>Do answer borrower's query to the satisfaction of the borrower</p> <p>Keep records of interactions with the customer.</p> <p>Do provide a valid receipt for each loan installment payment received (partial or full) and record the payment in the borrower's loan passbook/loan card immediately after the transaction and educate customers to keep all the receipts for all future references.</p> <p>Visit the Customer on Promise to Pay dates given by them on working days only</p> <p>Maintain a reasonable distance from the customer Contact customer at appropriate hrs. after 8.00 am to 7.00 pm.</p> <p>Do keep borrower information confidential and use it only for permissible purposes defined by Arthan</p>	<p>Do not get personal, tough or aggressive or abusive</p> <p>Do not use coercion of any sort to make recovery of payments.</p> <p>Do not humiliate borrowers in public places by discussing their loan over dues with third parties/neighbours.</p> <p>Do not threaten that assets will be seized</p> <p>Do not pressurize the members & make unrealistic demands</p> <p>Do not claim that the personal documents collected earlier will form part of collateral</p> <p>Do not force the customers to make payments by not giving them an alternative option</p> <p>Tone should not be harsh or loud</p> <p>Do not give false promises to customers like promising higher loans in case of part payments, providing jobs to family members etc.</p> <p>Do not seize customer assets or any personal documents e.g. Voter ID, ration card etc.</p> <p>Do not share customer's information with other member borrowers/customers</p> <p>Do not call borrowers at inappropriate times such as bereavements, illness, social occasions such as marriages, births etc.</p> <p>Do not visit or call borrowers between 7 pm to 8 am.</p> <p>Do not discriminate on the basis of caste and religion</p> <p>Do not go for collections in a group of more than 2 staff members at a time Do not visit the customers on weekly or public holidays unless the customer has given consent or asked to visit them.</p>