FAIR PRACTICES CODE

FY 2026-27

Approved in the board meeting held on 3rd June 2026

Swara Fincare Limited
New Delhi

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INTRODUCTION

The Reserve Bank of India (RBI) has issued guidelines on Fair Practices Code for Non- Banking Financial Companies (NBFCs) vide Reserve Bank of India ("RBI") Circular No. DNBR (PD) CC.No.054/03.10.119/2015-16 dated July 01, 2015, as may be amended from time to time, thereby setting standards for fair business and corporate practices while dealing with their customers. This Fair Practice Code is aimed to provide to all the stakeholders, especially customers effective overview of practices followed by the Company in respect of the financial facilities and services offered by the Company to its customers.

Swara Fincare Limited ("the Company") hereby furnishes the Fair Practices Code ("the FPC") based on the guidelines issued by RBI. The Company shall also make appropriate modifications in the FPC from time to time to confirm the standards that may be prescribed by RBI from time to time. The Fair Practices Code, as adopted herein below, is in conformity with the guidelines on Fair Practices Code for NBFCs as contained in the aforesaid RBI Circulars.

The Company's business will be conducted in accordance with prevailing statutory and regulatory requirements, with due focus on efficiency, customer-orientation and corporate governance principles.

OBJECTIVE OF THE CODE

The Code has been developed with the following objectives.

a) To act fairly and reasonably in all the dealings with borrowers by ensuring that:

   i. The Company's products, services, procedures, and practices will meet the broad requirements and standards in the FPC.

   ii. The Company's products and services will be in accordance with relevant laws and regulations applicable for the time being in force.

   iii. The Company's dealings with its borrowers will rest on ethical principles of honesty, integrity, and transparency.

b) The Company will assist its customers in understanding as to what the broad features of its financial products and services are and what are the benefits and risks involved in availing the same by

   i. Providing information about the products and services in a simple manner.

   ii. Explaining the documentation process to its customers.

c) The Company will make every attempt to ensure that its customers will have trouble-free experience in dealing with it. However, in case of error of commission and/or omissions, it shall:

   i. deal with the errors promptly and effectively.

   ii. Deal with the grievances redressal in a quick and efficient manner and to the

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satisfaction of the customers.

iii. Promptly handle complaints.

iv. Have an escalation process, in the event of dissatisfaction of the borrower in handling the complaint(s).

The Fair Practices Code is aimed to provide to the customers effective overview of practices, which will be followed by the Company in respect of the financial facilities and services offered by the Company to its customers. The Code will facilitate the customers to take informed decisions in respect of the financial facilities and services to be availed by them and will apply to any loan that the Company may sanction and disburse.

APPLICABILITY

Swara will ensure that the implementation of the Fair Practices Code (FPC) is the responsibility of the entire organization. Swara's fair lending practices shall apply across all aspects of its operations including loan origination, processing, servicing and collection and other general activities. Its commitment to FPC will be demonstrated in terms of accountability, training, counselling, monitoring, auditing programs and internal controls and optimal use of technology.

Additional guidelines on fair practices mandated by RBI vide notification dated March 26, 2012, for NBFC-MFI and for NBFCs engaged in lending against collateral of gold jewellery are not applicable to Swara, since it does not engage in such activities at present.

APPLICATION FOR LOAN AND PROCESSING

- All communications to the borrower will be in the vernacular language or a language as understood by the borrower.
- Loan application forms issued to prospective customers includes 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 the borrower can make an informed decision). Loan application form also clearly indicates documents required to be submitted along with the application form.
- The Company will give acknowledgement for receipt of all loan applications with an indicate time frame which decision on the completed loan application will be taken.

LOAN APPRAISAL AND TERMS & CONDITIONS

- In accordance with the Company's appraisal norms, loan application will be considered, and loan amount will be approved after applying internal credit appraisal norms. The Company shall convey in writing to the borrower by means of approval letter or otherwise, the amount of loan approved along with the terms and conditions, including the annualized rate of interest and method of application thereof. Additionally, Penal

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Interest on late repayment is clearly highlighted in written offer letter and loan agreement. The Company shall keep record of customer's acceptance of all these terms and conditions.

- Company shall at the time of sanction / disbursement of the loan, furnish a copy of loan agreements and related enclosures to the customer.

DISBURSEMENT OF LOANS AND CHANGES IN TERMS & CONDITIONS

- The Company shall give notice to all its borrowers of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. The Company shall also ensure that changes in interest rates and charges are affected only prospectively. A suitable provision in this regard is incorporated in the loan agreement.

- The Company will explicitly in the sanction letter disclose the rate of interest and the approach for graduation of risk and rationale for changing different rate of interest to different categories of borrowers. The rate of interest will be annualized rates to make the borrower aware of the exact rates that would be charged on the account.

- Decision to recall / accelerate payment or performance under the agreement shall also be in consonance with the loan agreement.

- The Company shall release all securities on repayment of its full dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim that the Company may have against its borrowers. 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.

POST DISBURSEMENT SUPERVISION

- The decision, if any, of the Company to recall/accelerate payment or performance of loan shall be in accordance with the terms and conditions of the Loan Agreement.

- The Company shall give reasonable time to the borrowers before recalling the loan or asking for accelerating the payment or performance subject to the terms and conditions contained in the Loan Agreement and other related documents.

- The collateral, if any, lying with the Company may be released on receipt of full and final repayment of loans subject of course to any legitimate right or lien and set off for any other claim that the Company might have against the borrowers. However, in cases where the borrower has availed facility allowing him to borrow/draw monies within the overall amount sanctioned as and when needed by him, the collateral may be retained by the Company for operational convenience and to protect its interest from potential default by the borrowers.

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OTHER GENERAL PROVISIONS

- The Company shall refrain from interfering in the affairs of the borrowers except as provided in the terms and conditions governing the loan as contained in the loan documents (unless new information, not earlier disclosed by the borrower, has come to its notice).
- The Company shall not discriminate on the grounds of gender, caste or religion or disability in its lending policy and activities.
- In the case of recovery of loans, the Company shall resort to the usual measures, which are legally and legitimately available to it and as per laid down guidelines and extent provisions and shall operate within the legal framework.
- The Company shall provide the terms and conditions in respect of its lending activities or services whenever the borrower requests for the same.
- The Company shall inform the borrower about the foreclosure charges on his loan account and mention the same in loan documents.

On request from borrower for closure of his loan account, the request will be executed within seven days from receipt thereof, subject to clearance of pending dues and completion of all the formalities as prescribed by the Company. In case the request cannot be executed in the time frame stated above due to any reason, the same may be communicated to the borrower.

RELEASE OF DOCUMENTS ON REPAYMENT /SETTLEMENT OF PERSONAL LOANS

- The Company shall release all the documents after the full settlement of the Loan amount.
- The borrower shall collect documents from branch after the signing of letter of acceptance.
- In order to address the contingent event of demise of sole borrower or joint borrower, Company will return the original documents to the legal heirs.
- In case of delay in releasing of original documents beyond thirty days. NBFC shall communicate to the borrower the reason for the delay. In the event where the delay is attributable to the Company, it shall compensate the borrower at the rate of Rs. 5000/- for each day of delay.
- In case of loss & damage to the original documents, either in full or part, the Company shall assist the borrower in obtaining duplicate/certified copies of documents and shall bear the associated costs, in addition to pay the compensation. However, additional time of thirty days will be available to the Company to complete the procedure and delayed period penalty will be calculated thereafter (i.e., after a total period of sixty days).

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Note: The Instruction in Clause V shall be applicable to all cases where release of original documents falls due on or after December 01, 2023, as per the Master Direction - Reserve Bank of India (Non - Banking Financial Company – Scale Based Regulation) Direction, 2023.

COMPLAINTS

In case of any complaint/grievances of the borrowers, the same shall be intimated by them in writing to the Grievance Redressal Officer. The Grievance Redressal Officer shall immediately make all efforts to redress the grievances. The concerned employees shall guide the borrowers who wish to lodge a complaint.

GRIEVANCE REDRESSAL MECHANISM

In order to resolve disputes, an appropriate grievance redressal mechanism has been put in place by a Fair Practice Committee (FPC) constituted by the Company as the first point of contact for grievance redressal.

- The FPC shall try to resolve the dispute / complaint from a Customer in the manner consistent with this Fair Practices Code.
- The FPC shall report to the Board of Directors on disposal of the complaints / grievances as and when it has been called upon to resolve a dispute / complaint from a Customer.
- In case the Customer is not satisfied with the redressal, the matter shall be placed before the Board of Directors of the Company or any committee thereof constituted by the Board of Directors in this matter.

The Committee will meet as often as required and shall be preceded by the Managing Director & Chief Executive Officer. The quorum for the Committee shall be two members present in person and minutes of the committee meeting held are to be recorded and placed before the Board of Directors at its ensuing meeting.

Name and contact details of the officer who can be approached by the customers for resolution of complaints against the Company should be prominently displayed at the office and also the name and contact details of the Officer-in-Charge of the Regional Office who can be approached in case the complaint/dispute is not addressed within a period of one month.

REGULATION OF INTEREST RATES CHARGED BY THE COMPANY

To ensure that the customers are not charged excessive interest rate and charges on loans and advances by the Company, the Board of Directors of the Company have adopted a Policy for determining interest rates, processing and other charges ("Interest Rate Policy") and the same has been updated on the website of the Company. Further, the Board of Directors of the Company will ensure to periodically review the Interest Rate Policy.

Swara Fincare Limited has been lending at interest rate based on weighted average cost of funds, operating cost, administrative cost, risk premium, and expected return for stakeholder

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value on a sustainable basis as approved/revised by the Board of Directors as and when required. The rate of interest shall be fixed on the basis of the risk gradation of the client and shall be charged on per annum basis. The Risk Management Committee of the Company shall monitor the rates periodically.

The Company shall intimate the borrower, the loan amount and rate of interest at the time of sanction of the loan along with the tenure and details required to be disclosed.

The processing fee, if any, shall be determined on the basis of quantum of work involved in credit appraisal, volume of documentation and other expenses involved in the transaction. The rate of interest is subject to change as the situation warrants due to market compulsions and change in regulatory norms and is subject to the discretion of the management on a case-to-case basis.

The Company shall abide by the Fair Practices Code following the spirit of the Code and in the manner, it may be applicable to its business operations.

The Company shall disclose the interest rates and gradation of risks on its website.

CONFIDENTIALITY

The Company shall not reveal the details of any transaction to a third party other than in the following exceptional cases

- If the Company is required to provide the information to any statutory or regulatory body or bodies or otherwise required under any law.
- If our interests require us to give the information (for example, to prevent fraud) but it shall not be used as a reason for giving information about the borrower or borrower's accounts (including customer name & address) to anyone else for marketing purposes.
- If the borrower has authorised the Company to provide such information to its group / associate/ entities or companies or any such person/ entity as specifically agreed upon.
- If there is a duty on the part of the Company to the public to reveal this information.

RECOVERY OF LOANS

The Company would not resort to undue harassment for recovery of loans. The employees of the Company who contact customers for collections / recoveries will act as per the Code of Conduct of the Company. The Company shall ensure that the staff are adequately trained to deal with the customers in an appropriate manner.

REVIEW OF POLICY

The Audit Committee of the Company shall oversee the implementation of the Code and review its functioning periodically. Any changes proposed by the Audit Committee shall be placed before the Board for its approval.

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FORCE MAJEURE

The various commitments outlined and made by the Company shall be applicable under the normal operating environment. In the event of any Force Majeure circumstances, the Company may not be able to fulfil the objectives under the FPC to the entire satisfaction of the borrowers, the stakeholders, and the public in general.

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