

Private & Confidential

Fair Practice Code

Version	Approval Date	Review Date	Approved by	Review Frequency	Next Review Date
V1	30 th May 2024		Board Of Directors / by Respected Committee Members	Annually or as and when required	14 th Feb 2027
V2	14 th Feb 2026				

1. Introduction

Goyal Associates Limited (“the Company”), a Non-Banking Financial Company registered with the Reserve Bank of India (“RBI”), is committed to conducting its lending operations in a manner that is fair, transparent, and consistent with applicable regulatory requirements.

This Fair Practices Code (“FPC” or “Code”) sets out the principles and standards adopted by the Company in its dealings with customers. The Code has been approved by the Board of Directors and is applicable to all lending products offered by the Company, whether through physical channels or digital platforms, and whether directly or through authorized service providers.

The objective of this Code is to ensure that customers are treated with dignity and fairness at all stages of the lending lifecycle — from loan sourcing and appraisal to disbursement, servicing, and recovery. The Company shall adhere to this Code in both letter and spirit and shall periodically review it to ensure alignment with RBI guidelines and evolving regulatory standards.

2. Guiding Principles and Objectives

The Company’s lending practices are guided by the principles of transparency, integrity, accountability, and responsible lending.

This Code has been formulated with the following objectives:

- To promote fair and responsible lending practices by establishing minimum standards in dealings with customers;
- To ensure that customers are provided with clear and accurate information to enable informed financial decisions;
- To maintain a fair and respectful relationship between the Company and its borrowers;
- To ensure compliance with RBI’s regulatory framework governing NBFCs and digital lending operations.

The Company shall ensure that its employees, representatives, and authorized partners adhere to these principles in all customer interactions.

3. Applications for Loans and Processing

All communications with borrowers shall be conducted in English or in a vernacular language understood by the borrower. The Company shall ensure that loan application forms contain all relevant information that may influence the borrower's decision to avail of the loan facility. This shall include key features, eligibility conditions, documentation requirements, fees, charges, and interest rates.

Loan application forms shall clearly specify the documents required to establish identity, address, income, and any other information necessary for credit appraisal and regulatory compliance, including Know Your Customer (KYC) requirements.

In respect of loans sourced or serviced through digital platforms, the Company shall provide the borrower with a standardized Key Fact Statement (KFS) prior to execution of the loan agreement. The KFS shall clearly disclose the Annual Percentage Rate (APR), processing fees, all applicable charges, repayment schedule, penal charges, grievance redressal details, and other material terms of the loan.

Loan applications complete in all respects shall be processed within a reasonable timeframe. If a proposal is declined, the applicant shall be informed accordingly.

Prior to sanctioning any loan, the Company shall undertake an assessment of the borrower's repayment capacity based on appropriate credit appraisal standards.

4. Loan Appraisal and Terms & Conditions

Upon sanction of a loan, the Company shall communicate to the borrower, in writing or through secure electronic means, the amount sanctioned and the key terms and conditions governing the facility.

The sanction communication shall include, among other things:

- The rate of interest expressed on an annualized basis;
- The methodology of interest calculation;
- The repayment schedule;
- Processing fees and other applicable charges;
- Penal charges in case of delay or default;

- Conditions relating to prepayment or foreclosure, if applicable.

Penal charges, if levied, shall be reasonable and shall not be capitalized into the principal outstanding. The Company shall not levy any charges that have not been disclosed in the sanction letter, loan agreement, or Key Fact Statement.

A copy of the executed loan agreement, along with all enclosures referred to therein, shall be provided to the borrower.

The Company shall ensure that any changes in interest rates or other charges are applied prospectively and communicated to the borrower in advance

5. Disbursement of Loans and Changes in Terms

Disbursement of the loan amount shall be made directly into the borrower's bank account, except in cases where the loan is sanctioned for a specific purpose and regulatory norms permit disbursement to a designated account. The Company shall not route loan funds through unauthorized pass-through accounts.

In cases where loans are sourced through digital platforms or Lending Service Providers (LSPs), the Company shall remain the lender of record and shall retain ultimate responsibility for the loan.

Any changes in the terms and conditions of the loan, including interest rates, repayment schedule, or charges, shall be communicated to the borrower through appropriate means. Such changes shall be implemented only in accordance with the loan agreement and applicable regulations.

Any decision to recall or accelerate repayment shall be taken strictly in accordance with the contractual terms agreed with the borrower.

6. Digital Lending and Use of Lending Service Providers

Where the Company engages digital platforms or Lending Service Providers (LSPs) for sourcing, onboarding, servicing, or collection activities, such entities shall act strictly on behalf of the Company and within the scope of authority granted to them.

The Company shall disclose on its website the names of LSPs engaged for its lending operations. Customers shall be informed upfront that they are interacting with the platform or representative as an authorized agent of the Company.

The sanction letter shall always be issued in the name of Goyal Associates Limited prior to execution of the loan agreement. The Company shall ensure effective oversight and monitoring of all digital lending arrangements.

Customer data collected through digital channels shall be processed in accordance with applicable laws and shall be used only for legitimate business purposes. Data sharing shall be based on explicit borrower consent and shall be limited to what is necessary for loan processing and servicing.

The Company shall not permit automatic enhancement of credit limits without the explicit consent of the borrower.

Where applicable, the Company may provide a cooling-off or look-up period in accordance with regulatory guidelines, enabling borrowers to exit the loan by paying the principal and proportionate charges within the specified timeframe.

7. Collection of Dues

The Company shall adopt a fair and lawful recovery process in case of default. Borrowers shall be informed of the repayment obligations and consequences of non-payment at the time of sanction.

In the event of default, recovery efforts shall be conducted in a courteous and non-coercive manner. Company employees and authorized representatives shall identify themselves and carry appropriate authorization.

The Company shall not resort to harassment, intimidation, or abusive practices. Contact with borrowers shall ordinarily be made during reasonable hours, unless exceptional circumstances warrant otherwise.

The Company shall ensure that recovery proceeds are deposited directly into its designated bank account and shall not permit use of unauthorized pass-through accounts.

8. Confidentiality and Data Protection

The Company shall maintain confidentiality of borrower information and shall not disclose customer data to third parties except:

- Where required by law or regulatory authorities;
- To auditors, legal advisors, or service providers bound by confidentiality obligations;

- To credit information companies or financial institutions as permitted under applicable regulations.

All customer data shall be handled responsibly and in accordance with applicable data protection laws.

9. Grievance Redressal Mechanism

The Company has established a structured grievance redressal mechanism to address customer complaints in a timely and transparent manner.

Customers may submit complaints through designated channels published on the Company's website. The Grievance Redressal Officer (GRO) shall examine and respond to complaints within a reasonable timeframe.

If the complaint is not resolved within thirty days, or if the borrower is not satisfied with the response, the borrower may approach the Integrated Ombudsman Scheme of the Reserve Bank of India through the prescribed channels.

The details of the Grievance Redressal Officer, Nodal Officer, and escalation process shall be prominently displayed on the Company's website.

10. Regulation of Interest Rate

The Board of Directors has adopted an interest rate framework that considers cost of funds, operational expenses, risk premium, and other relevant factors.

The interest rate applicable to a borrower shall be determined based on objective risk assessment parameters. The rationale for charging different rates to different categories of borrowers shall be consistent with the Company's Interest Rate Policy.

Interest rates shall be disclosed on an annualized basis to ensure transparency. Any revisions in rates shall be appropriately communicated.

11. Review and Oversight

The Board of Directors shall periodically review compliance with this Fair Practices Code and the effectiveness of the grievance redressal mechanism.

Any material changes in regulatory requirements shall be incorporated into this Code in a timely manner.