

**CHARTERED FINANCE & LEASING
LTD. (CFL)**

(“NBFC/ B-13.02480”)

**PERSONAL LOAN POLICY – EXTERNAL
BORROWERS**

SUMMARY OF POLICY

Particular	Details
Policy Name	Personal Loan Policy – External Borrowers
Version	V3
Latest Approval/Review Date	07th April,2026
Review Cycle	Annually
Approver	Board of Directors of Chartered Finance & Leasing Ltd

VERSION HISTORY

Version no.	Approval	Version Description	Regulatory Reference	Remarks
I	Board Meeting dated 27th March, 2021	2021	RBI Regulation	Policy adopted by the Board
II	Board Meeting dated 20th May, 2025	2025	RBI Regulation	Reviewed by Board
III	Board Meeting dated 07 th April,2026	2026	RBI Regulation	Reviewed by Board

Personal Loan Policy – External Borrowers

1. Objective

To provide unsecured, short- to medium-term personal loans to individuals for legitimate personal purposes such as medical expenses, education, weddings, or other emergencies, while ensuring compliance with RBI regulations applicable to middle-layer NBFCs.

2. Scope

This policy applies to:

- All individual external borrowers meeting eligibility criteria.
- Personal loans to related persons and to 'Specified employees' and their relatives shall be sanctioned in accordance with CFL's policy on lending to related parties, subject to the materiality threshold and recusal requirements.
- Personal loans for non-business, non-speculative, and non-commercial use.
- Applicable across all branches and digital lending platforms of the NBFC.

3. Eligibility Criteria

Criteria	Conditions	Remarks
Age	Minimum 21 years, Maximum 60 years (at loan maturity)	PAN/Aadhaar to verify
Citizenship	Indian Residents only	NRI not eligible
Employment	Salaried (government/private) or self-employed individuals	Income proof mandatory
Minimum Income	₹20,000/month (metro); ₹15,000/month (non-metro)	Net income considered
Credit Score	Minimum CIBIL 650	Subject to internal credit policy
Loan History	No recent defaults or write-offs in last 12 months	Verified via bureau reports
Banking History	Minimum 6 months of salary or business income in bank account	Statement required

4. Loan Terms & Conditions

Parameter	Standard Norms	Remarks
Loan Amount	₹50,000 – ₹15,00,00,000	Based on credit score, income, FOIR
Tenure	12 to 60 months	Borrower's choice within limits
Interest Rate	7% – 24% per annum	Risk-based pricing; fixed/floating as per policy
Processing Fee	1% – 2.5% of loan amount (plus GST)	Non-refundable
Repayment Mode	EMI via NACH mandate / eMandate / Post-dated cheques	Mandatory for all borrowers
Prepayment	As per sanction Letter	As per sanction Letter
Part Payment	As per sanction Letter	As per sanction Letter
Penal Charges	As per sanction Letter	As per sanction Letter
Top-up Loan	Eligible after 12 months with clean repayment record	Subject to reassessment

Penal charges, if any, for non-compliance of material terms and conditions shall be levied in accordance with CFL's Interest Rate Policy and not in the form of penal interest added to the rate of interest, without capitalisation, and their quantum and reason shall be disclosed in the loan agreement and KFS.

No pre-payment charges shall be levied on floating rate personal loans to individuals, irrespective of the source of funds and without any minimum lock-in period; the applicability or otherwise of pre-payment charges shall be disclosed in the sanction letter, loan agreement and KFS.

For EMI-based floating rate loans, CFL shall follow the provisions on reset of floating interest rates in its Interest Rate Policy, including communication of the impact of benchmark changes at sanction, options of EMI enhancement or tenor elongation or prepayment, and a quarterly statement to borrowers.

5. Documentation Requirements

- **KYC Documents:** KYC shall be completed by obtaining the proof of possession of Aadhaar number or any OVD (or the Aadhaar number only where so permitted), and the PAN or equivalent e-document or Form No. 60.
- **Income Proof:**
 - Salaried: Last 3 months' salary slips, 6-month bank statement, Form 16
 - Self-Employed: ITRs (2 years), GST returns, bank statement (12 months)
- **Photograph:** Passport-sized photo
- **Other Forms:** Loan application, eMandate/NACH form, consent for bureau check, personal discussion notes

6. Risk Management & Control Measures

Risk Type	Control Measure
Credit Risk	Risk-based pricing; CIBIL and bureau checks; income-to-EMI ratio (FOIR < 50%)
Operational Risk	Centralized credit appraisal; maker-checker process; loan management system
Liquidity Risk	Monthly cap on disbursement; ALM monitoring
Fraud Risk	Bank statement and KYC verification
Regulatory Risk	RBI Fair Practices Code; KYC/AML adherence; data privacy policies
Concentration Risk	Diversified borrower profile; exposure limits

7. Loan Disbursement Process

1. **Loan Application** – Online or branch submission.
2. **Verification** – KYC and income document verification.
3. **Credit Assessment** – Score-based evaluation, FOIR check.
4. **Sanction & Agreement** – Loan offer letter, agreement signing (digital/physical).
5. **Disbursement** – Direct transfer to borrower's bank account.

8. Monitoring, Recovery & Reporting

- **Loan Monitoring:**
 - Daily overdue tracking via LMS.
 - Delinquency reports to Credit team.
 - Credit information of all borrowers, including all loans through CFL's DLA irrespective of nature / tenor, shall be reported to all Credit Information Companies as on the 9th, 16th, 23rd and last day of each month, the full file as on the last day of the month being submitted by the 5th day of the following month and the incremental accounts as on the 9th, 16th and 23rd day being submitted within four calendar days of those dates.
- **Collections & Recovery:**
 - Recovery through employees or recovery agencies shall be in accordance with CFL's Fair Practice Code and, for digital loans, particulars of the recovery agent shall be communicated to the borrower through email / SMS before the recovery agent contacts the borrower.
 - Soft collection for 0–90 DPD.
 - Legal notice beyond 90 DPD or willful default.
- **Reporting:**
 - Regular MIS to senior management.
 - RBI CRILC/SMA reporting if applicable.
 - Audit review (internal/external) every 6 months.

8A. Digital Lending – Borrower Protection Measures

As CFL sources and services this product through its own website (which functions as a Digital Lending Application (DLA) operated directly by CFL, with no third-party Lending Service Provider involved), CFL shall provide borrowers a Key Fact Statement (KFS) in the standardised format prescribed under the

Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025, prior to execution of the loan agreement, and digitally signed documents, viz., the KFS, summary of the loan product, sanction letter and terms and conditions, shall flow to the borrower's registered and verified email/SMS upon execution of the loan contract.

CFL shall provide a KFS to all prospective borrowers of personal loans, through any channel, in the standardised format with a unique proposal number, validity of at least three working days, APR computation sheet and amortisation schedule; no fee or charge not mentioned in the KFS shall be levied without explicit consent.

CFL shall display on its website, at a prominent single place, the details of its digital lending products and its DLA, the particulars of its customer care and internal grievance redressal mechanism, a link to RBI's Complaint Management System and the Sachet portal, and its privacy policies; and shall designate a nodal grievance redressal officer to deal with digital lending related complaints, whose contact details shall be prominently displayed on its website, the DLA and the KFS.

Borrowers shall be given an explicit option to exit a digital loan by paying the principal and the proportionate APR without any penalty during an initial cooling-off period, which shall be determined by CFL and shall not be less than one day; CFL may retain a reasonable one-time processing fee where the borrower exits during the cooling-off period, provided the same is disclosed upfront in the KFS.

CFL shall report its DLA on the Centralised Information Management System (CIMS) portal of RBI in the requisite format and update the same as and when required, with the data so submitted certified by the Chief Compliance Officer or other official designated by the Board.

CFL shall ensure that collection of data by its DLA is need-based and with prior and explicit consent of the borrower, that the DLA does not access mobile phone resources such as file and media, contact list and call logs, that all data is stored only in servers located in India, and that a comprehensive privacy policy is publicly available.

Before extending any digital loan CFL shall obtain and keep on record the borrower's age, occupation and income details, and there shall be no automatic increase in credit limit unless an explicit request is received, evaluated and kept on record.

9. Compliance & Fair Practice Code

- Loan sanction, terms, and conditions clearly communicated in writing.
- Borrower acknowledgment and understanding of all terms before disbursal.
- No coercive recovery practices.
- All charges disclosed upfront.

10. Review & Policy Revision

- This policy will be reviewed annually or as required by regulatory changes.
- Any deviation must be approved by the Board or designated committee.