FAIR PRACTICES CODE

1. Preamble & Regulatory Framework

Forward Finance Private Limited ("Company" / "FFPL") is a Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India ("RBI") under Section 45-IA of the RBI Act, 1934. The Company is engaged in the business of providing loans and credit facilities to individuals, micro-enterprises, small businesses and other borrowers.

This Fair Practices Code ("Code" / "FPC") has been formulated in accordance with:

- **a)** RBI Master Circular on Fair Practices Code for NBFCs (Updated from time to time);
- **b)** RBI Guidelines on Digital Lending (September 2022 and subsequent circulars);
- **c)** RBI Master Direction – Reserve Bank Of India (Non-Banking Financial Company – Responsible Business Conduct) Directions, 2025 (Updated from time to time);
- **d)** Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2025 (where applicable);
- **e)** RBI Guidelines on Interest Rate on Advances and other applicable circulars / directions issued by RBI from time to time.

This Code applies to all lending operations of the Company and is binding on all employees, agents, representatives and Lending Service Providers (LSPs) engaged by the Company. This Code has been approved by the Board of Directors of the Company.

2. Objectives

The key objectives of this Code are to:

- **a)** Promote good, fair and transparent lending practices in all dealings with borrowers;
- **b)** Ensure that customers are treated fairly, honestly and without discrimination at all times;
- **c)** Provide clear, accurate and complete information on products, services, terms and charges;
- **d)** Foster a culture of responsible lending and sound risk management;

- **e)** Ensure timely and effective redressal of customer complaints and grievances;
- **f)** Protect customer data, privacy and confidentiality in line with applicable laws;
- **g)** Comply with all applicable laws, regulations, directions and circulars issued by RBI and other regulators.

3. Loan Applications and Processing

A. Loan Application

The Company shall:

- **a)** Make available loan application forms in simple, plain and accessible language (vernacular languages, wherever feasible and practicable);
- **b)** Clearly specify the documents and information required for processing the loan application;
- **c)** Provide an acknowledgement of the loan application to the applicant, indicating the time frame within which the application will be processed;
- **d)** Ensure that the application form contains a checklist of all documents required.

B. Credit Appraisal

The Company shall conduct credit appraisal in a fair, objective and non-discriminatory manner, based on:

- **a)** Creditworthiness, repayment capacity and income of the borrower;
- **b)** Bureau checks including CIBIL, Equifax, Experian, CRIF High Mark or any other recognised Credit Information Company (CIC) report;
- **c)** Assessment of need, purpose and end-use of credit;
- **d)** Applicable prudential norms and internal credit policies.

The Company shall not discriminate against any applicant on grounds of religion, caste, gender, race or disability, except where specific segments / targeted lending products are offered as permitted under applicable regulations.

C. Loan Sanction / Rejection

The Company shall:

a) Convey loan sanction or rejection in writing within a reasonable period after receipt of complete application and documents;

b) In case of rejection, communicate the key reason(s) for rejection to the applicant, wherever feasible, in writing or through the digital platform;

c) Maintain a record of loan rejections with documented reasons for internal compliance and audit purposes;

d) Not disclose the credit score or information obtained from CIC to any third party without the consent of the customer, except as required by law or regulation.

D. Sanction Letter

Upon sanction of a loan, the Company shall issue a Sanction Letter / Loan Offer Letter to the borrower, containing:

a) Loan amount sanctioned;

b) Rate of interest (annualised) and type (fixed / floating / hybrid);

c) Loan tenure and repayment schedule;

d) All fees and charges including processing fees, documentation charges, prepayment / foreclosure charges, bounce charges, penal charges, etc.;

e) Security / collateral requirements, if any;

f) Terms and conditions of the loan;

g) Annual Percentage Rate (APR) or effective annualised rate of interest, as applicable;

h) A declaration that the loan is being extended subject to the borrower's acceptance of the terms and conditions stated in the sanction letter.

The borrower shall be required to acknowledge and accept the sanction letter before disbursement of the loan.

4. Interest Rates and Charges

A. Interest Rate Policy

The Company shall:

a) Adopt an Interest Rate Policy approved by the Board of Directors, covering the methodology and basis for fixing interest rates on loans and advances;

b) Ensure that interest rates are not excessive and are justifiable, having regard to the cost of funds, risk premium and reasonable margin;

c) Disclose the applicable interest rate and APR to the borrower upfront, prior to or at the time of sanction;

d) Communicate any revision in interest rate, charges or terms and conditions to the borrower at least 30 days prior to the effective date of change through written intimation or electronic communication;

e) Apply interest rates uniformly and fairly across borrowers in a given product segment, without arbitrary differentiation.

B. Penal Charges

In accordance with RBI guidelines on penal charges:

a) Penal charges shall be levied only on account of non-compliance of material terms and conditions of the loan agreement and not as a revenue enhancement tool;

b) Penal charges shall be reasonable and commensurate with the non-compliance;

c) Penal charges shall not be compounded — i.e., they shall not be capitalised and no further interest shall be charged on such charges;

d) The quantum and conditions for imposition of penal charges shall be clearly disclosed in the loan agreement and Key Fact Statement;

e) Penal charges levied on individuals shall be non-discriminatory.

C. Other Fees and Charges

The Company shall:

a) Disclose all fees, charges and costs (including third-party charges) applicable to a loan upfront and in the Key Fact Statement;

b) Not levy any charges not disclosed to the borrower prior to availing the loan;

c) Ensure that foreclosure / prepayment charges are not levied on floating rate loans extended to individual borrowers (as per RBI guidelines);

d) Not charge excessive fees disproportionate to the services rendered.

5. Disbursement of Loans

The Company shall:

a) Disburse the loan only after completion of all required documentation, execution of the loan agreement and fulfillment of conditions precedent;

b) Disburse the loan amount directly to the borrower's bank account (KYC-compliant) or to the end-beneficiary/supplier, as applicable — disbursement in cash shall be made only in accordance with applicable laws and RBI guidelines;

c) Not disburse the loan without the explicit consent of the borrower to the loan terms, as evidenced by execution of the loan agreement;

d) Ensure that any insurance product cross-sold at the time of disbursement is on a voluntary basis, with no compulsory bundling that impedes the borrower's free choice;

e) Obtain written consent from the borrower for any charges to be deducted from the loan disbursement amount.

6. Key Fact Statement (KFS)

In accordance with RBI directions on Key Fact Statement:

a) The Company shall provide a standardised Key Fact Statement (KFS) to each borrower prior to the execution of the loan agreement;

b) The KFS shall be provided in a simple, concise and clear format in English and/or in the vernacular language understood by the borrower;

c) The KFS shall include:

i. Loan amount;

ii. Annual Percentage Rate (APR) / annualised interest rate;

iii. Loan tenure and repayment schedule;

iv. Details of all fees, charges and costs;

v. Penal charges, if any;

vi. Contingent charges;

vii. Recovery mechanism in case of default;

viii. Grievance Redressal Officer details.

d) The KFS shall be acknowledged by the borrower prior to disbursement;

e) For digital loans, the KFS shall be in a standardised format as prescribed by RBI and shall be provided digitally, with an option for the borrower to accept or reject the loan offer after reviewing the KFS.

7. Customer Communication

A. Transparency in Communication

The Company shall communicate with customers in a clear, accurate and transparent manner. All communication shall be in English and/or the vernacular language preferred by the customer. The Company shall:

a) Provide clear information on loan products, eligibility criteria, terms and conditions, fees and charges prior to disbursement;

b) Disclose the total cost of the loan (including interest and all charges) to the borrower upfront;

c) Avoid use of misleading or deceptive language, jargon or fine print that obscures material terms;

d) Ensure all marketing material, advertisements and promotional communications are fair, clear and not misleading;

e) Not make unsolicited calls or send unsolicited messages to customers for cross-selling of products, except as permitted by applicable regulations (including TRAI regulations).

B. Changes to Terms and Conditions

The Company shall:

a) Notify borrowers of any change in terms and conditions, interest rate or charges at least 30 days in advance of the effective date;

b) Ensure that such notice is provided in writing (by post, email or SMS) or through the Company's app/portal;

c) Where the borrower finds the revised terms unacceptable, provide an option to exit / pre-close the loan without attracting additional charges (to the extent permitted by the loan agreement and applicable law).

C. Loan Account Statements

The Company shall:

a) Provide the borrower with a loan account statement at least once a year, free of charge or on demand;

b) Ensure that the statement reflects all transactions, charges and outstanding balances accurately;

c) On closure of the loan, provide a No-Objection Certificate (NOC) / No-Dues Certificate (NDC) and release any security / collateral within 30 days of full repayment.

8. Responsible Lending Practices

A. Assessment of Repayment Capacity

The Company may assess the repayment capacity of the borrower prior to sanction of any loan. The Company may not sanction a loan which appears to be beyond the reasonable repayment capacity of the borrower, as determined by its credit appraisal norms.

B. Multiple Lending / Over-Indebtedness

The Company shall be mindful of risks of over-indebtedness. In case of borrowers who already have existing indebtedness, the Company may conduct appropriate due diligence and apply prudent lending standards to assess whether additional credit exposure is appropriate.

C. Digital Lending Guidelines

Where the Company operates as a digital lender or engages Lending Service Providers (LSPs):

a) All loan disbursements and repayments shall be executed directly between the borrower's bank account and the Company's bank account, without pass-through or pooling of funds by any LSP;

b) The Company shall maintain a list of all LSPs and publish/disclose the same as required by RBI;
c) Automated decision-making systems used for credit appraisal shall be periodically reviewed for fairness and accuracy;
d) The Company shall have a board-approved policy on engagement of LSPs and Digital Lending Apps (DLAs);
e) Data collection by LSPs/DLAs shall be limited to that which is necessary, with the explicit consent of the borrower.

9. Recovery and Collection Practices

A. Margin Call

Margin calls shall be communicated promptly, with the full cure period as specified in the PRODUCT, PROCESS & APPROVAL COMMITTEE (PPAC) POLICY. Forced liquidation shall not occur before the cure period has expired, except in cases of extreme and documented LTV deterioration.

B. Ethical Recovery Practices

The Company is committed to fair, ethical and dignified recovery of dues. The Company shall not resort to any practice that is unduly coercive, oppressive or humiliating. Specifically:

a) Recovery shall be pursued only through lawful means;
b) Customers shall not be contacted at odd hours (generally, contact shall be made only between 9:00 a.m. and 7:00 p.m.);
c) Threatening, abusive or harassing language shall not be used;
d) Recovery personnel shall not visit the borrower's premises with more individuals than necessary and shall maintain decorum at all times;
e) The borrower shall not be publicly humiliated through social media or community announcements;
f) The identity and authority of recovery personnel shall be disclosed to the borrower on demand.

C. Recovery Agents

Where the Company engages third-party recovery agents:

- **a)** Such agents shall be engaged in accordance with applicable RBI guidelines and the Company's Board-approved policy;
- **b)** Recovery agents shall be trained, certified (where required) and made aware of their obligations under this Code;
- **c)** The Company shall remain responsible for the actions of recovery agents engaged by it;
- **d)** Recovery agents shall carry due authorisation letters from the Company and produce the same to the borrower on request;
- **e)** The Company shall maintain a list of approved recovery agents and make it available to borrowers on request.

D. Notice Before Action

The Company shall issue adequate notice to borrowers before taking recovery action, including notice before initiating legal proceedings or enforcement of security. Notice periods shall be in accordance with applicable law and the terms of the loan agreement.

10. Confidentiality and Data Protection

A. Confidentiality of Customer Information

All information obtained from customers shall be treated as strictly confidential. The Company shall not disclose customer information to any third party except in the following circumstances:

- **a)** Where disclosure is required by law, court order or regulatory / statutory authority (including RBI, SEBI, FIU-IND, income tax authorities or any other government agency);
- **b)** Where explicit consent has been obtained from the customer for such disclosure;
- **c)** Where disclosure is necessary for credit reporting to CICs (Credit Information Companies) pursuant to the Credit Information Companies (Regulation) Act, 2005;
- **d)** Where disclosure is to subsidiaries, affiliates or partners for legitimate business purposes, strictly on a need-to-know basis, subject to confidentiality obligations;

e) Where disclosure is required for statutory audit, regulatory inspection or due diligence purposes.

B. Data Privacy

The Company shall:

a) Collect only such personal and financial data from customers as is necessary for the purpose for which it is collected;

b) Obtain explicit, informed consent from customers prior to collection and use of their data;

c) Comply with the applicable data protection and privacy laws, including the Digital Personal Data Protection Act, 2023 and RBI guidelines on data localisation;

d) Not use customer data for any purpose other than for which it was collected, without fresh consent;

e) Ensure adequate security measures to protect customer data from unauthorised access, breach or misuse;

f) Provide customers with the right to access and correct their personal data and to withdraw consent, subject to applicable laws.

11. Grievance Redressal Mechanism

A. Customer Grievance Policy

The Company is committed to prompt and effective resolution of customer complaints and grievances. The Company shall maintain a Board-approved Grievance Redressal Policy and a formal grievance redressal mechanism.

B. Modes of Lodging Grievance & Timeline for resolution

Customers may lodge complaints / grievances through the following channels:

Level	Contact	Timeline
Level 1	Customer Service Team — grievance@forward.in	Acknowledge: 2 working days | Resolve: 15 working days
Level 2	GRO / Nodal Officer — gro@forward.in	Resolve: 10 working days from escalation
Level 3	CEO — through GRO / Nodal Officer	Resolve: 7 working days from Level 2 escalation
External	RBI Integrated Ombudsman — https://cms.rbi.org.in	After 30 days from first complaint or if unsatisfied with FFPL response
Through Postal / Courier	Unit No.14, Technopolis Infotech Park, Hanuman Nagar, Mahakali Caves Road, Chakala, Andheri East - 400093	Within 30 days of recipt of Letter
Through Toll Free Number	+91 9070240702	9:30 a.m. to 6:30 p.m. Monday to Friday, except public holidays

C. Grievance Redressal Officer

The Company shall designate a Grievance Redressal Officer (GRO) whose name, designation, address, telephone number and email shall be prominently displayed at all offices, branches and on the Company's website. The GRO shall be responsible for:

a) Receiving, acknowledging and tracking all customer complaints;

b) Ensuring timely investigation and resolution of complaints;

c) Escalating unresolved complaints to senior management;

d) Preparing and submitting periodic reports on complaint status to the Board/management.

D. RBI Integrated Ombudsman Scheme

If the customer's complaint is not resolved within 30 days of lodging with the Company or if the customer is not satisfied with the resolution, the customer may approach the RBI Integrated Ombudsman Scheme (RBI-IOS) at:

a) Website: https://cms.rbi.org.in

b) Centralised Receipt and Processing Centre (CRPC): Reserve Bank of India, 4th Floor, Sector 17, Chandigarh - 160017

c) Toll Free Number: 14448

The Company shall prominently display information about the RBI Ombudsman Scheme at its offices and on its website / application.

12. Digital Lending — Specific Provisions

In addition to the provisions of this Code, the following specific provisions apply to digital lending operations of the Company:

- **a)** The Company shall maintain and publish on its website a list of all Lending Service Providers (LSPs) and Digital Lending Apps (DLAs) engaged by it;
- **b)** The Company shall ensure that borrowers interact directly with the Company for executing loan agreements and no LSP executes agreements on behalf of the Company;
- **c)** A Cooling-Off / Look-Up Period shall be offered to borrowers — during this period, the borrower may exit the digital loan by repaying the principal and proportionate interest without any penalty;
- **d)** The Company shall maintain a dedicated email-ID / grievance mechanism for digital lending complaints;
- **e)** Automated loan recovery through access to the borrower's account (e-NACH / UPI) shall only be with explicit, revocable consent and the Company shall not use coercive automated collections;
- **f)** No data shall be collected from borrowers' mobile devices (contacts, location, media) beyond what is required and consented to;
- **g)** The Company shall publish an Annual Report on the performance of its digital lending operations, as required.

13. Non-Discrimination and Equal Treatment

The Company is committed to equal and fair treatment of all customers and applicants. The Company shall not discriminate against any customer or applicant on grounds of:

- **a)** Religion, race, caste, sex, gender or sexual orientation;
- **b)** Physical disability or special needs;
- **c)** Place of birth, domicile or language;

d) Age, except where minimum/maximum age criteria are part of the product eligibility parameters for legitimate risk management reasons.

All decisions on credit shall be based solely on objective creditworthiness criteria and applicable product eligibility norms.

14. Board Oversight and Governance

A. Board Approval

This Fair Practices Code has been approved by the Board of Directors of the Company. The Board has also approved:

a) The Interest Rate Policy;

b) The Grievance Redressal Policy;

c) The Recovery and Collections Policy;

d) The KYC / AML Policy;

e) The Digital Lending Policy.

B. Board Reporting

The Board / designated Board Committee shall:

a) Review the functioning and effectiveness of this Code at least annually;

b) Review customer complaint data, resolution timelines and pending grievances on a quarterly basis;

c) Monitor the Company's compliance with RBI directions on Fair Practices;

d) Review the Interest Rate Policy periodically to ensure fairness and consistency.

C. Internal Audit

The Company's internal audit / compliance function shall conduct periodic reviews of compliance with this Code and report findings to the Audit Committee / Board.

15. Review and Amendment of this Code

The Company reserves the right to review, revise, amend or update this Fair Practices Code from time to time, as may be required by:

a) Changes in applicable laws, RBI regulations or regulatory guidelines;

b) Business requirements or operational changes;

c) Learnings from customer feedback and grievance redressal experience.

Any material amendments to this Code shall be placed before and approved by the Board of Directors. This Code shall be reviewed at least once a year.

The updated Code shall be published on the Company's website and made available to customers on request.

16. Declaration of Commitment

Forward Finance Private Limited declares its commitment to upholding the principles and provisions of this Fair Practices Code in its letter and spirit. The Company acknowledges that fair and transparent dealings with its customers and the maintenance of high ethical standards in its lending operations are fundamental to building a sustainable and responsible financial institution.