
FAIR PRACTICE CODE

GLOSEC FINANCE PRIVATE LIMITED

(Base Layer NBFC)

Policy Statement

1.1 The Reserve Bank of India vide the Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025 dated November 28, 2025 has mandated that all Non-Banking Financial Companies (NBFCs) shall adopt and adhere to a Board-approved Fair Practices Code (FPC).

1.2 This Fair Practices Code has been adopted by Glosec Finance Private Limited (“the Company”) with the objective of ensuring fair, transparent and responsible business practices while dealing with customers and borrowers.

1.3 The Code shall apply to all lending and financing activities undertaken by Glosec Finance Private Limited including loans, advances, hire purchase, and any other credit facilities provided by the Company.

1.4 The Company shall make this Code available on its website and at all its offices for the information of customers.

Objectives of the Code

The key objectives of this Code are:

2.1 To promote ***fair, ethical, and responsible practices*** in the conduct of the Company's lending and financing activities, including loans, advances, hire purchase financing, and other credit facilities undertaken in accordance with the objects of the Company.

2.2 To ensure ***transparency, integrity, and accountability*** in all interactions and dealings with customers, borrowers, and other stakeholders while offering financial products and services.

2.3 To ***strengthen customer confidence and trust in the operations of the Company*** as a Non-Banking Financial Company (NBFC) operating under the regulatory framework prescribed by the Reserve Bank of India.

2.4 To provide customers with ***clear, accurate, and adequate information*** regarding loan products, interest rates, fees, charges, repayment obligations, and other terms and conditions, enabling them to make informed financial decisions.

2.5 To ensure that the Company's lending practices are ***consistent with the principles of responsible business conduct***, including fair customer treatment, non-discriminatory practices, and appropriate assessment of borrower repayment capacity.

2.6 To establish and maintain an *effective, transparent, and accessible grievance redressal mechanism* for prompt resolution of customer complaints and concerns.

2.7 To ensure that all employees, officers, and authorized representatives of the Company adhere to fair conduct standards in marketing, loan processing, recovery practices, and customer service.

2.8 To align the Company's customer dealings and lending operations with the regulatory expectations and principles prescribed under the Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025.

Applications for Loans and their Processing

3.1 Loan Application

3.1.1 All communications with the borrower shall be in English or in a language understood by the borrower, including the local language where applicable.

3.1.2 The Company shall provide loan application forms that clearly specify the information and documents required from the borrower for processing the loan application.

3.1.3 The loan application form shall include all relevant details necessary to enable the borrower to understand the key aspects of the proposed loan facility.

3.1.4 The application form shall, at a minimum, contain the following information:

a. Details of the information required from the borrower for processing the loan application.

b. The list of documents required to be submitted by the borrower.

c. Particulars relating to the loan product, where applicable, including key terms and conditions affecting the borrower's interest.

d. Information regarding applicable fees or charges payable by the borrower, if any.

3.1.5 The Company shall ensure that the information requested from the borrower is relevant and necessary for the assessment of the loan application, in line with responsible lending practices prescribed for Non-Banking Financial Companies.

3.2 Acknowledgement of Loan Applications

3.2.1 The Company shall provide acknowledgement of receipt of loan applications, either in physical or electronic form.

3.2.2 The acknowledgement shall indicate the expected time frame within which the loan application will be processed and disposed of.

3.2.3 The Company shall process loan applications within a reasonable time frame, subject to receipt of all required information and documentation from the borrower.

3.2.4 Any delay in processing the loan application, if material, shall be communicated to the borrower appropriately.

Loan Appraisal and Terms and Conditions

4.1 Credit Appraisal and Assessment

4.1.1 The Company shall undertake appropriate due diligence and credit appraisal of all loan applications before sanctioning any loan facility.

4.1.2 The appraisal process shall include an assessment of the borrower's creditworthiness, repayment capacity, financial position, and risk profile, based on the information and documents submitted by the borrower.

4.1.3 The Company shall ensure that loans are sanctioned only after reasonable evaluation of the borrower's ability to repay, in accordance with responsible lending practices.

4.1.4 The Company may obtain and verify information from credit information companies or other legitimate sources, wherever necessary, in compliance with applicable regulatory requirements.

4.2 Communication of Loan Sanction

4.2.1 Upon approval of the loan, the Company shall convey the sanction of the loan to the borrower in writing, through a sanction letter or any other appropriate written communication.

4.2.2 The sanction letter shall clearly specify the terms and conditions governing the loan facility, including but not limited to the following:

- a. Amount of loan sanctioned.
- b. Applicable rate of interest and the method of application.
- c. Processing fees and other applicable charges, if any.
- d. Repayment schedule, including instalment amount and tenure of the loan.
- e. Details of security or collateral required, if applicable.
- f. Penal charges applicable in case of delay or default in repayment.
- g. Other material terms and conditions governing the loan facility.

4.2.3 The Company shall ensure that the borrower is adequately informed of the key terms and conditions of the loan prior to disbursement.

4.2.4 The borrower shall provide written or recorded acceptance of the terms and conditions of the loan before the loan amount is disbursed.

4.2.5 A copy of the loan agreement along with all relevant enclosures, if applicable, shall be provided to the borrower at the time of sanction or execution of the loan agreement.

Disbursement of Loans and Changes in Terms and Conditions

5.1 Disbursement of Loans

5.1.1 The Company shall ensure that the disbursement of loans is made strictly in accordance with the terms and conditions specified in the sanction letter and loan agreement.

5.1.2 Disbursement shall be made only after the borrower has accepted the terms and conditions of the loan and complied with all necessary documentation and security requirements, if applicable.

5.1.3 The Company shall ensure that the borrower is adequately informed about the disbursement process, repayment obligations, and other material conditions associated with the loan facility.

5.2 Changes in Terms and Conditions

5.2.1 The Company shall give notice to the borrower regarding any change in the terms and conditions of the loan, including but not limited to changes relating to:

- a. Rate of interest
- b. Service charges or other applicable fees
- c. Repayment schedule
- d. Any other material terms affecting the borrower

5.2.2 Such changes shall be communicated to the borrower in writing or through any other appropriate mode of communication, such as email or other electronic means.

5.2.3 Any changes in the interest rate, fees, or charges shall be implemented prospectively, unless otherwise specifically agreed under the terms of the loan agreement.

5.2.4 The Company shall ensure that borrowers are provided adequate notice and clarity regarding the revised terms, enabling them to understand the implications of such changes

Interest Rate Policy and Transparency

6.1 Interest Rate Model

6.1.1 The Company shall adopt an interest rate model approved by its Board of Directors for determining the rate of interest to be charged on loans and advances.

6.1.2 The rate of interest shall be determined based on various factors including, but not limited to:

- a. Cost of funds of the Company
- b. Borrower's credit profile and risk perception
- c. Nature and tenure of the loan
- d. Market conditions and competitive environment
- e. Operating costs and reasonable margin

6.1.3 The Company shall ensure that the interest rate structure and the approach for determining interest rates are fair, transparent, and non-discriminatory.

6.2 Disclosure of Interest Rates

6.2.1 The Company shall disclose the annualised rate of interest to the borrower in the loan sanction letter and loan agreement.

6.2.2 The Company shall make available its Interest Rate Policy on its website, if any, and provide relevant information to borrowers upon request.

6.2.3 The Company shall ensure that all applicable fees, charges, and interest components are clearly communicated to the borrower before the execution of the loan agreement.

Penal Charges

7.1 Transparency in Penal Charges

7.1.1 The Company may levy penal charges in case of delay or default in repayment of loans, in accordance with the terms of the loan agreement.

7.1.2 Penal charges shall be reasonable, transparent, and commensurate with the default or delay committed by the borrower.

7.1.3 The Company shall ensure that penal charges are clearly disclosed in the loan agreement, sanction letter, and other relevant loan documents.

7.2 Non-Capitalisation of Penal Charges

7.2.1 Penal charges shall not be capitalised, meaning that such charges shall not be added to the outstanding principal amount for the purpose of charging further interest.

7.2.2 The Company shall ensure that borrowers are adequately informed about the penal charges applicable for delayed payment or non-compliance with loan terms.

Recovery of Loans and Repossession of Security

8.1 Fair Recovery Practices

8.1.1 The Company shall ensure that its loan recovery practices are fair, transparent, and conducted in a lawful and ethical manner.

8.1.2 The Company shall not resort to undue harassment, intimidation, or coercion of borrowers for recovery of dues.

8.1.3 Recovery activities shall be conducted only during reasonable hours and in a professional manner, ensuring respect for the dignity and privacy of the borrower.

8.2 Engagement of Recovery Agents

8.2.1 Where recovery agents are engaged by the Company, they shall be properly trained and authorized to carry out recovery activities.

8.2.2 The Company shall ensure that recovery agents identify themselves and present valid authorization documents while contacting borrowers.

8.2.3 The Company shall remain responsible for the actions of its recovery agents, and shall ensure compliance with applicable regulatory guidelines.

8.3 Repossession of Security

8.3.1 In cases where the loan is secured, repossession of the underlying asset or collateral shall be carried out in accordance with the terms and conditions of the loan agreement.

8.3.2 The loan agreement shall contain clear provisions regarding repossession of security, including:

- Circumstances under which repossession may take place
- Notice period prior to repossession
- Procedure for taking possession of the asset
- Method of valuation and sale of the repossessed asset

8.3.3 The Company shall ensure that repossession procedures are fair, transparent, and compliant with applicable laws and regulations.

Confidentiality of Customer Information

9.1 Protection of Customer Data

9.1.1 The Company shall treat all personal and financial information of customers as confidential.

9.1.2 The Company shall maintain appropriate data protection and confidentiality safeguards to prevent unauthorized access, disclosure, or misuse of customer information.

9.2 Disclosure of Information

9.2.1 The Company shall not disclose customer information to any third party except in the following circumstances:

- a. Where disclosure is required by law, regulation, or statutory authorities.
- b. Where the customer has provided explicit consent for such disclosure.

c. Where disclosure is required for credit information reporting or regulatory compliance.

d. Where disclosure is necessary for legitimate business purposes, including outsourcing arrangements, subject to confidentiality obligations.

Grievance Redressal Mechanism

10.1 Internal Grievance Redressal

10.1.1 The Company shall establish an effective grievance redressal mechanism to address customer complaints and concerns in a timely manner.

10.1.2 The Company shall designate a Grievance Redressal Officer responsible for handling customer complaints.

10.1.3 The contact details of the Grievance Redressal Officer shall be displayed prominently at the Company's offices and on its website.

10.2 Complaint Handling

10.2.1 Customers may submit complaints through written communication, email, or any other designated channel.

10.2.2 The Company shall acknowledge receipt of complaints and endeavour to resolve the same within a reasonable time frame.

10.3 Escalation to RBI

10.3.1 If a complaint is not resolved within 30 days, the customer may approach the Reserve Bank of India through the Complaint Management System (CMS) or the appropriate office of the Reserve Bank of India.

10.3.2 The details of the Reserve Bank of India's grievance redressal mechanism shall be made available to customers

Release of Securities and Closure of Loan Accounts

11.1 Release of Securities

11.1.1 Upon repayment of all outstanding dues by the borrower, the Company shall release all securities or collateral held against the loan within a reasonable period, subject to any legitimate lien or claim.

11.1.2 In cases where the Company has any right of set-off or lien for any other claim against the borrower, the borrower shall be informed of the same along with full details of the outstanding claim before the release of the securities.

11.2 Return of Documents

11.2.1 The Company shall ensure that original documents and securities submitted by the borrower are returned promptly upon closure of the loan account, subject to completion of necessary formalities.

11.2.2 The Company shall maintain proper records of receipt and return of such documents to ensure transparency and accountability.

11.3 Closure of Loan Accounts

11.3.1 The Company shall provide the borrower with a No Due Certificate or closure confirmation, wherever applicable, after repayment of all dues and completion of the loan tenure.

11.3.2 The Company shall ensure that the loan account closure process is completed in a timely and efficient manner.

Board Approval, Review and Disclosure of the Fair Practices Code

12.1 Board Approval

12.1.1 This Fair Practices Code shall be approved by the Board of Directors of the Company.

12.1.2 The Code shall guide the Company's lending practices and customer dealings, ensuring compliance with applicable regulatory requirements.

12.2 Periodic Review

12.2.1 The Fair Practices Code shall be reviewed **periodically** or whenever there are changes in regulatory guidelines issued by the Reserve Bank of India.

12.2.2 Any amendments to the Code shall be approved by the Board of Directors.

12.3 Publication and Display

12.3.1 The Company shall publish the Fair Practices Code on its website, if available.

12.3.2 A copy of the Code shall be displayed at the registered office and other business locations of the Company for the information of customers.

12.3.3 The Code shall be made available to customers upon request.