CLEAR LEND
CAPITAL PRIVATE LIMITED

CIN: U64910KA2025PTC211673
RBI Certificate of Registration No. 0032/2026 dated 27 July 2026 (NBFC-ND-ICC)

FAIR PRACTICE CODE

Standards and practices in our dealings with borrowers and applicants

Document control	
Version	2
Adopted by the Board	4 November 2026
Supersedes	Version 1 (approved by the Board on 3 August 2026)
Approving authority	Board of Directors
Review frequency	At least once a year, and whenever RBI or the law changes (see clause E(xvi))

This Fair Practice Code has been approved by the Board of Directors of the Company.

This Fair Practice Code (FPC) sets out the standards and practices to be followed by Clear Lend Capital Private Limited (the "Company") in its dealings with borrowers and applicants. The FPC shall apply to lending activities undertaken directly by the Company and, where applicable, through its agents, Digital Lending Partners, Lending Service Providers (LSPs), DSAs/DMAs and other outsourced service providers. The Company shall remain responsible for compliance with applicable Reserve Bank of India (RBI) directions.

A. Loan Origination, Appraisal and Key Fact Statement (KFS)

(i) Applications for Loans and their Processing

(a) All communications to the borrower shall be in the vernacular language or a language understood by the borrower.

(b) Loan application forms shall include all necessary information that may affect the borrower's decision, enabling a meaningful comparison with the terms and conditions offered by other NBFCs and facilitating an informed decision. The form shall also indicate the documents required to be submitted along with the application.

(c) The Company shall have a system for acknowledging receipt of all loan applications. The acknowledgement shall indicate the time frame within which the loan application will be processed.

(d) Where a loan application is rejected, the Company shall communicate the material reason(s) for such rejection to the applicant, in accordance with applicable regulatory requirements.

(ii) Loan Appraisal and Terms and Conditions

(a) The Company shall convey in writing to the borrower, in the vernacular language or a language understood by the borrower, the loan amount sanctioned along with all terms and conditions, including the annualised rate of interest and the method of its application. The Company shall retain on record the borrower's acceptance of these terms and conditions. Penal charges for late repayment shall be clearly specified in bold in the loan agreement.

(b) The Company shall provide the borrower with a copy of the loan agreement, in the vernacular language or a language understood by the borrower, along with copies of all enclosures referred to in the loan agreement, at the time of sanction or disbursement.

(c) The Company shall provide a Key Fact Statement (KFS) to the borrower, in a simple and easy-to-understand language and in a standardised format, prior to execution of the loan agreement. The KFS shall include the Annual Percentage Rate (APR), the applicable Equated Periodic Instalment (EPI/EMI), and the amortisation schedule of the loan over its tenure. The Company shall explain the KFS to the borrower and obtain an acknowledgement confirming that its contents have been understood.

(d) The KFS shall also include a detailed computation of the APR and clearly disclose all charges levied by the Company.

(e) Charges recovered by the Company on behalf of third-party service providers, such as insurance or legal charges, shall be included in the APR and disclosed separately. Wherever such charges are collected, the Company shall provide the borrower with relevant receipts and supporting documents within a reasonable time.

(f) Any fees or charges not disclosed in the KFS shall not be levied on the borrower at any stage during the loan tenure without prior explicit consent of the borrower.

(g) The KFS shall be incorporated as a summary box forming part of the loan agreement.

(h) The Company shall be bound by the terms of the loan as specified in the KFS, if accepted by the borrower during its validity period.

(i) The KFS shall bear a unique proposal number and specify a validity period of:

- At least three working days for loans with a tenure of seven days or more; and
- At least one working day for loans with a tenure of less than seven days.

B. Penal Charges in Loan Accounts

(i) The Company shall ensure that any charges levied for non-compliance with material terms and conditions of the loan contract are treated as 'penal charges' and not as 'penal interest' added to the applicable rate of interest. The Company shall further ensure that such penal charges are not capitalised, i.e., no further interest shall be computed on such charges. This shall, however, not affect the normal compounding of interest in the loan account.

(ii) The Company may charge interest at the contracted rate on outstanding amounts, including unpaid interest, only in accordance with the loan agreement and applicable RBI directions, and not at any penal rate of interest.

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

(iv) The Company shall formulate a Board-approved policy on penal charges or similar charges, by whatever name called.

(v) The Company shall ensure that the quantum of penal charges is reasonable and commensurate with the non-compliance of material terms and conditions of the loan contract, and is non-discriminatory within a particular loan/product category.

(vi) The Company shall clearly disclose the quantum and reasons for penal charges in the loan agreement, the most important terms and conditions, and the Key Fact Statement (KFS). These shall also be displayed on the Company's website under "Interest Rates and Service Charges".

(vii) The Company shall ensure that penal charges are communicated to the borrower in all reminders issued for non-compliance with material terms and conditions. Additionally, any levy of penal charges, along with the reasons, shall be communicated to the borrower.

(viii) The Company shall ensure that penal charges applicable to individual borrowers for purposes other than business are not higher than those applicable to non-individual borrowers for similar non-compliance.

(ix) Material terms and conditions shall be defined in the Company's credit policy, if not already defined, and may vary across loan categories based on the Company's assessment.

(x) Default in repayment shall be treated as a form of non-compliance with the material terms of the loan contract. Any charges levied for such default shall be in the form of penal charges only, and not penal interest. Such charges shall be reasonable, applied only to the amount under default, and levied in a non-discriminatory manner. The Company shall ensure that such penal charges are not capitalised, i.e., no further interest is computed on them.

(xi) The Company shall comply with all applicable instructions and clarifications issued by the Central Board of Indirect Taxes and Customs (CBIC) regarding the applicability of GST on penal charges.

(xii) The Company may adopt a suitable structure of penal charges based on the loan amount within a product category, subject to the above stipulations. However, within a given loan/product category, the structure of penal charges shall be applied uniformly, irrespective of the constitution of the borrower.

(xiii) While no upper limit on penal charges has been prescribed, the Company shall ensure that such charges are levied with the primary objective of promoting credit discipline and are not used as a means of revenue enhancement.

C. Disbursement of Loans, Changes in Terms and Conditions, and Release of Securities

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

(ii) The Company shall ensure that any decision to recall or accelerate payment or performance under the agreement is in accordance with the terms of the loan agreement.

(iii) Where the Company holds securities, the Company shall release all securities upon repayment of all dues or realisation of the outstanding loan amount, subject to any legitimate right or lien for any other claim the Company may have against the borrower. Where such right is exercised, the borrower shall be given prior notice with full particulars of the remaining claims and the conditions under which the Company is entitled to retain the securities until such claims are settled.

(iv) Where the Company holds original movable or immovable property documents, the Company shall release all such documents and remove charges registered with any registry within 30 days of full repayment or settlement of the loan account.

(v) Where original movable or immovable property documents are held by the Company, the Company shall provide the borrower with the option to collect the immovable property documents from the Company's registered office or any other office of the Company where the documents are available, as per the borrower's preference.

(vi) The Company shall specify the timeline and place of return of original movable or immovable property documents in the loan sanction letter.

(vii) The Company shall establish a clear procedure for the return of original movable or immovable property documents to legal heirs in the event of the demise of a sole borrower or joint borrowers.

Such procedure shall be displayed on the Company's website along with other relevant policies for customer information.

(viii) In case of any delay in the release of original movable or immovable property documents or failure to file the satisfaction of charge with the relevant registry beyond 30 days of full repayment or settlement, the Company shall communicate the reasons for such delay to the borrower. Where the delay is attributable to the Company, it shall compensate the borrower at the rate of ₹5,000 per day of delay.

(ix) In case of loss or damage to original movable or immovable property documents, either in part or in full, the Company shall assist the borrower in obtaining duplicate or certified copies and shall bear the associated costs. The Company shall also pay compensation as specified in clause (viii) above, along with any additional compensation as may be applicable under law.

(x) Where the Company has extended a loan at a fixed rate of interest, the borrower may prepay the loan, in part or in full, at any time, and no minimum lock-in period applies. The Company may, in accordance with the RBI (Pre-payment Charges on Loans) Directions, 2025, levy a prepayment/foreclosure charge not exceeding 5% (five percent) of the principal amount being prepaid. The applicable prepayment charge shall be clearly disclosed in the sanction letter, loan agreement and Key Fact Statement (KFS) prior to execution of the loan agreement, and shall be applied uniformly within a given loan/product category. Such charge shall not be levied where previously waived for the borrower.

D. Floating Rate Loans, Interest Rate Reset and Prepayment Framework

The Company currently lends at a fixed rate only. The provisions of this section shall apply where the Company offers floating-rate or dual/special-rate loans to which the relevant RBI directions apply.

The Company shall put in place an appropriate policy framework meeting the following requirements:

(i) At the time of sanction, the Company shall clearly communicate to the borrower the possible impact of changes in the benchmark interest rate, including changes in EMI and/or loan tenure. Any subsequent increase in EMI or tenure shall be communicated to the borrower promptly through appropriate channels.

(ii) At the time of interest rate reset, the Company shall provide borrowers with the option to switch to a fixed rate, in accordance with its Board-approved policy. The policy shall, inter alia, specify the number of times such switching is permitted during the loan tenure.

(iii) The borrower shall be provided with the following options:

- **(a)** enhancement in EMI, or elongation of tenure, or a combination of both;
- **(b)** prepayment, either in part or in full, at any time during the loan tenure, subject to applicable RBI guidelines; and
- **(c)** switching to a fixed interest rate for the remaining tenure of the loan, in accordance with the Company's Board-approved policy.

(iv) All applicable charges for switching from floating to fixed rate, and any related service or administrative charges, shall be transparently disclosed in the sanction letter and at the time of any revision. Such charges shall be Board-approved and displayed on the Company's website.

(v) The Company shall ensure that any elongation of tenure in floating rate loans does not result in negative amortisation.

(vi) The Company shall provide or make accessible to borrowers, through appropriate channels, a quarterly statement containing, at a minimum: principal and interest recovered to date, current EMI amount, number of EMIs remaining, and annualised rate of interest / APR for the loan. The statement shall be simple and easily understandable.

(vii) This policy shall apply, mutatis mutandis, to all equated instalment-based loans of varying periodicities, irrespective of whether they are linked to an external or internal benchmark. For loans linked to an external benchmark, the Company shall maintain adequate systems to monitor transmission of benchmark rate changes to the lending rate.

(viii) The Company shall not levy prepayment charges on floating rate loans granted to individual borrowers for purposes other than business, with or without co-obligant(s).

(ix) This shall apply irrespective of the source of funds used for prepayment, whether partial or full, and without any minimum lock-in period.

(x) For dual or special rate loans (combination of fixed and floating rates), applicability shall depend on whether the loan is on a floating rate at the time of prepayment.

(xi) The Company shall not levy any charges where prepayment is effected at the instance of the Company.

(xii) The applicability or otherwise of prepayment charges shall be clearly disclosed in the sanction letter, loan agreement, and KFS. No undisclosed charges shall be levied.

(xiii) The Company shall not levy any charges retrospectively at the time of prepayment if such charges were previously waived.

E. General Conduct, Customer Protection and Governance

(i) The Company shall refrain from interference in the affairs of the borrower except as provided in the terms and conditions of the loan agreement, unless new information not previously disclosed by the borrower comes to the notice of the Company.

(ii) In case of a request from a borrower for transfer of the loan account, the Company shall convey its consent or objection, if any, within 21 days from the date of receipt of such request. Such transfer shall be in accordance with transparent contractual terms and applicable law.

(iii) In the matter of loan recovery, the Company shall not resort to undue harassment, including persistent contact at odd hours or use of coercive methods or muscle power. The Company shall ensure that its staff are adequately trained to interact with customers in a professional and respectful manner.

(iv) The contact details and e-mail ID of the Grievance Redressal Officer and details of next higher level officer for this purpose shall be displayed on the Company's website and at its registered office, and communicated to agents interacting with borrowers, to enable customers to raise complaints or grievances.

(v) The Board of the Company shall lay down appropriate internal principles and procedures for determining interest rates and processing and other charges, in line with the transparency guidelines set out in this Fair Practices Code.

(vi) Regulation of Interest Rates

(a) The Board shall approve and implement principles and procedures for determining interest rates, processing charges and other charges.

(b) The Board shall adopt an interest rate model taking into account factors such as cost of funds, margin, and risk premium. The rate of interest, along with the approach for risk-based gradation and the rationale for differential pricing, shall be disclosed in the application form and communicated in the sanction letter.

(c) The rates of interest and the approach for risk gradation shall be made available on the Company's website or published in relevant newspapers and shall be updated as and when changes occur.

(d) The rate of interest shall be expressed as an annualised rate to ensure transparency to the borrower.

(e) The Company shall ensure that interest is charged in accordance with the contracted terms and applicable RBI directions and shall avoid unfair practices in the computation or recovery of interest, including charging interest for periods or amounts not appropriately attributable to the borrower.

(vii) The Company shall display the following prominently at its registered office and place of business:

- **(a)** Contact details (Telephone/Mobile Numbers and e-mail ID) of the Grievance Redressal Officer, who can be approached by the public for resolution of complaints against the Company; and
- **(b)** a statement informing the borrower that if the complaint/dispute is not redressed within a period of one month, or the borrower is otherwise dissatisfied with the resolution, the borrower may lodge a complaint with the Reserve Bank of India through its Complaint Management System (https://cms.rbi.org.in) under the Reserve Bank – Integrated Ombudsman Scheme, 2026 (RB-IOS, 2026).

(viii) Where the Company provides loans secured by vehicles, the Company shall include a legally enforceable repossession clause in the loan agreement. The agreement shall clearly specify:

- **(a)** notice period before repossession;
- **(b)** circumstances under which notice may be waived;

(c) procedure for repossession of the asset;

(d) opportunity for the borrower to repay before sale/auction;

(e) procedure for return of repossessed asset; and

(f) procedure for sale or auction of the asset.

(ix) Loan facilities to persons with disabilities

The Company shall not discriminate against applicants with disabilities in extending loan or other facilities. The Company shall render all possible assistance to such persons for availing its various offerings. The Company shall include appropriate training modules for employees regarding the rights of persons with disabilities. Grievances of such persons shall be addressed under the existing grievance redressal mechanism.

(x) The Company has no branches. If it closes a branch or office in future, it shall provide at least three months' public notice prior to closure of any branch or office, in one leading national newspaper and one leading local vernacular newspaper, indicating the reasons and alternative arrangements for servicing borrowers.

(xi) The Company shall also put up the Fair Practice Code, including in vernacular language on its website for the information of stakeholders.

(xii) The Company shall implement guidelines prescribed by Reserve Bank of India for engagement and code of conduct of recovery agents/DSAs/DMAs.

(xiii) Where loans are sourced, processed or serviced through digital lending platforms, Lending Service Providers (LSPs), DSAs/DMAs or other agents, the Company shall ensure compliance with applicable RBI directions on digital lending, including that:

(a) the identity of the Company as the lender is clearly disclosed to the borrower;

(b) applicable LSP/DLA arrangements, and the activities for which such service providers are engaged, are appropriately disclosed;

(c) fees payable to LSPs are paid by the Company and are not directly collected from the borrower, except where specifically permitted;

(d) applicable KFS, disclosure, cooling-off/look-up period, digitally signed document, grievance redressal and data requirements are complied with; and

(e) disbursement/repayment is routed in accordance with applicable RBI requirements.

(xiv) The Company shall maintain confidentiality of borrower information and ensure that customer data is collected, accessed, used, stored and shared only for lawful and legitimate purposes, with appropriate borrower consent wherever required, and in accordance with applicable RBI directions and applicable data protection requirements.

(xv) The Company shall report borrower credit information, including repayment conduct, to Credit Information Companies (CICs) of which it is a member, in accordance with the Credit Information Companies (Regulation) Act, 2005 and applicable RBI directions. The Company shall ensure that data furnished to CICs is accurate, and shall have in place a mechanism for borrowers to seek rectification of any errors in their credit information, which shall be addressed within the timelines prescribed by RBI.

(xvi) The Board shall provide for periodical review, at least annually, of the compliance of the Fair Practice Code and the functioning of the grievance redressal mechanism at various levels of management. A consolidated report of such reviews shall be submitted to the Board at regular intervals.

(xvii) Where a loan is secured by a personal or corporate guarantee, the Company shall obtain the guarantor's informed, written consent prior to accepting the guarantee, and shall clearly communicate to the guarantor the nature and extent of the liability being undertaken. The guarantor

shall be kept informed of any material change in the terms of the loan that affects the guarantor's liability, and shall, on request, be provided with information regarding the borrower's repayment status and any default. In the matter of recovery, the Company's obligations under clause (iii) above shall apply equally to guarantors, and the Company shall not resort to undue harassment of a guarantor, including at their residence or through third parties. Nothing in this clause shall be construed as diluting the guarantor's liability under the terms of the guarantee or under applicable law.