

Alpha Alternatives Financial Services Private Limited
Responsible Business Conduct Policy

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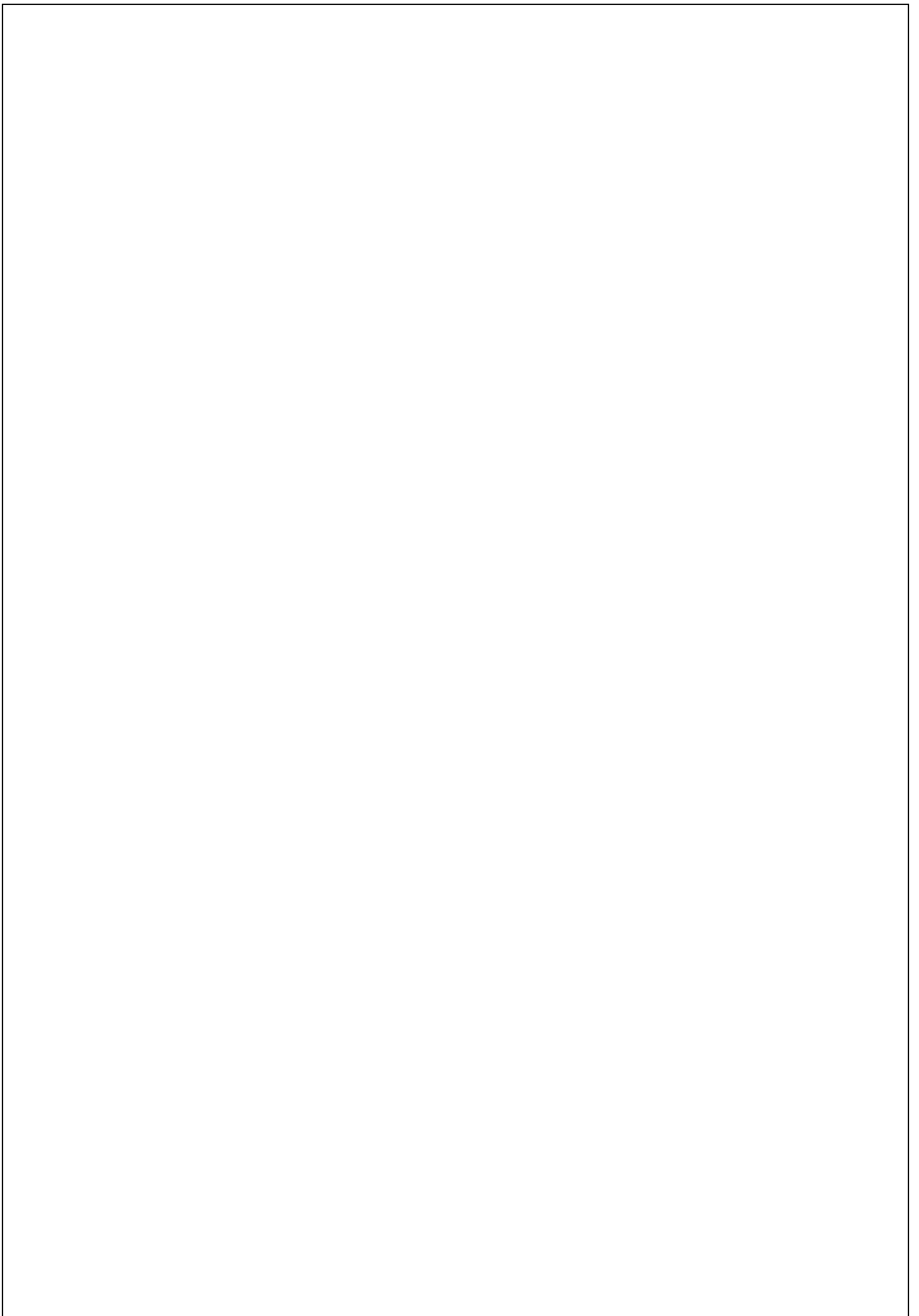


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1. Introduction

In terms of para 7 of the Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025 DOR. MCS. REC. No.281/01-01-039/2025-26 dated November 28, 2025, the Board approved Responsible Business Conduct Policy, has been put in place. The policy *inter alia* covers:

- (a) Fair Practices Code for NBFCs
- (b) Grievance Redressal Mechanism
- (c) Policy on Interest Rates, Penal and other Charges
- (d) Code of Conduct for Recovery Agents

2. Role of the Board

The NBFC shall have Board approved policies *inter alia* covering the following aspects, and review mechanisms in place to ensure responsible business conduct:

- (i) Fair Practices Code, which shall preferably be in the vernacular language, or a language as understood by the borrower. The guidelines indicated in the Fair Practices Code about transparency in respect of terms and conditions of the loans shall be considered.
- (ii) Grievance redressal mechanism shall ensure that all disputes arising out of the decisions of the functionaries are heard and disposed of at least at the next higher level.
- (iii) Appropriate internal principles and procedures in determining interest rates, processing charges, penal and foreclosure charges, etc. shall be in place.
- (iv) A consolidated report of the reviews of the compliance of the Fair Practices Code and the functioning of the grievance redressal mechanism at various levels of management shall be submitted to the Board at regular intervals.

3. Fair Practices Code

3.1. Loans & Advances-Applications for loans and processing

- (i) All communications to the borrower shall be in the vernacular language or a language, as understood by the borrower.
- (ii) The 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 other NBFCs can be made and informed decision can be taken by the borrower.
- (iii) The loan application form shall indicate the documents required to be submitted with the application form.
- (iv) The NBFC shall acknowledge the receipt of all loan applications, indicating also the time frame within which loan application can be disposed of.

3.2. Loan Appraisal-Terms & Conditions

(i) The NBFC 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 & conditions, including annualized rate of interest and method of application thereof and keep the acceptance of these terms & conditions by the borrower on its record. The NBFC shall mention the penalties charged for late repayment in bold in the loan agreement.

(ii) The NBFC shall furnish a copy of the loan agreement, as understood by the borrower along with a copy of each of the enclosures quoted in the loan agreement to all the borrowers at the time of sanction/disbursement loans.

3.3. Disbursement of loans including changes in terms & conditions

(i) NBFC shall give notice to the borrower in the vernacular language, or a language as understood by the borrower of any change in the terms & conditions including disbursement schedule, interest rates, service charges, prepayment charges, etc. The NBFC shall also ensure that changes in interest rates and charges are affected only prospectively. A suitable condition in this regard shall be incorporated in the loan agreement.

(ii) The decision to recall/accelerate payment or performance under the agreement shall be in consonance with the loan agreement.

(iii) The NBFC shall release all securities 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 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 the NBFC are entitled to retain the securities till the relevant claim is settled/paid.

3.4. General guidelines

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

(ii) In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise i.e., objection of the NBFC, 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.

(iii) In the matter of recovery of loans, the NBFC shall not resort to undue harassment viz.,

persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc. As complaints from customers also include rude behaviour from the staff of the companies, the NBFC shall ensure that the staff are adequately trained to deal with the customers in an appropriate manner.

3.5. Language and mode of communicating Fair Practice Code

The Fair Practices Code shall be made in English and placed on the NBFC's website for information of various stakeholders.

3.6. Regulation of excessive interest charged by NBFC

(i) The NBFC shall adopt an interest rate model, considering 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 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.

(ii) The rates of interest and the approach for gradation of risks shall also be made available on the website of the companies or published in the relevant newspapers.

(iii) The information published on the website or otherwise published shall be updated whenever there is a change in the rates of interest.

(iv) The rate of interest shall be annualized rate, so that the borrower is aware of the exact rates that would be charged to the account.

3.7. Complaints about excessive interest charged by NBFC

The NBFC shall lay out appropriate internal principles and procedures in determining interest rates and processing and other charges. In this regard, the guidelines indicated in the Fair Practices Code about transparency in respect of terms & conditions of the loans are to be kept in view.

3.8. Repossession of vehicles financed by NBFC

(i) The NBFC shall have a built-in re-possession clause in the contract/loan agreement with the borrower which must be legally enforceable.

(ii) The NBFC shall 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.

(iii) To ensure transparency, the terms & conditions of the contract/loan agreement shall also contain provisions regarding:

(a) notice period before taking possession

- (b) circumstances under which the notice period can be waived
- (c) procedure for taking possession of security
- (d) provision for final chance to be given to the borrower for repayment of loan before the sale/auction of the property
- (e) procedure for giving repossession to the borrower, and
- (f) procedure for sale/auction of the property.

3.9. Facilities to the physically/visually challenged by NBFC

- (i) The NBFC shall not discriminate in extending products and facilities including loan facilities to physically/visually challenged applicants on grounds of disability.
- (ii) The NBFC shall include a suitable module containing the rights of a person with disabilities guaranteed to them by the law and international conventions, in all the training programmes conducted for their employees at all levels.
- (iii) The NBFC shall ensure redressal of grievances of a person with disabilities under the Grievance Redressal Mechanism.
- (iv) The NBFC shall undertake appropriate measures to ensure compliance with the Hon'ble Supreme Court Order dated April 30, 2025, in the matter of Pragma Prasun and Ors. vs Union of India and Ors. (W.P.(C) 289 of 2024) and Amar Jain vs Union of India and Ors. 105.(C) 49 of 2025) 105.

4. Key Facts Statement (KFS) for retail and MSME borrowers

- (i) The NBFC shall provide KFS to the prospective borrowers in retail and MSME term loans to help them take an informed view before executing the loan contract, as per the standardized format given at Annexure-1
- (ii) KFS shall also be written in a language understood by such borrowers.
- (iii) The contents of KFS shall be explained to the borrower and an acknowledgement shall be obtained that they have understood the same
- (iv) KFS shall be provided with a unique proposal number and shall have a validity period of at least three working days.

Explanation:

Validity period refers to the period available to the borrower, after being provided the KFS by the NBFC, to agree to the terms of the loan. The NBFC shall be bound by the terms of the loan indicated in the KFS, if agreed to by the borrower during the validity period.

- (v) KFS shall also include a computation sheet of annual percentage rate (APR), and the amortization schedule of the loan over the loan tenor. APR will include all charges which are levied by the NBFC. Illustrative examples of calculation of APR and disclosure of

repayment schedule for a hypothetical loan are given at Annexure-2.

Explanation:

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

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

(vii) Any fees, charges, etc. which are not mentioned in the KFS, cannot be charged by the NBFCs to the borrower at any stage during the term of the loan, without explicit consent of the borrower.

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

Explanation:

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 standardized format.

5. Penal charges in loan accounts

(i) The penalty, if charged, for non-compliance of material terms & 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 advances, i.e., there shall be no capitalization of penal charges i.e., no further interest computed on such charges.

(ii) The NBFC shall charge interest on unpaid interest (including on unpaid EMI) at the contracted rate of interest till the date of remediation, and not at the penal rate of interest.

(iii) The NBFC shall not introduce any additional component to the rate of interest and ensure compliance with the regulatory guidelines.

(iv) The NBFC shall formulate a Board approved policy on penal charges or other service charges on loans, if any.

(v) The quantum of penal charges shall be reasonable and commensurate with the non-compliance of material terms & conditions of loan contract, without being discriminatory within a particular loan/product category.

(vi) The penal charges in case of loans sanctioned to 'individual borrowers, for the purpose 'other than business', shall not be higher than the penal charges to non- individual

borrowers for similar non-compliance of material terms & conditions.

(vii) The quantum and reason for penal charges shall be clearly disclosed by the NBFC to the customers upfront in the loan agreement and most important terms & conditions/KFS, as applicable, in addition to being displayed on websites of the NBFC, under 'Interest rates and Service Charges'.

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

(ix) In the case of existing loans, the switchover to new penal charges regime shall be ensured on next review or renewal date.

6. Pre-payment charges on loans

(i) The NBFC shall not charge foreclosure charges/ pre-payment penalties on any floating rate loan sanctioned for purposes other than business to individual borrowers, with or without co-obligant(s).

(ii) The NBFC shall not levy any pre-payment charges on floating rate loans with sanctioned amount/ limit up to Rs. 50 lakhs granted for business purposes to individuals and Micro and Small Enterprises (MSEs), as defined in Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, with or without co-obligant(s).

(iii) In case of term loans, pre-payment charges, if levied by the NBFC, shall be based on the amount being prepaid, and in case of cash credit/ overdraft facilities, pre-payment charges on closure of the facility before the due date shall be levied on an amount not exceeding the sanctioned limit.

(iv) In case of cash credit/ overdraft facilities, no pre-payment charges shall be applicable if the borrower intimates the NBFC of his/ her/ its intention not to renew the facility before the period as stipulated in the loan agreement, provided that the facility gets closed on the due date.

(v) The NBFC shall not levy any charges where pre-payment is effected at the instance of the NBFC.

(vi) The applicability or otherwise of pre-payment charges shall be clearly disclosed in the sanction letter and loan agreement. No pre-payment charges which have not been disclosed as specified herein shall be charged by the NBFC.

(vii) The NBFC shall not levy any charges/fees retrospectively at the time of prepayment of loans, which were waived off earlier by the NBFC.

7. Conduct of NBFCs in recovery of loans and engagement of recovery agents

7.1. Policy on recovery of loans

(i) The NBFC shall put in place a policy on recovery of loans, engagement of recovery agents for recovery loan dues and taking possession of security.

(ii) The policy shall, inter alia, cover aspects related to eligibility and due diligence criteria for engagement of recovery agents, specified activities, Code of Conduct, performance evaluation standards, inspection/audit, control mechanisms to ensure compliance with statutory/regulatory requirements by recovery agents and procedures to be followed/penal actions to be taken in case of non-compliant recovery agents.

(iii) The policy shall also include aspects related to recovery of loan dues in case of demise of borrower(s) or guarantor(s).

Explanation:

The term 'Recovery Agents' means individuals and/or agencies engaged by the NBFC for recovery of loan dues from its borrowers/guarantors and the representatives/employees of such agencies.

7.2. Engagement of recovery agents/NBFC employees for recovery of loans

(i) Due diligence

(a) The NBFC employing the services of recovery agents shall put in place a due diligence process for their engagement, which shall conform to the instructions issued by the Reserve Bank in the Reserve Bank of India (Non-Banking Financial Companies- Managing Risks in Outsourcing) Directions, 2025, as amended from time to time.

(b) The NBFC shall also ensure that the recovery agencies engaged by it carry out verification of the antecedents of their representatives/employees at pre-engagement level and subsequently, on an ongoing basis at a pre-defined periodicity.

(ii) Training:

(a) The NBFC shall ensure that recovery agents engaged by it have obtained the certificate from Indian Institute of Banking and Finance (IIBF) after completing the Training for Debt Recovery Agents offered by IIBF or any other institute having a tie-up arrangement with IIBF.

(b) The NBFC shall also ensure that recovery agents already engaged by it, but not holding the aforesaid certificate, obtain the certificate from IIBF within a period of one year from the date of issuance of these Directions.

(iii) Code of Conduct:

(a) The NBFC shall put in place a Code of Conduct for the recovery agents and its own

employees engaged in activities related to recovery of loans.

(b) Prior to assigning any recovery related activities on its behalf, the NBFC shall obtain an undertaking from its employees/recovery agents that they agree to abide by its Code of Conduct and other policies, especially related to recovery of loan dues and taking possession of security.

7.3. Responsibilities of the NBFC

(i) Disclosure of information on recovery agents

(a) The NBFC shall prominently display an up-to-date list of recovery agents empaneled and engaged with it on all channels through which it engages with customers, viz., branches/offices or digital platforms such as website, mobile app, etc. Such list shall include the name of the recovery agents and details of the individual(s) engaged by it, the period of engagement, etc.

(b) In the event of termination of the agreement with a recovery agent for any reason, the NBFC shall publicize the same to ensure that the borrowers do not continue to deal with that agent or its representatives / employees.

(c) While forwarding cases to any agent for recovery of default amount, the NBFC shall inform the details of the recovery agent to the borrower through a written notice, either through a letter to his / her current address or SMS on registered mobile number or email on registered email address, as the case may be, to ensure due intimation and proper authorization. In case of change of recovery agent during an ongoing recovery process, the NBFC shall immediately notify the borrower of the change.

(ii) Fair treatment to borrowers during recovery process

(a) The NBFC shall put in place a mechanism for identification of the borrowers facing repayment-related difficulties, engagement with such borrowers and providing them necessary guidance about the recourse available.

(b) The NBFC shall ensure that the disclosure of borrower's information to its employees / recovery agents is limited to the extent required to enable them to discharge their loan recovery related duties. Further, the NBFC shall put in place mitigants to ensure that its employees / recovery agents do not transfer or misuse any customer information in any manner.

(c) Where a grievance has been lodged by a borrower, the NBFC shall not forward the concerned recovery case to an employee/recovery agent till it finally disposes of the grievance. However, where the NBFC is convinced, with appropriate evidence, that the borrower is making frivolous/vexatious complaints to avoid recovery, it may continue with

the recovery proceedings, even if grievance is pending with it.

(d) In cases where the subject matter of the borrower's loan dues is sub-judice, the NBFC shall exercise utmost caution, as appropriate, in referring the matter to an employee / recovery agent.

(e) The NBFC shall document the time and number of calls made by its employee/ recovery agent to the borrower/guarantor for recovery of loan dues. Further, the NBFC shall ensure that there is a recording of the content / text of the calls made by the employee / recovery agent to the borrower / guarantor and vice versa. Further, the NBFC shall take reasonable precautions such as intimating the borrower / guarantor that the conversation is being recorded, etc.

(f) The NBFC shall ensure that the recovery targets or the structure of incentives in the contract with the recovery agent do not induce adoption of harsh recovery practices as explained at paragraph 100U below

(g) The NBFC may use written communications, telephonic reminders or visits by the NBFC's representatives to the borrower's place or residence as follow up measures for collection/recovery of loans. However, the NBFC shall initiate any legal or other recovery measures including taking possession of security only by giving due notice in writing as per applicable statutory provisions. Accordingly, the NBFC shall not initiate any legal action as a first resort for collection / recovery of loan dues/possession of security.

(iii) Taking possession of mortgaged / hypothecated assets

(a) In cases where the NBFC has incorporated a possession clause in the loan contract/ agreement with a borrower and relies on such possession clause for enforcing its rights, the NBFC shall ensure that the possession clause is legally valid, and that such possession clause is clearly brought to the notice of the borrower at the time of execution of the loan contract/agreement.

(b) The terms and conditions of the loan contract/agreement shall contain provisions on notice period before taking possession, circumstances under which the notice period can be waived, the procedure for taking possession of the security, final chance to be given to the borrower for repayment of loan before the sale/auction of the security, procedure for giving the possession of the security back to the borrower, and the procedure for sale / auction of the security.

(c) The NBFC shall ensure that the recovery of loans or enforcement of security interest shall be done only by following due process of law.

(iv) Periodic review, monitoring and control

(a) The NBFC shall put in place a management structure to monitor and control the activities of its recovery agents and ensure that they refrain from actions that could damage its integrity and reputation. The NBFC shall ensure that the agreement with the recovery agents contains details of such provisions.

(b) The NBFC shall undertake a periodic review of the mechanism to learn from experience of the recovery agents, and to effect improvement therein.

7.4. Conduct of the NBFC's employees and recovery agents

(i) The NBFC's employees/recovery agent, while visiting the borrower, shall carry a copy of the recovery notice along with his/her identity card issued by the NBFC/ recovery agency. The recovery agent shall also carry the authorization letter from the NBFC. The recovery notice and the authorization letter shall, among other details, include the telephone/mobile no. of the NBFC's employee/recovery agent and the grievance redressal officer appointed by the NBFC.

(ii) The NBFC shall ensure that its employee/recovery agent engaged in activities related to collection/recovery of loan dues adheres to the following:

(a) Respect for borrower's privacy: An employee/recovery agent shall interact only with the borrower or the guarantor and shall not approach any other relatives / contacts of the borrower.

(b) Maintaining hours of contact: An employee/recovery agent shall contact/visit the borrower/guarantor only between 08:00 hours and 19:00 hours. Further, the borrower's request to avoid call/visit at a particular time shall be honoured in normal circumstances.

(c) Place of contact: An employee/recovery agent shall ordinarily contact a borrower at the place of the borrower's choice and in the absence of any specific choice, at the place of his/her residence and if unavailable at his/her residence, then at the place of business/occupation.

(d) Avoiding recovery calls/visits during inappropriate occasions: An employee / recovery agent shall avoid inappropriate occasions such as bereavement in the family or such other calamitous occasion, or marriage functions, festivals, etc. for making calls/visits to collect/recover loan dues.

(e) Designated place for collection/recovery of microfinance loans: In case of microfinance loans, collection/recovery shall be made at a designated/central designated place decided mutually by the borrower and the NBFC. However, field staff shall be allowed to make collection/recovery at the place of residence or work of the borrower if the borrower fails to appear at the designated/central designated place on two or more successive occasions.

(f) Interaction with borrower: An employee/recovery agent shall interact with the borrower in a civil manner. Further, he/she shall maintain decency and decorum during visits to the borrower's place for collection/recovery of loan dues.

(g) Visit to borrower's premises: Only the representative(s) authorized by the NBFC shall visit the borrower's premises for activities related to collection/recovery of loan dues.

(h) Approval for written communication: Written communication, if any, sent by an employee/recovery agent to the borrower/guarantor shall have the approval of the NBFC.

(i) Issue of acknowledgement/receipt: An employee/recovery agent shall promptly give proper acknowledgement/receipt on collection/recovery of loan dues from the borrower/guarantor.

(ii) The NBFC's employee / recovery agent shall not engage in any harsh methods towards recovery. Without limiting the general application of the foregoing, following practices shall be deemed as harsh:

(a) Use of minatory or abusive language,

(b) Sending inappropriate messages either on mobile or through social media

(c) Excessively calling the borrower/guarantor and/or calling outside the prescribed hours

(d) Making threatening and/or anonymous calls

(e) Intimidating or harassing the borrower/guarantor and/or his/her relatives, referees, friends, or co-workers in either verbal or physical manner, including acts intended to humiliate them publicly or intruding upon their privacy,

(f) Use or threat of violence or other similar means to harm the borrower/guarantor or their family/assets/reputation

(g) Making false or misleading representations to the borrower/guarantor, especially about the extent of the debt or the consequences of nonrepayment.

7.5. Complaints against NBFC's employees and its recovery agents

(i) The NBFC shall have a dedicated mechanism for redressal of recovery related grievances. The details of this mechanism shall be provided to the borrower by including the same under the loan agreement and while advising the details of the recovery agents.

(ii) All recovery related communications issued by the NBFC must contain the name, email address, telephone number and address of the grievance redressal officer concerned of the NBFC whom the borrower/guarantor can contact.

7.6 Adherence to other regulations issued by the Reserve Bank / other authorities

(i) The NBFC shall also ensure compliance with any relevant guidelines issued by the Reserve Bank on related matters and also with guidelines issued by the relevant

authorities from time to time, including the guidelines issued by Telecom Regulatory Authority of India (TRAI) on aspects related to commercial communication such as the Telecom Commercial Communications Customer Preference Regulations (TCCCPR), 2018, as amended from time to time.

(ii) The NBFC shall not engage Telemarketers (DSAs/DMAs) who do not have any valid registration certificate from DoT, Government of India, as telemarketers.

(iii) The NBFC shall engage only those telemarketers who are registered in terms of the guidelines issued by TRAI, from time to time, for all their promotional/telemarketing activities.

(iv) The NBFC shall furnish the list of Telemarketers (DSAs/DMAs) engaged by them along with the registered telephone numbers being used by them for making telemarketing calls to TRAI.

8. Review/ Renewal of the FPC

The Board shall review the Responsible Business Conduct Policy, once a year or more frequently keeping in view the changes in regulations, from time to time.

Annexure-1: Key Facts Statement

Part 1 (Interest rate and fees/charges)

(in Rs.)

1	Loan proposal/account no.				Type of loan			
2	Sanctioned loan amount							
3	Disbursal schedule							
	i. Disbursement in stages or 100% upfront							
	ii. If it is stage wise, mention the clause of loan agreement having relevant details							
4	Loan term (year/months/days)							
5	Instalment details							
	Type of instalments		No. of EPIs	EPI	No. of days to commence repayment, post- sanction			
6	Interest rate (%) and type (fixed/floating/hybrid)							
7	Additional Information in case of Floating rate of interest							
	Reference Benchmark	Benchmark rate %(B)	Spread % (S)	Final rate % R=B+S	Reset periodicity (Months)		Impact of change in the reference benchmark (for 25 bps change in 'R', change in:)	
					B	S	Reference Benchmark	No. of EPIs
8	Fee/Charges (To disclose the net amount of any taxes such as GST, etc.)							
		Payable to NBFC (A)		Payable to a third party through NBFC (B)				
		One-time/ Recurring	Amount or % (frequency where recurring)	One-time/ Recurring		Amount or % (frequency where recurring)		
I	Processing fees							
ii	Insurance charges							
iii	Valuation fees							
iv	Any other (specify)							
9	Annual Percentage Rate (APR) %							
10	Details of Contingent Charges (Amount or %, as applicable)							
I	Penal charges, if any, in case of delayed payment							
ii	Other penal charges, if any							
iii	Foreclosure charges, if applicable							
iv	Charges for switching of loans from floating to fixed rate and vice versa							
V	Any other charges (specify)							

Note: Equated Periodic Instalments (EPI) mean 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 results in complete amortization of the loan. EPIs at monthly intervals are called EMIs.

Part 2 (Other qualitative information)

1	Clause of loan agreement relating to engagement of recovery agents		
2	Clause of loan agreement which details grievance redressal mechanism		
3	Phone number and email id of the nodal grievance redressal officer (NBFC to furnish generic email id, provided a response is made within one working day)		
4	Whether the loan is, or in future maybe, subject to transfer to another REs or securitization		(Yes/ No)
5	In case of lending under collaborative lending arrangements (e.g., co-lending/outsourcing), following additional details may be furnished:		
	Name of the originating RE along with its funding proportion	Name of the partner RE along with its funding proportion	Blended Rate of Int.
6	In case of digital loans, following specific disclosures to be furnished:		
i	Cooling off / look-up period, in terms of the RE's board approved policy, during which borrower shall not be charged any penalty on prepayment of loan		
ii	Details of LSP acting as recovery agent and authorized to approach the borrower		

Annexure-2:**(i) Illustration for computation of APR for retail and MSME loans**

		(In Rs.)
Sl. No.	Parameter	Details
1	Sanctioned loan amount	20,000
2	Loan Term (in years/ months/ days)	
a	No. of instalments for payment of principal, in case of non-equated periodic loans	-
b	Type of EPI amount of each EPI and nos. of EPIs	Monthly 970 24
c	No. of instalments for payment of capitalized interest, if any	-
D	No. of days to commence repayments, post sanction	30
3	Interest rate type (fixed/floating/hybrid)	Fixed
4	Rate of interest	15%
5	Total interest amount to be charged during the entire tenor of the loan as per the rate prevailing on sanction date	3,274
6	Fee/charges payable Note: Where such charges cannot be determined prior to sanction, NBFC may indicate an upper ceiling	400
A	Payable to the NBFC	240
b	Payable to third-party routed through NBFC	160
7	Net disbursed amount (1-6)	19,600
8	Total amount to be paid by the borrower (1+5)	23,274*
9	APR-Effective annualized interest rate (in %) Note: Computed on net disbursed amount using IRR approach and reducing balance method	17.07%
10	Schedule of disbursement as per terms and conditions	To furnish
11	Due date of payment of instalment and interest	DDMMYY

**The difference in repayment amount calculated from the total of instalments given under the detailed repayment schedule i.e., Rs.23,280 (970*24) vis-vis the amount of Rs.23,274 (loan amount of Rs.20,000 + Interest charges of Rs. 3,274) mentioned under (8) is due to rounding off the instalment amount of Rs.969.73 to Rs. 970.00 under the detailed repayment schedule.*

(ii) Illustration for repayment schedule under equated periodic instalments

					(in.Rs.)
Instalment No.	Principal Outstanding	Recovery of Principal	Recovery of Interest		Instalment Amount
1	20,000	720	250		970
2	19,280	729	241		970
3	18,552	738	231		970
4	17,814	747	223		970
5	17,067	756	123		970
5	16,310	766	204		970
7	15,544	775	194		970
8	14,769	785	185		970

9	13,984	795	175	970
10	13,189	805	165	970
11	12,384	815	155	970
12	11,569	825	145	970
13	10,744	835	134	970
14	9,909	846	124	970
15	9,063	856	113	970
16	8,206	867	103	970
17	7,339	878	92	970
18	6,461	889	81	970
19	5,572	900	70	970
20	4,672	911	58	970
21	3,761	923	47	970
22	2,838	934	35	970
23	1,904	946	24	970
24	958	958	12	970